

**PHILANTHROPY IN
BERKS COUNTY
1997**

BY

**JAMES A. KURRE, PH.D.
ECONOMIC RESEARCH INSTITUTE OF ERIE
PENN STATE ERIE**

JANUARY 1999

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(610) 685-2223**

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A SURVEY OF NON-RELIGIOUS
CHARITABLE INSTITUTIONS

by

James A. Kurre, Ph.D.

ECONOMIC RESEARCH INSTITUTE OF ERIE
School of Business
Penn State Erie, the Behrend College
Erie, PA 16563-1400
(814) 898-6266
k12@psu.edu

January 1999

Sponsored by:
Berks County Community Foundation
P.O. Box 212
Reading, PA 19603-0212
(610) 685-2223

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Because of these people, I've enjoyed this project. And, although I might like to share responsibility with them for the following report, any errors or omissions remain mine alone.

–J.A.K.

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EXECUTIVE SUMMARY

This report presents the results of a survey of 236 Berks County non-religious charitable organizations in the Fall of 1998. We asked them about their sources and uses of revenues, especially donations, and their endowments in 1997. We received 120 usable responses for a response rate of 51.7%, which is a high rate for surveys of this type.

Key results:

- > Respondents reported receiving \$36.1 million of donations for use in Berks County operations.
- > Attempting to make estimates for those that did not participate in the survey and for religious organizations, we estimate that this represents a total of \$112.2 million that was given, in total, to all Berks County charities in 1997.
- > \$4.3 million, or 12% of the reported donations came from outside Berks County.
- > There are a small number of large charities that accounted for the lion's share of donations. The top five organizations had over half of all donations, and the top 15 had 77%.
- > Individuals gave 45% of all donations, followed by business with 14% and other charities with 13%. Nationally, individuals accounted for 51% of donations, and businesses 10%.
- > Berks County's patterns of giving are very similar to those found for Erie County, PA in a recent study.
- > Over a third of all donations reported were used for Human Services, the biggest single use of donations. This was followed by Education with 22%, Public and Society Benefit organizations with 17%, and Health Care agencies with 15%. Arts, Culture and Humanities organizations received only 6% of all donations.
- > After realigning the categories to make them comparable with a national study, we find that Berks County donates significantly more through umbrella agencies that fall into the Public and Society category than is done at the national level. Similarly, more is devoted locally to Human Services than nationally. All other categories show smaller shares of donations than they receive nationally.
- > Public and Society Benefit organizations locally tend to be quite a bit larger than the average charity, and Arts, Culture and Humanities organizations tend to be smaller.
- > The full report details the "Sources by Uses" of donations – the share of each type of donor's funds that went to each type of organization, and the share of each type of organization's funds that came from each type of donor. This presents useful information for local charities to use as a point of comparison for their own operations.
- > Respondents reported receiving \$454 million of all types of revenues, not just donations, for their Berks County operations.
- > Donations accounted for only 8% of total revenues.
- > At the national level, donations by individuals account for the overwhelming portion of all donations. They are also growing faster than any other category of donations, and are more stable over the years.
- > 36 Berks County charities report holding a total of \$84.7 million for Berks County operations. These funds are concentrated in a very few large endowments, and are especially focused on educational uses.
- > The study has extensive discussions of how these data can be used by individual donors, charitable organizations, and the community at large.

PHILANTHROPY IN BERKS COUNTY 1997

I. INTRODUCTION

“Show me the money!” Or rather: “give me the money!” Berks County residents hear it constantly from dinner-time phone calls, payroll pledge campaigns, streetcorner bell-ringers, mail solicitations, raffles, capital campaigns, alumni mailings, auctions, public service announcements, billboards, and kids at the door from the local school. All ask for money for apparently worthy causes. Are they overdoing it? Just how much is raised by local charities, anyway?

Although this is a rather simple question, there has been no serious attempt to answer it until now.

It is also an important question in light of downsizing of governments at all levels, and the attempt to move some activities from the public sector to the private sector. As governments try to reduce budgets by pruning programs and entitlement lists, more people may be expected to show up on the doorsteps of private charities. And although the economy has been in a long-running expansion, the inevitable downturn will undoubtedly swell the ranks of those who need help.

Preparing to deal with these challenges involves serious planning, and perhaps planning at a broader scale than any one local organization can handle by itself. No one charitable agency covers the whole gamut of activities in this diverse sector, and each sees only part of the picture. A look at the broader perspective can help community leaders see gaps in the safety net that might not be observed by looking only at the activities of individual agencies. And efforts to deal with the coming changes must be built on a solid knowledge of the current structure of the local charitable sector. Knowing where we are is the necessary first step in getting where we'd like to go.

An understanding of the size and scope of the whole philanthropic sector locally can also help individual organizations better see their own place in the pattern. And as local agencies attempt to gauge and increase their efficiency in this increasingly competitive world, they need some benchmarks for comparison. This study will attempt to help with all those goals.

II. BACKGROUND OF THE STUDY

Early in 1998, Berks County Community Foundation decided to undertake a study of philanthropic giving in the local area. The key goals of the study would be to:

- 1) provide an estimate of total philanthropic giving in Berks County for 1997;
- 2) identify sources and uses of the donations; and
- 3) provide some benchmarks against which to compare local results.

By the summer of 1998, the Foundation had reached an agreement with the Economic Research Institute of Erie, a unit of the School of Business of Penn State University in Erie, to conduct the study. By August the wheels were rolling, and data collection began in September. Preliminary results were presented at the Foundation's First Annual Report to the Community at Lincoln Plaza, in early December, and this report presents the final results.

There have been relatively few studies of philanthropy for local areas anywhere in the country. Berks County is on the leading edge of this wave. The few studies that have been done are quite recent, and include Detroit (1995), Orange County California (1996), Erie (1997), Milwaukee (1997) and Kansas City (1998). The field is young enough that there is as yet no universally accepted approach to conducting such studies. Those mentioned above use a variety of techniques and thus are not very comparable to each other. The fact that there is no single agreed-upon technique is something of a two-edged sword; it allows us greater latitude in selecting our technique for this study, but it also means that we have relatively little guidance as to procedure, and have to create some methodology as we go.

The approach chosen was to survey a wide variety of charitable organizations in Berks County; to ask them directly about their operations and the funds that they received. To that end, Berks County Community Foundation identified a set of 235 local organizations to receive the survey. We designed a simple two-page survey with 10 key questions which was sent to all 235 organizations on September 3, 1998. (A copy of the survey is reproduced in Appendix A of this report.) We sent a second survey with a reminder letter to non-responders on October 2. This was followed up by phone calls to selected organizations soliciting their responses, and at this point we added one large charitable organization that had been overlooked, for a total of 236.

In order to make the study more manageable, we elected to focus on the non-religious organizations in Berks County. This is not meant to imply that religious giving is unimportant. On the contrary, we're aware that giving to religions accounted for 47% of all donations at the national level in 1997.¹ However, it is not unusual for local area studies to focus on non-religious charities; the Detroit, Erie and Milwaukee studies all follow this approach. Some of the charities participating in the Berks study have a religious component, but none are sacramental congregations focusing on worship.

We received a total of 126 responses out of the 236 on the list, for a response rate of 53.4%. However, four of these informed us that they were not active in 1997 and two others declined to participate. This left us with 120 usable responses out of 232 potential contacts (subtracting the four inactive organizations), for a response rate of 51.7%. This is a very high response rate

¹ Kaplan, *Giving USA 1998*, p. 23. A key goal of this study is to compare the findings from Berks County with some benchmarks. In most cases, this report will use national data for such comparisons, and the most widely used source for national data comes from the American Association of Fund-Raising Counsel (AAFRC) Trust for Philanthropy. They annually publish a volume with national data; the most recent edition is titled *Giving USA 1998*, and includes data for 1997.

compared to the typical mail survey. For example, the Detroit study had a 34% response rate, and Orange County CA had an 8% response. The Erie study achieved a response rate of over 70%, but this was clearly very unusual. For another comparison, consider the Conference Board which annually surveys thousands of the largest corporations nationwide about their philanthropic giving. The Conference Board in 1996 achieved an 8.3% response rate.²

The great majority of these charities serve the Berks County area only. 108 of the 120 told us that they had operations only in Berks County, although they may serve clients who visit them from outside the area (such as the local colleges who educate students from around the country and the world.) This study is intended to focus on Berks County operations, however, so we will adjust the dollar amounts reported by the 12 charities who also have facilities outside Berks, to remove amounts that may be ascribed to those non-Berks operations.

Most of the charities in this study fall under section 501(c)(3) of the federal tax code. The tax code makes provision for over two dozen different types of tax-exempt organizations, but the 501(c)(3) agencies are the ones most frequently associated with the term “charities.” These include religious, charitable and educational institutions, and include most of the large, more formal philanthropic organizations in an area.³ The 501(c)(3) agencies are not only tax-exempt (they don’t pay taxes), but they are also eligible to receive tax-deductible donations.

III. RESULTS

Before presenting the results of our survey, we should mention a couple of important items.

First, we promised confidentiality to our survey respondents, so this report will *not* present results for any individual organizations. Only the analysts at the Economic Research Institute of Erie have seen the individual data; even the sponsor has not.

Second, as you read this report, remember that this survey presents a one-year snapshot of the Berks County charitable sector. As such, it may include unusual situations experienced by local organizations during the year, either positive or negative. If an organization happened to run a fund-raising campaign this year or receive a major gift, but does not normally, the results will include that unusual income. Similarly, if a charity happened to devote more of its operations than usual to one particular type of activity, the numbers will reflect that, too. A more accurate understanding of the local philanthropic sector would come from looking at trends over several years. While this may be possible in the future, we do not have that luxury today.

² Tillman (1998), p. 45.

³ Technically, section 501(c)(3) includes: “Religious, educational, charitable, scientific, or literary organizations; testing for public safety organizations. Also, organizations preventing cruelty to children or animals, or fostering national or international amateur sports competition.” Not included are such groups as labor unions, business leagues or chambers of commerce, social clubs, fraternal associations, credit unions or mutual insurance companies, which all have their own tax code sections.

A. DONATIONS

A key goal of this study is to estimate the amount of philanthropic giving in Berks County in 1997⁴, so this report will focus on donations. A total of 111 of our 120 Berks County charitable organizations reported receiving donations totaling \$37,219,309 for 1997. But this includes operations of the 12 Berks County agencies that had facilities outside the area. If we adjust for those, the total for Berks County operations alone becomes \$36,051,675 in 1997. (Another \$244,615 was irrevocably committed to four agencies in 1997, but since these funds are not yet available for use by the agencies, we will not include them in our totals here.)

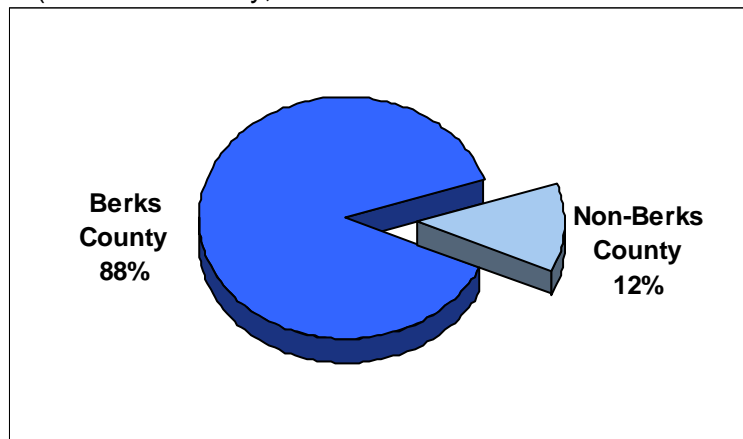
**Total Donations
Reported:
\$36.1 million**

To give some perspective to that \$36 million number, it is more than all the income earned in 1996 by all the insurance agents and brokers in Berks County.⁵ Or it is equivalent to the total income earned by 1,428 average Berks County residents in 1996. It is as if over 1,400 people had worked full time and donated all of their income to charitable causes. The \$36 million is more than the Berks County government budgeted in 1998 for either Children and Youth Services or Mental Health/Mental Retardation, two of the largest items in its budget.⁶ Or, more fancifully, it represents two stacks of \$20 bills taller than the Berks County Courthouse, or a line of crisp one-dollar bills stretching end-to-end from Boston past Los Angeles over 470 miles into the Pacific Ocean.

B. GEOGRAPHIC LOCATION OF DONORS

The overwhelming majority of the donations (\$31.8 million, or 88.2%) came from donors residing in Berks County. Charity really does begin at home! But 35 charities reported receiving donations from outside the county, totaling \$4.3 million. This amounts to a little less than 12% of the total, or one dollar out of eight. (In the Erie study, about 16.5% of the funds came from outside the county.)

Figure 1
Geographic Location
of Donors



⁴ The charities were free to report data for whatever "1997" period they use for accounting. About half of the organizations use the calendar year, and the other half use a fiscal year starting with some month other than January, with the most frequent of these being July 1996 through June 1997.

⁵ Berks County insurance agents and brokers earned \$35.4 million in 1996. Per capita income of Berks County residents generally was \$25,248 in 1996, the most recent year for which these data are available. Source: the Regional Economic Information System of the U.S. Bureau of Economic Analysis, on the web through the University of Virginia at: <http://fisher.lib.virginia.edu/reis>.

⁶ Children and youth services: \$27.6 million; mental health/mental retardation: \$27.3 million. Source: "County of Berks 1998 Budget" prepared by the Budget Office, Kerry L. Heckman, Director.

C. SIZE DISTRIBUTION OF LOCAL CHARITIES

Our survey group included charitable institutions of various sizes, as can be seen from Table 1's breakdown of agencies by amount of donations reported. Eight organizations reported receiving more than a million dollars in donations in 1997, some substantially more than a million.

It is clear that the biggest charities play a major role in the philanthropy sector in Berks County. The top five institutions, alone, accounted for over half of all donations reported. The top fifteen (about 13% of the responding charities) accounted for nearly 77% of the total donations, and we capture over 90% of all donations if we look at the top 31 organizations.

Table 1
Distribution of Total Donations
Across Survey Respondents

Donations Reported	Number of Respondents	Percent of Respondents	Total Donations	Percent of Donations
\$1 million or more	8	6.7%	\$22,988,824	63.8%
\$500,000 to \$999,999	7	5.8	4,720,058	13.1
\$100,000 to \$499,999	28	23.3	6,460,919	17.9
\$50,000 to \$99,999	14	11.7	1,063,498	2.9
\$10,000 to \$49,999	25	20.8	711,004	2.0
\$1,000 to \$9,999	25	20.8	105,047	0.3
\$1 to \$999	4	3.3	2,325	0.0
Zero	9	7.5	0	0.0
Total	120	100.0%	\$36,051,675	100.0%

D. TYPES OF DONORS

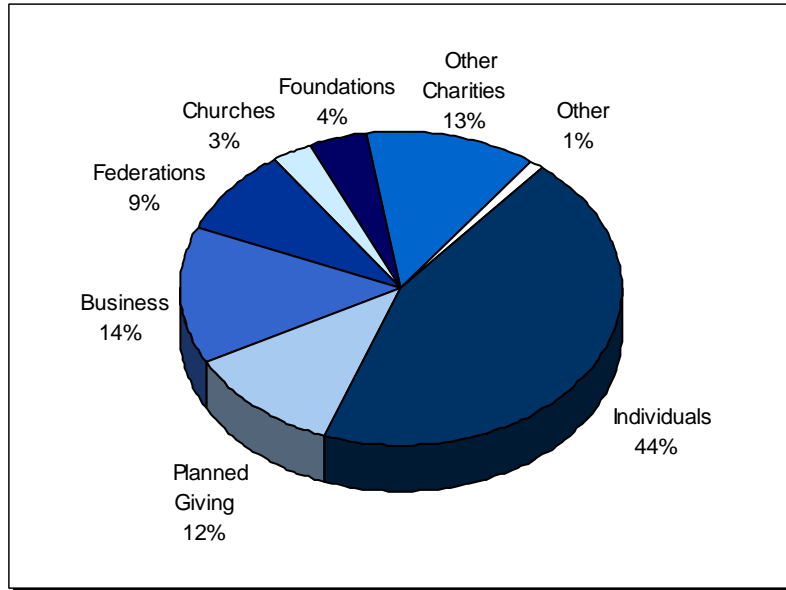
Who were these donors? Table 2 and Figure 2 present information for the 111 charities that told us about their types of donors. Individuals donated about 45 cents of every dollar given to Berks charities, accounting for over \$15 million of donations. Ten charities received *all* of their donations from individuals only. Business giving was the next largest category, with 14% of donated funds or \$4.8 million. The next largest category was inter-charity giving; that is, gifts from one charitable agency to another—excluding the federated giving programs such as United Way. “Planned giving” refers to bequests established in wills, remainder trusts and life insurance, and received by charities upon the death of the donors.

Table 2
Sources of Donated Funds

Source (Type of Donor)	Amount of Donations	Percent	# Having This Source	# Having ONLY This Source
Individuals	\$15,127,340	44.5%	96	10
Business	4,820,207	14.2	73	4
Other charities	4,257,235	12.5	42	0
Planned giving	3,970,124	11.7	20	1
Federations	3,041,438	8.9	32	1
Foundations	1,406,798	4.1	52	1
Churches	1,043,045	3.1	23	0
Other	359,488	1.1	16	0
Total	\$34,025,674	100.0%	111 *	

*Entries do not sum to total, since respondents could report more than one source.

Figure 2
Sources of
Berks County
Donations



Some readers may find the portion given by individuals to be surprisingly high compared to some of the other categories. To determine if donation patterns in Berks County are unusual, we need to have some benchmark against which to compare them. Data on donations at the national level are compiled and published by the American Association of Fund-Raising Counsel in their annual *Giving USA* series. The latest of these, *Giving USA 1998*, presents data for 1997, and will be used for comparisons in this report.

The data presented in *Giving USA* are not directly comparable with those in our study, however, since they include giving to religions and the Berks County study does not. The AAFRC study only uses four categories of donors (Individuals, Corporations, Foundations and Bequests) as compared with our more detailed eight categories. However, it is possible to make the AAFRC's results more comparable by estimating the amount of giving by each type of donor to religious charities, and subtracting that amount from the totals.⁷ It is also possible to estimate the amount of inter-charity giving, or "cross fertilization" in AAFRC's terms, and add that to their data. These adjustments yield the data in Table 3 and Figure 3 (on the next page.)

These data show that Berks charities relied less heavily on individuals and foundations for their donations than did charities at the national level. Whereas individuals provided over 51% of all (non-religious) donations at the national level in 1997, they provided only about 45% in Berks County. Similarly, Berks charities relied less heavily on foundations for funding, receiving only about 4% of their donations from this source, as opposed to 14% nationally.

⁷ This adjustment was made to AAFRC's data in the following way. The amount of contributions received by religious organizations (\$74.97 B) was split into two parts: 2% (\$1.5B) from foundations and 98% (\$73.47B) from individuals, using statistics provided to the author by Ann Kaplan, editor of *Giving USA*. The portion from individuals was further split into amounts from individuals directly and through bequests, using the same proportions these sources have in total national giving, where giving by individuals directly amounts to 8.65 times the amount of bequests. These amounts were subtracted from AAFRC's "Sources of Donations" data to yield the U.S. data presented in this report. The Berks categories "federations", "churches", "other charities" and "other" were aggregated into the "other charities" category for this table.

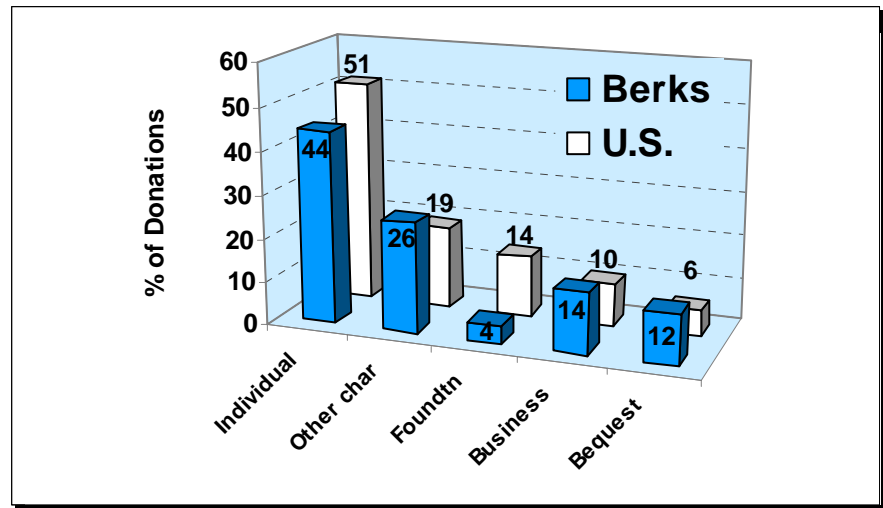
Table 3
Sources of Donations: Berks County and U.S.

Source (Type of Donor)	Berks County ⁸		United States	
	\$	%	\$ billion	%
Individuals	\$15,115,076	44.5%	\$43.40	51.4%
Other charities	8,670,063	25.5	15.96	18.9
Businesses	4,819,757	14.2	8.20	9.7
Bequests	3,970,124	11.7	5.02	5.9
Foundations	1,406,198	4.1	11.87	14.1
Total	\$33,981,218	100.0%	\$84.45	100.0%

On the other hand, Berks charities relied more heavily on the corporate sector for donations than average; they received over 14% of their donations from businesses as compared with just less than 10% nationally. Similarly, bequests and other charities accounted for significantly larger portions of Berks donations than at the national level.

Simple variations between local and national patterns are not necessarily good or bad; they're just different. These data become useful when local charities start asking why the patterns are

Figure 3
Sources of Donations:
Berks County and U.S.



different, and what the implications may be for their operations. It may be the case that local businesses are more generous than typical nationwide, while individuals locally are less so. Or, the data may simply reflect the asking patterns of local charities. If local agencies have developed a habit of asking businesses first and most often for money, and have tended to focus less on campaigns to raise funds from individuals, this would explain the data above.

Whatever the reason, these numbers may indicate opportunities for increased fund-raising for local charities. For example, local agencies might note that charities nationwide are raising about 14% of their funds from foundations, on average. Since local charities are only raising about 4% from this source, there may be an opportunity for expanded revenues here. The same is true for donations from individuals.

⁸ The Berks County data in this table are slightly different from those in the previous table because religious uses of funds have been removed, to make them more comparable with the national data. (Although no religious congregations were part of our survey, several of our participating organizations used part of their funds for religious purposes. This amounted to about \$307,000.)

On the other side, Berks charities have raised more than the national average from business and bequests. It may be useful to ask why and how local agencies have been more successful in these categories, and see if successes there can be adapted to the other categories, as well.

E. HOW DOES BERKS COUNTY COMPARE WITH ERIE COUNTY?

While comparisons of Berks County with national patterns are useful, it might be interesting to compare Berks with another Pennsylvania community. The Economic Research Institute of Erie has also conducted a philanthropy study for Erie County, in the northwestern corner of the state.⁹ The Erie study used a survey similar to the one used in the Berks study, but the Erie study was based on 1995 data rather than 1997. Although Erie County is the Pennsylvania county farthest from Berks geographically, the two have quite a bit in common. Both have economies that are concentrated heavily in the manufacturing industries, as shown in Table 4. They are roughly the same size in terms of population, although Berks is about 25% more populous and has been growing at a faster rate than Erie in this decade. Berks County is also richer, with a per capita income 18% higher than Erie's. Table 4 also presents background data for the nation and the whole state, for comparison.

Table 4
Background Data for Berks and Erie Counties

	Berks County	Erie County	Pennsylvania	U.S.
Income per capita, 1996	\$25,248	\$21,389	\$24,851	\$24,436
Population, 1996	352,099	280,027	12,040,084	265,179,411
Population growth rate, 1990-97	5.2%	1.4%	1.2%	7.6%
Industry breakdown of earnings by residents, 1996				
Farm	1.3%	0.2%	0.5%	1.0%
Agric. services, forestry, fishing	0.6	0.5	0.5	0.7
Mining	0.2	0.2	0.7	0.9
Construction	5.9	5.6	5.6	5.6
Manufacturing	30.8	33.2	20.9	18.0
Durable goods	21.5	23.8	12.3	11.1
Nondurable goods	9.3	9.4	8.7	7.0
Transportation & public utilities	5.7	4.8	6.8	6.8
Wholesale trade	4.9	4.0	5.7	6.3
Retail trade	9.8	9.5	9.2	9.1
Finance, insurance and real estate	6.4	5.5	7.6	8.3
Services	24.2	24.7	29.5	28.1
Government	10.2	12.0	12.9	15.2
Total	100.0%	100.0%	100.0%	100.0%

Sources: all data except population growth 1990-97 are from the Regional Economic Information System (REIS) of the U.S. Bureau of Economic Analysis. The REIS data are accessible on the web through the University of Virginia at <http://fisher.lib.virginia.edu/reis>. 1990-97 population data are from the U.S. Census Bureau website at <http://www.census.gov>.

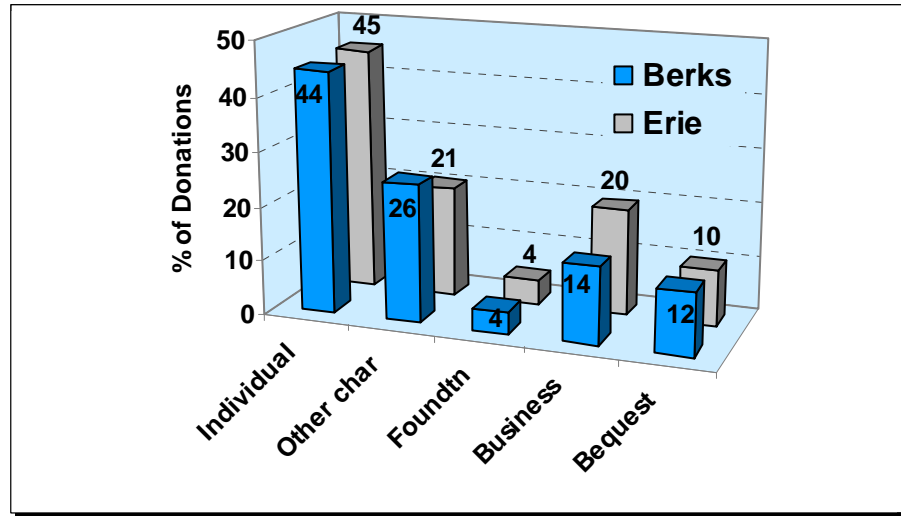
Despite these differences, the sources of donations from the two communities were remarkably similar, as shown in Table 5 and Figure 4 (on the next page.). Percentages from individuals, bequests and foundations were very close in the two counties. The major differences are that Berks charities tend to get more of their donations from other charities, and Erie charities tend to get a greater percent from the business community. Berks-Erie comparisons will be presented in other parts of this study where there are comparable data, and they might prove useful.

⁹ See Kurre (1997).

Table 5
Sources of Donations: Berks 1997 and Erie 1995

Type of donor	Berks County	Erie County
Individuals	44.6%	45.2%
Other charities	25.3	20.5
Businesses	14.3	19.7
Bequests	11.6	10.2
Foundations	4.2	4.5
Total	100.0%	100.0%

Figure 4
Berks and Erie
Sources of Donations



F. POTENTIAL DOUBLE-COUNTING OF DONATIONS

We should point out that some of the funds included in the donation totals reported above might be considered as being double-counted. This can occur when a Berks County charity gives funds to another local charity. For example, consider a situation in which an individual gives a dollar to a Berks federation (such as the United Way of Berks County) or foundation (such as Berks County Community Foundation) which also participates in this survey. If the federation/foundation subsequently distributes the money to another local charity, and that charity also participates in this survey, both would report the dollar as a donation received. Has this dollar been double-counted?

But the case can be made that donations to and by foundations and federations should both be counted since they represent donations actually received by charities. Money given by foundations frequently comes from earnings on an endowment, and is not merely a pass-through of money donated to them. In these cases, it clearly represents an increase in the total pool of donations. The American Association of Fund Raising Counsel (AAFRC) has considered the issue of inter-charity giving, and decided to include foundation giving in both its sources and its uses of donations.¹⁰ They also include giving between charities (which they call “cross fertilization”) separately in their “Uses of donations” data. This suggests that our approach to calculating donation totals (i.e., including inter-charity giving) is appropriate, rather than subtracting some estimate for double-counting.

¹⁰ AAFRC, *Giving USA 1998*, pp. 22-23.

G. ESTIMATE OF TOTAL DONATIONS FOR ALL CHARITIES IN BERKS COUNTY

The numbers cited so far for donations are for the 120 charitable organizations that participated in our survey. That \$36 million, while a significant amount, clearly does not account for all giving in Berks County. How could we arrive at an estimate for *total* giving in Berks County, based on the data we have? With some educated guesswork, and using some (hopefully reasonable) assumptions, we can arrive at an estimate of total giving in Berks County for 1997.

The process involves recognizing each of the following Berks County groups, which are not included in the survey:

- a) those on our survey list that chose not to participate;
- b) non-religious charities that were not on our mailing list at all; and
- c) religious organizations.

The procedure used for these estimates is rather complicated. The Internal Revenue Service has recently made information available about tax filings of selected charitable organizations. These data are rather new, and some have been compiled by the National Center for Charitable Statistics (NCCS) at the Urban Institute into a form which we can use. The guardians of the data at NCCS caution us that the data are not complete, nor completely accurate. For example, religious organizations and any organizations with less than \$25,000 of gross receipts are not required to file a tax form with the IRS. And local branches of national organizations may be included in their parent organization's tax return, and thus not show up in the database as part of Berks County. Nevertheless, we can use the IRS data to try to get rough estimates—ballpark figures—for the portions of “total giving” in Berks County for which we do not have first hand data.

The first step involved identifying all organizations in Berks County which have been approved for tax-exempt status. The huge file of all such organizations in Pennsylvania was sorted by zip code, and those with Berks County zip codes were identified. This list was then edited to identify all 501(c)(3) charities, which are the focus of this study (along with a very small number of our survey participants who told us they were 501(c)(3) charities but who showed up on this list as 501(c)(4)'s.) We removed from this list organizations that were inappropriate for our study based on activity codes in the database, such as religious organizations, business/professional organizations, and private/family charitable foundations. This left a total of 663 501(c)(3) organizations in Berks County.

These 663 included some of the organizations that were on our list of participants, some that were on our list but chose not to participate, and some that were not on our list at all. We compared the data which the first group gave us and that which they gave the IRS, and used that information to estimate the total donations which the second and third groups might be expected to have received. (This involved a rather complicated process of estimating total revenues and then donations, which will not be elaborated on here. But it should be mentioned that it is based on the assumption that the organizations which did not participate in the survey, for whatever reason, exhibit revenue and donation patterns similar to those which did participate—and that this assumption may not be accurate.) The process resulted in estimates of the amount of donations received by those which chose not to participate in our survey (\$6.3 million) and for those non-religious charities which were not on our mailing list (\$17.4 million.) Adding these to the \$35.7 million reported by our survey participants yields an estimate of \$59.4 million donated to non-religious charities in Berks County in 1997.

**Estimate of Total Donations
in Berks County for 1997:
\$112.2 million**

But what of the religious donations? At the national level, *Giving USA* estimates that 47.0% of all donations nationwide in 1997 were for religious purposes. If (and it's a very big "if") that figure is also true for Berks County, that would mean another \$52.7

million of donations. The overall estimate then for total philanthropic donations in Berks County in 1997 is \$112.2 million. These calculations can be summarized as:

Non-religious donations reported by survey participants:	\$35.7 million
Estimates for:	
a) those on our survey list that chose not to participate:	6.3
b) non-religious charities that were not on our mailing list at all:	<u>17.4</u>
Total for non-religious organizations:	\$59.5 million
c) religious organizations:	<u>52.7</u>
Estimate of total donations in Berks County, 1997:	\$112.2 million

Users of this number should realize that this is only a very rough estimate, and incorporates all the assumptions, flaws, omissions and errors mentioned above.

H. USES OF DONATIONS

What is done with all this donated money? For what purposes do people in Berks County open their wallets? We asked our survey participants to tell us the uses to which they put their donations. We offered an eight-category breakdown of activities, based on the National Taxonomy of Exempt Entities (NTEE) which is widely used in philanthropic research. We appended a detailed two-page NTEE listing to the survey itself so our participants could more accurately categorize their activities. (This listing is included in Appendix A of this report, along with the survey form.)

111 of our survey respondents who received donations answered this question, and 90 of these placed their organization wholly in a single category. That is, their activities were focused on a single division of the NTEE's classification. The other 21 charities were multi-purpose organizations and reported the percentage of their donations used for activities in two or more

Table 6
Uses of Berks County Donations

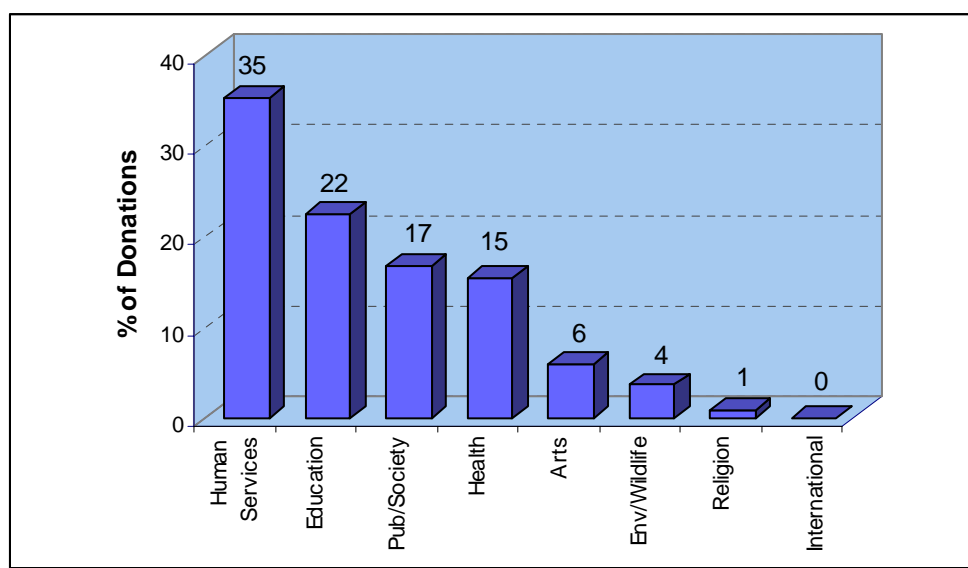
Use	Donations		# Having This Use	# Having This Use Only
	\$	%		
Human Services	\$12,691,182	35.2%	49	31
Education	8,092,662	22.4	37	20
Public and Society Benefit	5,995,019	16.6	11	2
Health	5,510,898	15.3	25	15
Arts, Culture and Humanities	2,155,146	6.0	30	18
Environment and Wildlife	1,289,612	3.6	7	4
Religion	307,079	0.9	4	0
International Affairs	10,076	0.0	1	0
Total ¹¹	\$36,051,674	100.0%	111	90

¹¹ The total amount of donations is different here from that reported earlier because there were some survey participants which reported "uses" of donations, and thus are included in this table's total, but did not report "sources", and so are not included in the earlier tables.

categories. For example, an agency might be involved both in health care and human services. Table 6 and Figure 5 report the results.

Most of these categories are self-explanatory, except perhaps for “Public and Society Benefit.” The NTEE includes here a range of activities that do not fit properly under the other categories, such as civil rights, community improvement, public affairs, etc. The complete list can be found in the NTEE list in Appendix A. The crucial activities in this category that are of interest to us are those focused on philanthropy itself. Technically, we should include in “Public and Society Benefit” two major Berks County organizations: Berks County Community Foundation and United Way of Berks County. In order to make comparisons with national data in the next section we will do so. But both of these organizations told us how they distribute their funds across NTEE categories, and we elected to break their donations down into these categories for the table immediately above. This gives a better indication of how the money is actually used in the community.

Figure 5
Uses of
Berks County
Donations



People in Berks County clearly are concerned about human services; more than one dollar in every three of donations went for that purpose in 1997, either directly or indirectly through federations and foundations. 49 of our 111 survey respondents (or 44%) indicated that they provide some human services such as housing, recreation, family services or youth development. 31 of them focus their activities exclusively on human services, while 18 also engaged in activities from other NTEE categories. The second largest use of donations was education, with 22% of all donations and 37 agencies; 20 of these focused exclusively on education. Next in importance were public and society benefit with one-sixth of all donations and 11 agencies, followed by health services with 15% of donations and 25 agencies. These four categories accounted for nearly 90% of all Berks County donations reported by our survey participants.

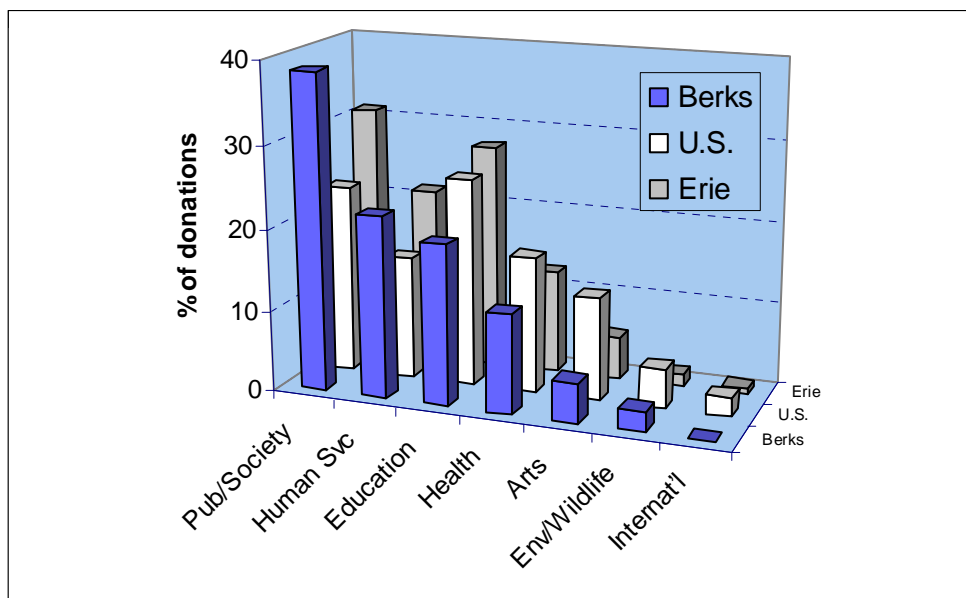
Some perspective can be gained by comparing the Berks “uses of donations” with those of other areas. Table 7 and Figure 6 present comparative data for the U.S. and Erie County. In order to make the national data in *Giving USA 1998* comparable with Berks County data, we again had to make some adjustments, aggregating some of the categories and dropping religious uses from both data sets. As mentioned above, Berks County Community Foundation

and United Way of Berks County will be categorized as 100% “Public and Society Benefit” for this comparison; that is why the Berks County numbers in this table are different from those in the last table. A similar adjustment was made for the 1995 Erie County data. In making these comparisons, remember that the Berks and Erie studies reflect the breakdown of the survey respondents, while the national data reflect the uses of all donations.

Table 7
Uses of Donations: Berks, U.S. and Erie

Uses of Donations	Berks County	U.S.	Erie County
Public and Society Benefit	38.7%	23.2%	31.1%
Human Services	22.2	15.0	21.4
Education	19.6	25.5	27.6
Health	12.1	16.6	12.7
Arts, Culture and Humanities	4.9	12.6	5.3
Environment and Wildlife	2.5	4.8	1.4
International Affairs	0.0	2.3	0.7
Total	100.0%	100.0%	100.0%

Figure 6
Uses of Donations:
Berks, U.S. and
Erie



These comparative data suggest that donors in Berks County tended to use local umbrella philanthropy organizations, such as the Community Foundation and United Way, significantly more than is typical nationally. Berks donors also tended to give more to human services; in fact, Berks’ 22% used for human services is half again as high as the national average of 15%. On the other hand, all the other categories of charitable donations had a lower share of the pool of donations in Berks than nationally. Berks’ education and health shares were marginally below their national averages but arts, culture and humanities, at 5% in Berks, was significantly below the 13% this category garners nationally. International affairs were apparently not a great concern locally, either. As with the sources of revenues, Berks County’s patterns were similar to Erie County’s. Both devoted greater than average shares of the donation pool to public and society benefit and human services. Erie’s share for education was above the average while Berks’ was below, but both areas had lower than average shares for all the other categories. Erie’s arts community, like Berks’, received only about 5% of donations.

Table 6 above can tell us something about the structure of the nonprofit sector in Berks County. If we divide the dollar amount of donations going to each use by the number of organizations providing that activity, we get a rough measure of the size of the average organization in terms of donations. Table 8 presents this information. (Religious and international activities were omitted from this analysis due to the very small number of organizations involved in each, and Berks County Community Foundation and United Way were counted as 100% public and society benefit for this analysis.)

Table 8
Average Donations of Berks County Charities, by Function

Uses of Donations	Amount of Donations	# of Organizations Providing this Use	Average Donations per Organization
Public and Society Benefit	\$13,919,257	11	\$1,265,387
Education	7,066,317	35	201,895
Health	4,359,766	24	181,657
Human Services	7,994,914	47	170,105
Environment and Wildlife	895,677	6	149,279
Arts, Culture and Humanities	1,761,211	29	60,731

What catches the attention in this table are the entries at the top and bottom. The average organization which was active in the public and society benefit category was significantly larger in terms of donations than other charities. This is unsurprising, given the nature of the two largest members of this group, the Community Foundation and the United Way. On the other end, arts groups tended to be significantly smaller than other Berks charities, in terms of donations received.

I. SOURCES BY USES

i. Where the Dollars Came From and Where They Went

There were 110 charities with donations that reported both the sources of their donations (i.e., the breakdown of donations by type of donor) and the uses of their donations. This permits us to create Table 9, which shows the “sources by uses” of contributions for 1997. Reading across a row of this table will tell how much that category of donor (individuals, businesses, etc.) chose to contribute to each use (arts, education, etc.). For example, individuals gave \$763,202 of their \$15,127,340 in donations to charitable organizations that used them for support of the arts and humanities, another \$2,234,569 to educational activities, etc. The values across one row sum to the Total in the second column, which is the total amount of contributions made by that category of donor.

Alternatively, reading down a column of this table will identify the amount of contributions each type of charitable activity received from each category of donor. For example, charitable organizations that promote the arts received \$763,202 of their total \$1,761,211 in 1997 donations from individuals, another \$66,295 from planned giving (bequests), and so on. The values down one column sum to the Total in the bottom row of the table, which is the total amount of contributions received by survey respondents for that type of activity.

Table 9
Sources of Donations by Uses, in Dollars

SOURCES (Type of Donor)	TOTAL	Arts, Culture & Humanities	Education	Environment & Wildlife	Health	Human Services	Inter- national	Public & Society	Religion Related
Individuals	\$15,127,340	\$763,202	\$2,234,569	\$230,862	\$1,738,370	\$3,431,456	\$4,774	\$6,711,843	\$12,264
Planned Giving	3,970,124	66,295	286,271	224,447	1,317,067	663,055	0	1,412,989	0
Businesses	4,820,207	470,285	1,359,704	55,441	453,342	714,846	354	1,765,785	450
Federations	3,041,438	178,174	130,504	20,266	547,401	1,980,858	4,877	178,957	400
Churches	1,043,045	6,020	72,964	0	79,914	832,212	0	21,240	30,696
Foundations	1,406,798	140,673	357,964	335,186	147,287	195,185	68	229,834	600
Other Charities	4,257,235	56,102	497,028	20,675	27,450	81,382	3	3,574,549	47
Other	359,488	80,459	101,313	8,800	48,935	95,920	0	24,060	0
TOTAL	\$34,025,674	\$1,761,211	\$5,040,317	\$895,677	\$4,359,766	\$7,994,914	\$10,076	\$13,919,257	\$44,456

ii. Focusing on Donors' Choices

This table is made more useful if we look at it from a single direction at a time. The first approach we'll take is from the perspective of the donors: to which types of charities did each type of donor prefer to give? To answer this question, we look across the rows of the table. To allow comparison across types of donors, Table 10 below converts the dollar amounts of the previous table into percentages for each source. This is done by dividing each number in a row by the total for that row; the entries in this table sum along the rows to 100% for each type of donor. This makes it easy to compare the giving choices made by each category of donor. The last row of this table shows the breakdown for total donations by all categories of givers. Comparison of these numbers with those in the body of the table can help identify which categories of donors placed a higher priority on that type of charity.

For example, businesses gave 28% of their Berks County donations for education-related purposes, nearly double the 15% given to education by all donors (shown in the bottom row of the table.) Contrast this with the patterns of foundations, which gave only 4% of their donations to education, and gave more than 65% of their money to human services. Their giving decisions suggest that these two types of donors had quite different priorities. Further consideration might lead us to notice that the corporate sector's focus on education may be sparked in part by self-interest. While their contributions to education will certainly benefit the community, they also help to provide the skills needed in tomorrow's labor pool. Recognition of this pattern may be important for those who plan to solicit the corporate sector. If the business sector tends to fund activities from which they will in turn receive indirect benefits, organizations that plan to solicit that sector may wish to consider how their activities will promote the interests of the firm's stakeholders.¹² However, notice that businesses also gave nearly 10% of their contributions to the arts, compared with only 5% by all donors together.

¹² This is not meant to imply that businesses only give when it is in their self-interest. There are certainly corporations who make anonymous and purely altruistic gifts; giving to arts, culture and humanities mentioned above may be an example of this. However, the case is sometimes made that increasing competition in markets has caused many businesses to reconsider their corporate giving strategies. See, for example, "The New Corporate Philanthropy" by Smith (1994).

Table 10
Percentage Breakdown of Each Type of Donor's Giving Patterns

SOURCES (Type of Donor)	TOTAL	Arts, Culture & Humanities	Education	Environment & Wildlife	Health	Human Services	Inter- national	Public & Society	Religion Related
Individuals	100.0%	5.0%	14.8%	1.5%	11.5%	22.7%	0.0%	44.4%	0.1%
Planned Giving	100.0	1.7	7.2	5.7	33.2	16.7	0.0	35.6	0.0
Businesses	100.0	9.8	28.2	1.2	9.4	14.8	0.0	36.6	0.0
Federations	100.0	5.9	4.3	0.7	18.0	65.1	0.2	5.9	0.0
Churches	100.0	0.6	7.0	0.0	7.7	79.8	0.0	2.0	2.9
Foundations	100.0	10.0	25.4	23.8	10.5	13.9	0.0	16.3	0.0
Other Charities	100.0	1.3	11.7	0.5	0.6	1.9	0.0	84.0	0.0
Other	100.0	22.4	28.2	2.4	13.6	26.7	0.0	6.7	0.0
ALL SOURCES:	100.0	5.2	14.8	2.6	12.8	23.5	0.0	40.9	0.1

Similarly, giving patterns of individuals are different from those of bequests made by individuals in their wills. Consideration of the first two rows of data show that a third of bequest dollars were given to health care organizations, while only 11% of individuals' direct donations went to this sector. Educators might notice that they got only 7% of bequests in 1997, while they attracted 14% of all contributions. This may be interpreted as an opportunity for the education sector; it may suggest that bequests are relatively untapped as far as their sector goes.

This table can be used by charitable organizations to identify the types of donors who have given to their type of charity at higher than average rates. An individual organization might then compare its own sources of donations to see if they are similar to those of others in their category. If not, it may indicate that they can successfully expand their fund-seeking activities with that type of donor. For example, an arts group may notice that businesses and foundations gave to the arts sector in general at double the average rates. If this particular organization has been receiving relatively little from those two categories of donors, it may make sense to target them in the future. An alternative strategy might be to approach donors who have given at less than average rates, making the case that the sector has been under-funded with respect to this category of donor. Again using the arts example, less than 2% of planned giving (bequests) went to arts organizations in 1997. Individuals gave directly at a rate of 5%, however, implying that they may be amenable to an approach that asks them to make a provision in their wills for arts organizations.

It may help in understanding this table if we look at the top three types of charitable activities for each type of donor. Table 11 presents this information. This table makes it clear that some types of donors tended to concentrate their donations more than others. For example, federations and churches focused their giving to a large extent on a single type of charity; in both these cases, they gave the majority of their dollars to human service organizations. On the other hand, foundations tended to spread their donations more broadly; their top type of charitable organization received only 25% of their total giving. Businesses and individuals, both directly and through bequests, made the public and society sector their top priority.

Table 11
Top Three Uses of Donations for Each Type of Donor

Individuals		Federations		Other Charities	
1) Public & society	44.4%	1) Human services	65.1%	1) Public and society	84.0%
2) Human services	22.7	2) Health	18.0	2) Education	11.7
3) Education	14.8	3) Arts, Pub & soc (tie)	5.9	3) Human services	1.9
Planned Giving (Bequests)		Churches		Other	
1) Public & society	35.6%	1) Human services	79.8%	1) Education	28.2%
2) Health	33.2	2) Health	7.7	2) Human services	26.7
3) Human services	16.7	3) Education	7.0	3) Arts, culture & humanities	22.4
Businesses		Foundations			
1) Public & society	36.6%	1) Education	25.4%		
2) Education	28.2	2) Environment & wildlife	23.8		
3) Human services	14.8	3) Public & society	16.3		

iii. Focusing on Charitable Sectors' Sources of Funds

An alternate way to explore the "Sources by Uses" data is to take the perspective of the charitable organizations, and ask: "where does each type of charitable activity gets its funds?" This question asks us to look down the columns of the Sources by Uses table. To allow comparison across types of charities (uses), Table 12 converts the dollar amounts of Table 9 into percentages for each type of charity. This is done by dividing each number in a column of Table 9 by the total for that column. This results in a set of percentages that sum to 100% down a column. The result, in Table 12, makes cross-charity comparisons easy. For example, educational charities relied most heavily on individuals who provided 44 cents of every dollar of 1997 donations, while they received only seven cents from foundations. Arts organizations received 43 cents of every dollar's donations from individuals, and 27 cents from businesses.

How might this table be useful? Again, we can consider whole sectors or individual organizations. For example, consider the environment and wildlife category. They received a lower than average amount from individuals, 26 cents of every dollar of donations compared with 45 cents for the average charity (shown in the second column.) This invites the question "why?" Is it the case that individuals' priorities don't align with the mission of this sector (at least as far as their donations are concerned,) or does it represent an opportunity for the sector to expand its attempts to raise funds from individuals? Similarly, this sector received only six cents of every dollar from businesses, compared with 14 cents from that source for the average charity. Agencies in the environment and wildlife sector have to decide whether this represents an opportunity (perhaps it is simply an oversight by businesses in their contribution plans, or environment/wildlife organizations simply haven't asked businesses for support) or alternatively whether businesses do not place a high priority on this sector's goals. On the other hand, this sector got 37% of its donations from

foundations, far more than any other sector. Agencies from other sectors may wish to talk to the environment and wildlife folks to see if they will share the secret of their success with this source of funds. Is their approach to foundation fund-raising something that could be successfully applied in other sectors?

Table 12
Percentage Breakdown of Each Charitable Activity's Sources of Donations

SOURCES (Type of Donor)	ALL USES	Arts, Culture & Humanities	Education	Environment & Wildlife	Health	Human Services	Inter- national	Public & Society	Religion Related
Individuals	44.5%	43.3%	44.3%	25.8%	39.9%	42.9%	47.4%	48.2%	27.6%
Planned Giving	11.7	3.8	5.7	25.1	30.2	8.3	0.0	10.2	0.0
Businesses	14.2	26.7	27.0	6.2	10.4	8.9	3.5	12.7	1.0
Federations	8.9	10.1	2.6	2.3	12.6	24.8	48.4	1.3	0.9
Churches	3.1	0.3	1.4	0.0	1.8	10.4	0.0	0.2	69.0
Foundations	4.1	8.0	7.1	37.4	3.4	2.4	0.7	1.7	1.3
Other Charities	12.5	3.2	9.9	2.3	0.6	1.0	0.0	25.7	0.1
Other	1.1	4.6	2.0	1.0	1.1	1.2	0.0	0.2	0.0
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

On a more basic level, an individual agency might compare its own sources of donations with those of its sector. For example, educational institutions on average received 27% of their donations from businesses. If a particular education organization has received much less than this, it may wish to consider expanding its fundraising operations from businesses in the future. The agency knows from this data that businesses tend to support their mission. On the other hand, if an agency is receiving a much higher than average share of its donations from a particular type of donor, they might take a closer look at why this is the case and see if their success with this type of donor might be applied to other types as well.

Table 13
Top Three Sources of Donations for Each Type of Charitable Activity

Arts, Culture and Humanities		Health		Public and Society Benefit	
1) Individuals	43.3%	1) Individuals	39.9%	1) Individuals	48.2%
2) Businesses	26.7	2) Planned giving (bequests)	30.2	2) Other charities	25.7
3) Federations	10.1	3) Federations	12.6	3) Businesses	12.7
Education		Human Services		Religion Related	
1) Individuals	44.3%	1) Individuals	42.9%	1) Churches	69.0%
2) Businesses	27.0	2) Federations	24.8	2) Individuals	27.6
3) Other charities	9.9	3) Churches	10.4	3) Foundations	1.3
Environment and Wildlife		International			
1) Foundations	37.4%	1) Federations	48.4%		
2) Individuals	25.8	2) Individuals	47.4		
3) Planned giving (bequests)	25.1	3) Businesses	3.5		

Finally, it may help if we look at the top three sources of donations for each type of charitable activity. This is presented in Table 13. It shows that all types of charitable organizations rely on individuals as their first- or second-most important source of donations. Businesses play an important role for arts, education and public and society benefit organizations, and bequests were a major source of funds for health and environment and wildlife organizations.

J. TOTAL REVENUES

The report to this point has focused on donations. But donations are only one part of the revenues of charitable organizations—and not the biggest part. We asked our survey participants to tell us about their total revenues, and the 120 organizations reported a total of over \$472 million of revenues of various kinds in 1997. But this includes some operations of the 12 charities that also have facilities outside Berks county; removing an amount to reflect those operations results in approximately \$454 million of revenues for the Berks County charitable operations of our survey respondents.

**Total Revenues
Reported:
\$454 million**

To give some perspective on this number, the Federal government reports that earnings to Berks County residents in 1996 in the finance, insurance and real estate industries amounted to \$389 million.¹³ Similarly, the \$454 million of non-profit revenue is more than five times as large as all farm earnings in Berks County in 1996. The primary metals industries (such as steel, iron and aluminum) are an important component of the local economy. Yet earnings by Berks residents in these industries amounted to \$382 million, again less than the revenues of the respondents in our survey. And total budgeted expenditures of Berks County Government for 1998 were \$242 million.¹⁴

K. SOURCES OF REVENUE

So where did this money come from? Our survey asked the charities to break their revenues into donations, government grants, income from endowments, and “other”. 118 of the survey respondents told us about their sources of revenue, and Table 14 presents the results.

111 of the agencies received donations, and seven of these received *all* of their revenues from donations. In total, donations accounted for \$36 million or only about 8.4% of the total revenues of these 118 organizations, however. The largest single category of revenue was “other,” accounting for over 79% (\$341 million) of the total. This category includes a broad range of revenue sources, including fees from clients, insurance reimbursements for medical facilities, tuition for students, service or merchandise sales, advertising revenues, checking account interest, etc. 103 of the 118 charities had some form of revenue in this category, and three received all of their income from these “other” revenue sources. 72 of the 118 charities received

¹³ All industry earnings data for Berks County come from the Regional Economic Information System (REIS) of the U.S. Bureau of Economic Analysis. The data are accessible on the web through the University of Virginia at: <http://fisher.lib.virginia.edu/reis>. Note that the most recent data available are for 1996, not 1997.

¹⁴ Heckman (1998), p. 2.

funds from governments, totaling nearly \$50 million or 11.6%. And 29 agencies received income from endowments, but this totaled less than \$4 million, or less than 1% of total revenues.

Table 14
Sources of Respondents' 1997 Total Revenues

Source	Amount of Revenue	Percent	# Having This Source	# Having ONLY This Source
"Other"	\$341,250,190	79.2%	103	3
Government	49,908,604	11.6	72	2
Donations	36,051,675	8.4	111	7
Endowment	3,798,823	0.9	29	0
Total	\$431,009,293	100.0%	118	

L. NATIONAL SOURCES OF DONATIONS: GROWTH AND INSTABILITY

At the national level, the AAFRC has been tracking charitable donations since 1967¹⁵. Figures 7 through 10 show the amounts given each year by individuals, businesses, bequests, and foundations, after adjustments for inflation. (The actual data are presented in Appendix B.) While these data are for national giving, not Berks County alone, they can still provide some very useful information for local organizations.

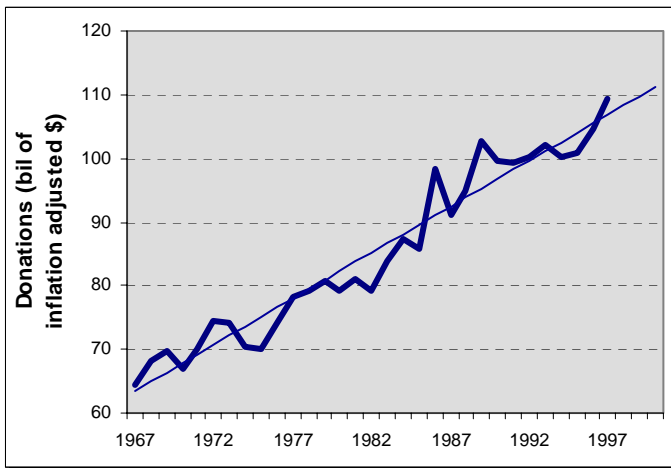


Figure 7
National Donations by Individuals

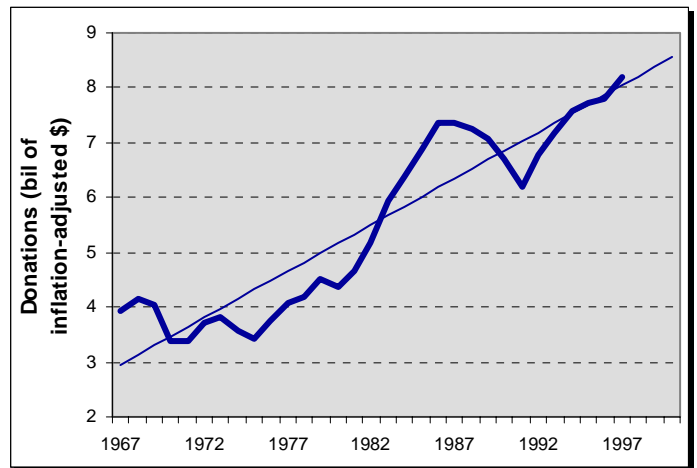


Figure 8
National Donations by Businesses

¹⁵ AAFRC data for bequest giving before 1981 were estimated in a different way and are not compatible with the later data. For the analysis of bequest giving in this section of the report, we will make use of data only from 1981.

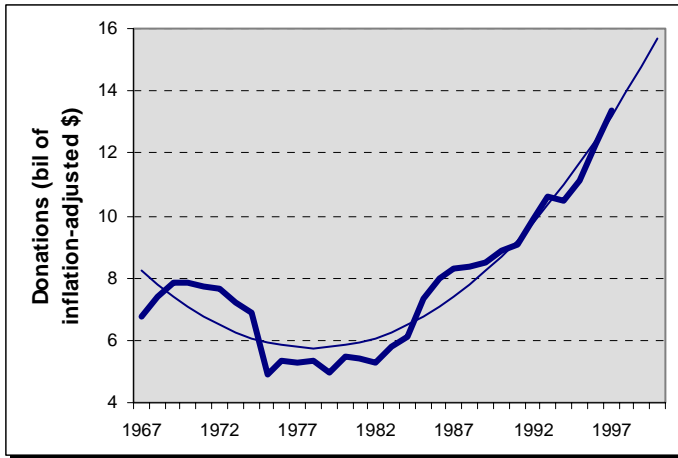


Figure 9
National Donations by Foundations

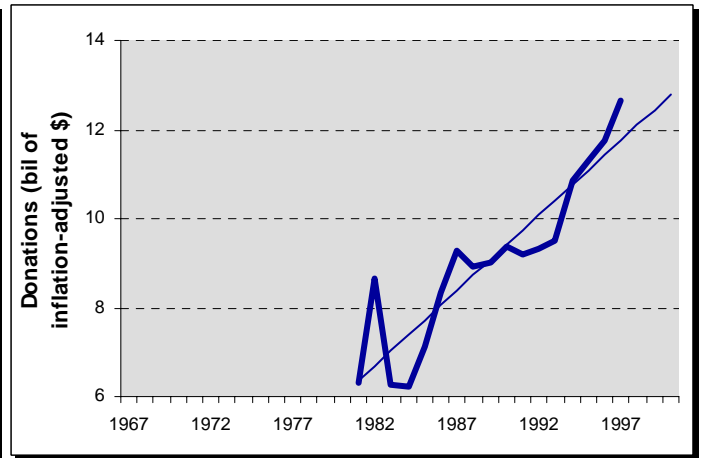
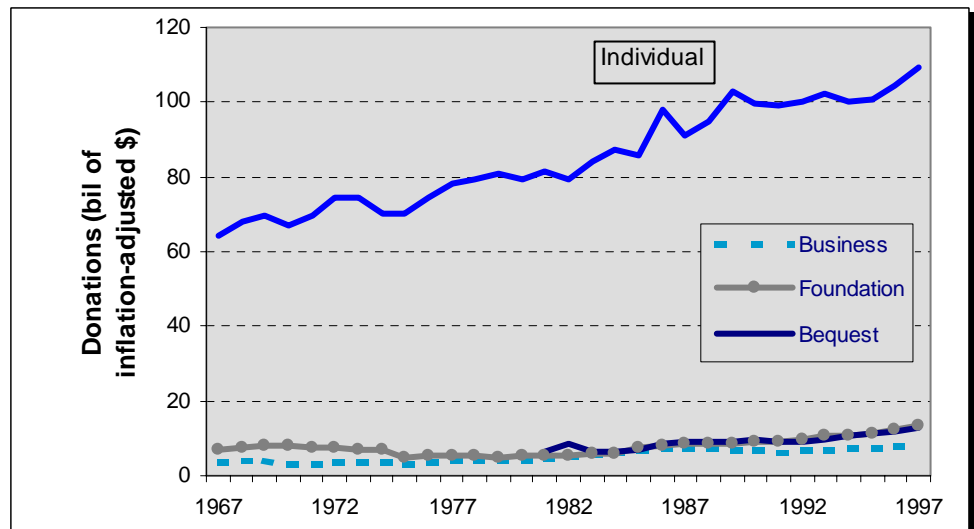


Figure 10
National Donations by Bequests

i. Growth Trends

Figures 7 through 10 also show trend lines fitted to each type of giving.¹⁶ They clearly indicate that donations from all four sources have been increasing in amount over the years, although at different rates. The scales on these four graphs are so different that they may give a misleading impression of their relative importance. To correct this, Figure 11 shows all four components on a single graph.

Figure 11
All Four Sources
of National Donations



On this graph it is easy to see individual giving at the top, but difficult to separate bequest, foundation and business giving. And that's the point. In terms of their sizes, it is clear that individual giving is by far the most important single component, and that its rate of increase is also most important. (Remember that these data reflect inflation adjusted amounts, so these trend lines show increases in real giving.) The trend lines indicate that giving by each type of donor is increasing at the following annual rates¹⁷:

¹⁶ Simple linear trend lines are appropriate for individual, bequest and corporate giving, but a quadratic trend line (which has a single bend) was necessary to accurately portray the trend pattern for foundation giving. The actual trend equations and other statistical information are presented in Appendix B, for those who enjoy such things.

¹⁷ The trend line for foundation giving has a slope that is increasing over time, indicating an accelerating rate of growth. The \$759 million value reported here is the slope for 1996-97; it would be higher for later years: \$800 million in 1997-98, \$841 million in 1998-99.

Individuals	\$1.447 billion
Foundations	\$759 million
Bequests	\$338 million
Business	\$169 million

These numbers point out that individual giving accounts for the bulk of the increase in total giving, more than the other three sources put together. The second greatest growth rate occurs in foundation giving, followed by bequests. Business giving has been increasing at the rate of \$169 million per year over the 1967-97 period, the slowest of the four sectors.

ii. Instability

It is also useful to notice the amount of variation above and below trend for each type of donation in Figures 7 to 10. Donations from some sources vary significantly more from year to year than others. A good way to quantify this is to consider the percent by which the donations are above or below their trend line in each year. If we ignore the direction (i.e. the sign) of the variation, we can calculate the average absolute percentage deviation for each type of donor. Table 15 presents the results, and Figures 12 and 13 show the percentage deviations. Giving by individuals varied least, averaging 2.9% above or below trend in a typical year during the 1967-97 period. If the giving by individuals increased by exactly the same amount each year, then individual giving would have had no deviation from trend, and its average deviation value would be zero.

Table 15
Variation from Trend in Giving,
Average Absolute Percent Deviation

Type of Donor	1967-97	1981-97
Individual	2.9%	3.0%
Bequest	na	6.9
Foundation	8.4	5.7
Business	10.6	7.3
Total Donations	3.1%	2.8%

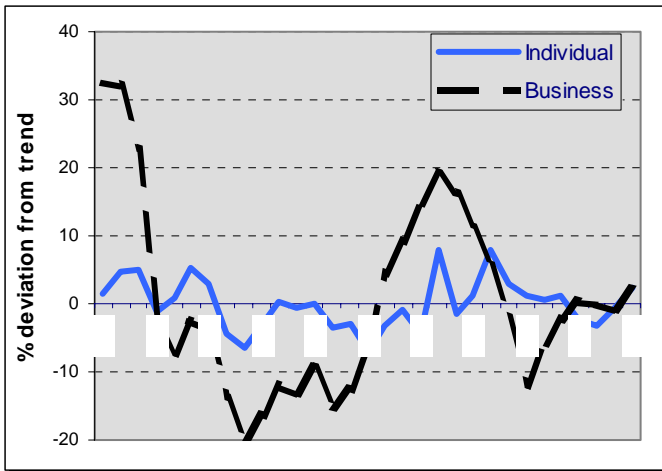


Figure 12

Deviations from Trend: Individual and Business Giving

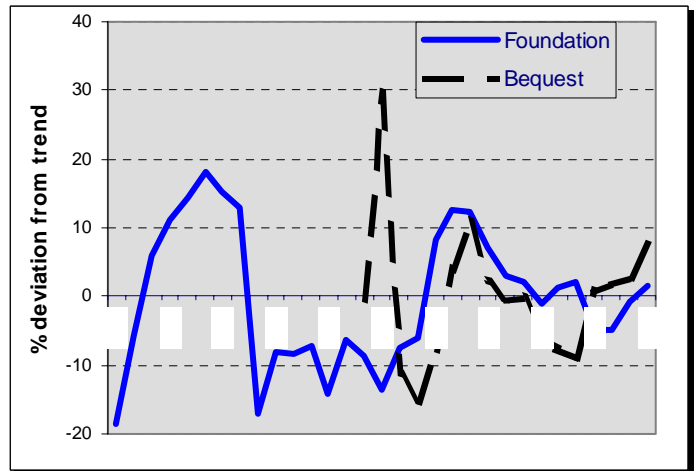


Figure 13

Deviations from Trend: Foundation and Bequest Giving

Contrast the variation in individual giving with that of the most variable sector, business giving. Business donations varied 10.6% above or below trend on average. Bequest giving was

second most stable, but even this source varied from trend by 6.9% per year.¹⁸ Foundation giving was less stable than individual giving but more stable than business giving, with an average variation of 8.4% per year. Figures 12 and 13 demonstrate that individual giving was more stable than the other three types.

Variations in giving by the different sources tended to be correlated, also.¹⁹ In other words, in years when individual giving was above trend, foundation and corporate giving tended to be above trend as well, rather than one source having an “up” year when another was having a “down” year. This suggests that there is a bit of a “boom or bust” phenomenon to donations. However, during the briefer period for which we have consistent bequest data, giving from this source does *not* tend to follow the same peaks and valleys of the other three sources. In fact, bequest giving was slightly inversely correlated with variations in each of the other sources. While not being large enough to offset the variations in the other three sources, bequest giving did help to stabilize total donation giving over the 1981-97 period.

iii. Implications

So how is this information useful for charitable agencies? Let’s start with the trend data. Agencies which are planning to embark on a campaign to raise money from businesses might notice that business giving rises by about \$169 million each year in the country as a whole, a significant expansion of the pool of funds available. But also notice that bequest giving increases by double that amount, foundation giving by four and a half times it, and individual giving by eight and a half times it. Those pools are larger to start with than the business pool, and are growing at faster rates. Useful information for those who are planning fundraising campaigns!

The data on variability tells us that business giving tends to fluctuate the most from trend, too. This means that businesses are more likely to cut back in a bad year, or to increase dramatically in a good year. If an agency decides to specialize its donation process by focusing on business giving, it may expect to see its revenues vary more from year to year than an agency that focuses on donations from individuals.

It is also good to remember that bequest giving is not closely correlated with the other types of giving. A plan to diversify donation sources by expanding bequest giving will probably help to stabilize an agency’s donations over the years.

M. ENDOWMENTS

36 of our respondents indicated that they hold permanent endowments; another 80 told us that they do not have an endowment. 34 of the 36 told us about the size of their endowment, ranging from \$500 to tens of millions, and totaling \$86,013,200. If we remember that some of the respondents’ operations are outside Berks County and remove a portion to reflect their share of the total, this number becomes \$84,721,436 held in endowments for the benefit of charities in Berks County.

**Endowment Funds
Reported:
\$84.7 million**

¹⁸ Again, the shorter 1981-97 period was used for bequest giving, due to a lack of consistent earlier data.

¹⁹ Correlation coefficients are reported in Appendix B.

This pool of endowment money is not held evenly by the 34 charities. On the contrary, it is held in the form of a relatively small number of very large endowments as shown in Table 16. The largest six endowments include nearly three quarters of all the endowment money reported, and the top eleven hold nearly 90% of it.

Table 16
Distribution of Endowment Holdings

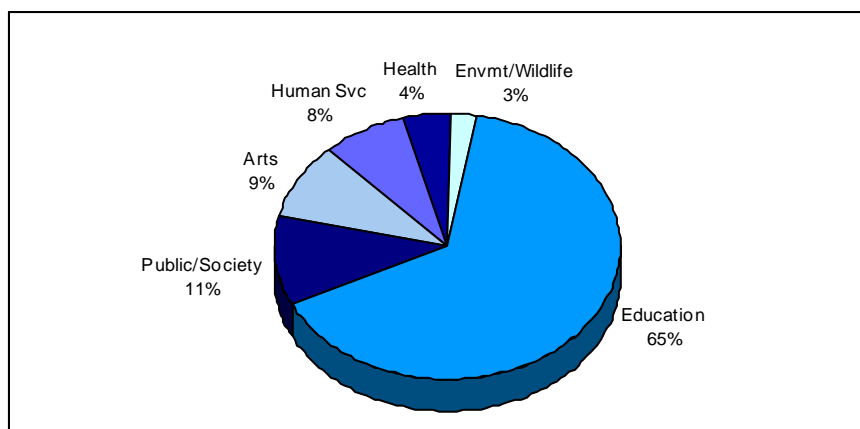
Range	Number of Respondents	Percent of Respondents	Total Endowment (millions)	Percent of Endowments
\$5 million +	5	14.7%	\$58,298,467	68.8%
\$1 million - \$4.9 million	9	26.5	21,123,232	24.9
\$500,000 to \$999,999	4	11.8	3,123,316	3.7
\$100,000 to \$499,999	8	23.5	1,994,272	2.4
\$10,000 to \$99,999	4	11.8	172,839	0.2
\$1 to \$9,999	4	11.8	9,310	0.0
Total	34	100.0%	\$84,721,436	100.0%

If we assume that the “uses of donations” reported earlier also apply to endowment funds, we can draw some conclusions about the uses of these endowments.²⁰ The (somewhat hypothetical) results are presented in Table 17 and Figure 14. The great majority of these endowment funds, 65%, are held for education purposes by a total of 14 organizations. Another 11% is held for public and society benefit purposes, and 9% or almost \$7.8 million is held by a dozen organizations for arts, culture and humanities purposes. This is somewhat surprising given that only 5% of all donations went to the arts in 1997.

Table 17
Hypothetical Uses of Endowment Funds

Uses	Amount of Funds	Percent of total
Education	\$54,969,626	64.9%
Public and Society Benefit	9,375,077	11.1
Arts, Culture and Humanities	7,772,108	9.2
Human Services	6,746,165	8.0
Health	3,648,245	4.3
Environment and Wildlife	2,190,450	2.6
International Affairs	19,766	0.0
Total	\$84,721,436	100.0%

Figure 14
Uses of
Endowment
Funds



²⁰ Note that this assumption may not be true. A donor could give a gift contingent upon it being used only for one purpose which may not reflect the organization's broad range of activities. For example, a college could receive an endowment gift to be used for arts rather than strictly for education purposes, or a health service organization could receive a gift with the restriction that it not be used for, say, birth control purposes. The analysis in this section includes Berks County Community Foundation and United Way of Berks County as 100% “Public/Society Benefit”.

Obviously some Berks County charities have been very successful in establishing an endowment, and others have not. This may be a case in which the more successful organizations have an opportunity to share their expertise with the less successful and with those who have not yet considered establishing a permanent fund.

For comparative purposes, we can consider the results of the Erie County study with regard to endowments. In 1995, 48 Erie charities reported holding a total of \$103 million in endowments, which is about 22% more than the total reported by Berks County participants for 1997. The distribution of endowment money in Erie was concentrated in the same way that it was in Berks County; in Erie the largest six endowments accounted for 75% of the total, the same as in Berks, and the top 14 accounted for 90% of the total, compared with the top 11 in Berks.

A perspective on the importance of endowment money may be gained by considering that investment of the \$84.7 million endowment pool, even in relatively safe Federal Government securities at the current rate of 4.66% would yield about \$4 million in earnings per year.²¹ These earnings represent a significant addition to the revenues of charitable organizations, and hence to their ability to serve their clientele.

IV. HOW CAN THIS STUDY BE USED?

Hopefully, this report has helped to shed some light on the size, scope and operations of the philanthropic community in Berks County. However, for this report to make a difference in the community, those who read it must decide to *do something*. Enumerated below are ways that different sectors of the Berks County community might use this report as a starting place to “do something.”

A. DONORS

- ▶ Potential donors may wish to look at the current breakdown of “Uses of Donations” in the community, and determine if some sectors need more help. Some donors may think that the share received by a particular type of charity is too low, and elect to do something about it by donating time, money or skills. Comparisons of the uses of donations in Berks County with those of the nation as a whole may help in this.
- ▶ Alternatively, larger shares of donations in selected sectors locally may indicate that something important and successful is happening there, of which a donor may wish to

²¹This example makes use of interest rates for U.S. Treasury securities with a 5-year maturity date. These were picked simply to demonstrate the amounts involved; lower yields would be earned from shorter-term securities, and higher yields from longer-term or riskier securities. The interest rate data came from the Board of Governors of the Federal Reserve System, Release H.15, Selected Interest Rates, Daily Update for Dec 29, 1998, at: <http://www.bog.frb.fed.us/releases/H15/update/>.

be a part. Sectors with a larger than average share of donations may represent a type of local specialization which some donors may wish to enhance.

- ▶ Donors may wish to use this report as the spur to consider their own giving patterns as a whole. Do you have priorities in your giving, causes that are more important to you than others? If so, do you have a plan for actively supporting those causes, or do you engage in “reactive giving”—giving only when someone asks you? If you are reactive, your donations may not really reflect your priorities, but rather the interests of those who know you and ask for contributions. Become pro-active in your donations, and make a plan for your charitable giving.
- ▶ Many local charitable organizations do not have endowments. If you have the means, consider making an endowment gift during your lifetime as a way of getting your favorite agency to set up an endowment. Or follow Ben Franklin’s example and make a bequest in your will. An endowment gift can benefit future generations, literally forever. Even small endowments can be made through a foundation such as the Berks County Community Foundation.

B. CHARITABLE ORGANIZATIONS

- ▶ The charitable organizations themselves may wish to compare their sector’s performance to the national benchmarks. The typical resulting question would be, “Why is it different in Berks County than at the national level?”
- ▶ If the local sector is receiving a larger share of total donations than its counterpart nationally, is it because local donors have different priorities than donors elsewhere? If so, this information may point the direction for future expansion of activities, since donors have demonstrated that they have an interest in this activity and have been willing to support it.
- ▶ On the other hand, a larger than average share of donations may indicate that agencies in that sector are particularly successful in fundraising. Perhaps other sectors can take a lesson from them. Contact them and ask them to share information on their successes, and find a way to adapt them to your situation.
- ▶ If an agency’s goal is to increase funding, the “sources of donations” tables may contain some suggestions as to directions for investigation. In what areas is the agency’s funding below the typical proportion? The “Sources by Uses” section of the report gives detailed data which should provide an especially useful, detailed basis for comparison of an agency’s funding with others in its sector, and to other sectors locally.
- ▶ If a sector’s revenue share is significantly less than the national average, it may imply an opportunity that has been untapped as yet. Local organizations in such sectors may be able to use the data in this report to persuade donors to give more, making the case that they have been “under-funded” relative to national averages.
- ▶ An individual charity may also wish to compare its own patterns with those of its sector locally or nationally. If it is receiving a significantly larger share of its revenues from a

particular source, it may ask why it has been so successful here, and if the same strategy can work with other types of donors as well. Alternatively, if it is receiving a significantly smaller share from a source, it may represent an untapped resource which can be fruitfully explored in the future.

- ▶ Individual charities should not assume that they are necessarily in competition with other local charities for donations. National data show a clear uptrend for all sources of donations, and studies indicate that there is a major intergenerational shift of assets coming to the Baby Boomer generation.²² If there is the perception of a shrinking government safety net, this may also persuade more people to increase their donations to private charities. Also remember that Berks Countians have a higher than average income, and thus greater potential to give.
- ▶ Organizations may use this report as a reason to consider the diversity and stability of their funding sources. Is the organization susceptible to major fluctuations in its revenues should one source of revenue change its behavior? For example, complete reliance on funding by government could result in a disaster for the agency if there is a simple change in administration. Reliance solely on donations from businesses may be subject to greater than average variation with the overall economy and the business cycle. An economic problem in the Far East could result in a sudden drop in revenue for the agency.
- ▶ The data on trends and variability of donations from different sources at the national level can be used by an agency in planning its donation strategy. Donations from individuals have been the largest, grown the fastest, and been the most stable of the four sources of national donations considered. Foundation giving has grown at the second most rapid pace, but has tended to be more unstable. Bequest giving has grown more slowly, but has tended to be inversely correlated to the other sources' variations, so it may help stabilize donations over the years. Business giving has grown the most slowly of the four sources, and has had the greatest variability.
- ▶ The data on endowments indicate that relatively few local charities have an endowment fund in place. On the other hand, those that make use of them seem to be quite successful. Implementing an endowment plan is clearly a long-term approach. Given the benefits in terms of stability of revenues and assuring long-term survival, local charitable organizations may decide to investigate endowments. There are obviously several successful agencies locally that may be willing to offer advice in that department.
- ▶ Remember that money isn't the only type of resource. Members of the community who would like to help but cannot afford the money may be willing to donate hours. Studies tend to confirm that those who volunteer also tend to give financial support, so developing a wider pool of volunteers may be a way to expand financial giving in the future.

²² See Avery and Rendall, 1993.

C. THE COMMUNITY AT LARGE

- ▶ Broad community interest organizations (such as federations and foundations) may wish to use information in this report in assessing tomorrow's plans and goals. Comparison of local charities' sources and uses of funds with national standards should help focus attention where it may be needed. Are there special needs locally, which require special resources? Are the variations from national patterns reflective of different local priorities, or of the need for special attention? For example, the Arts, Culture and Humanities sector received a lower share of donations locally than the national average. Does this reflect the preferences of the local community, or does it indicate an opportunity for expansion in this sector?
- ▶ Local government is obviously a major participant in many of the areas discussed in this report, both as a source of revenue for the agencies and as an alternate provider of services. How do the government and private charitable sector fit together? Do they typically complement each other, or do they compete? Information on sources and uses of funds may be helpful in exploring such questions.
- ▶ The data from this study may also serve as a benchmark for comparison in future years. The AAFRC has developed a time series of data for the nation going back at least three decades. In their annual *Giving USA*, the focus typically is on the rate of change in philanthropic giving from year to year, as well as intersectoral shifts in giving patterns. Future studies of Berks County's philanthropic sector may permit such analysis at the local level. Remember that all the local data in this report reflect only a single year, a year which may be unusual in some way at least for some sectors or donors or agencies.
- ▶ It is hoped that this study will lead to further discussion in the community of the role of the nonprofit sector overall, with a goal of strengthening it and making it more efficient.



APPENDIX A

THE SURVEY INSTRUMENT AND NTEE CLASSIFICATION

(BCCF Logo)

(Mailing label)

Contact person (who completed this survey?) _____

Phone _____ (Please correct mailing information as necessary)

Questions / Mail to:
 Dr. James A. Kurre
 School of Business
 Penn State-Erie
 Erie, PA 16563-1400
 (814) 898-6266
 Email: k12@psu.edu

1. What was your organization's official IRS classification in 1997?
 501(c)(3)
 Other (please indicate your classification: _____)

2. If your organization served areas outside Berks county in 1997, please include data only for the Berks County portion of your operations. If this is not possible, please estimate the percentage of your total operations which was accounted for by Berks county operations. Data below apply to:
 Berks county only
 Whole organization: Berks County is approximately _____% of the total.

3. What was your organization's total revenue for 1997? \$ _____
 Calendar year 1997
 Fiscal year 1996-97 (months: _____ 1996 through _____ 1997.)

4. How much of your 1997 total revenue came from the following sources?
 a) donations* \$ _____
 b) government grants (federal, state or local) \$ _____
 c) income from endowment (if any) \$ _____
 d) other \$ _____
 (third party reimbursements, client fees, merchandise sales, rental income, checking account interest, advertising revenues, memberships, etc.)
 Total (should match #3 above) \$ _____

*Donations include both cash and property **actually received** (not just pledged or irrevocably committed) during 1997. Do **not** include value of volunteers' time. Exclude all non-donation income such as government grants, third-party reimbursements (such as insurance payments), client fees for services, fees for contracted services, rental income and interest income. Exclude program income (from dances, golf outings, sales of candy bars, etc.) **except** when the price includes a donation. In those cases, include only **net income** from fundraising special events, activities, sales, etc.

5. What amount of **donated funds** (as reported in #4a above) came from each of the following?
 (You may report **all** categories in percentages if that is easier.)

- a) individuals (other than "planned giving," defined below) \$ _____
- b) "planned giving" funds received in 1997 \$ _____
 (include only funds received through wills, remainder trusts
 and life insurance)
- c) corporations and other businesses \$ _____
 (include foundations associated with corporations, e.g., Sovereign
 Bank Foundation, Carpenter Technology Foundation)
- d) federations \$ _____
 (United Way, Reading Musical Foundation, CFC, etc.)
- e) churches and religious groups \$ _____
- f) foundations \$ _____
 (e.g.: Berks County Community Foundation, Wyomissing Foundation,
 Janssen Foundation, national foundations, etc. Exclude corporate
 foundations here; include them under "corporations and other
 businesses" above.)
- g) other charitable organizations in Berks county. \$ _____
 (e.g., Lions Clubs, Kiwanis, Junior League, etc.)
- h) other \$ _____
 please explain: _____
- Total (should match #4a) \$ _____

6. What percentage of 1997 **donated funds** (as reported in #4a) were spent on each of the following? You may report in dollar amounts if that is easier. **(See Appendix A for detailed explanation of activities falling into each category.)**

- | | | | |
|-------------------------------|---------|---------------------------------|---------|
| a) arts, culture & humanities | _____ % | f) international affairs | _____ % |
| b) education | _____ % | g) public/society benefit | _____ % |
| c) environment/wildlife | _____ % | h) religion | _____ % |
| d) health | _____ % | i) other (please explain below) | _____ % |
| e) human services | _____ % | Total | 100% |

"other" uses consisted of: _____

- 7. Total amount of 1997 **donated funds** (#4a) received from **outside** Berks County \$ _____
- 8. Amount of funds irrevocably committed in 1997 (but not yet received) \$ _____
- 9. Does your organization currently have a permanent endowment established?
 Yes No
- 10. What was the value of your endowment at the end of 1997? \$ _____

Thank you for your participation!

Appendix A: Uses of Funds Lists for guide to question #6

ARTS, CULTURE AND HUMANITIES

- Arts, culture, humanities activities
- arts & culture (multipurpose activities)
 - historical societies & related historical activities
 - humanities
 - media & communications
 - museums
 - performing arts
 - visual arts

EDUCATION

- Educational institutions and related activities
- adult/continuing education
 - elementary & secondary education (preschool-12)
 - graduate/professional schools
 - higher education
 - libraries
 - student services & organizations
 - vocational/technical school

(Note: health / wellness education falls under the "Health" category, not "Education")

ENVIRONMENT/WILDLIFE

- Environment quality, protection
- botanic/horticulture activities
 - environmental beautification & open spaces
 - environmental education & outdoor survival
 - natural resource conservation & protection
 - pollution abatement & control

- Animal-related activities
- animal protection & welfare
 - humane society
 - specialty animals & other services
 - veterinary services
 - wildlife preservation & protection
 - zoos & aquariums

HEALTH

- Health-general and rehabilitative
- emergency medical services
 - health care financing/insurance programs
 - health support services
 - health treatment, primarily outpatient
 - hospitals, nursing homes and primary medical care
 - public health & wellness education
 - reproductive health care
 - rehabilitative medical services

Medical research

- Mental health, crisis intervention
- addiction prevention and treatment
 - crisis intervention
 - mental health treatment and services
 - half-way houses (mental health)/transitional care
 - psychiatric/mental health-primary care

HEALTH continued

- Disease/disorder/medical disciplines (multipurpose)
- allergy-related diseases
 - birth defects and genetic diseases
 - cancer
 - diseases of specific organs
 - medical disciplines/specialties
 - nerve, muscle & bone diseases
 - specific named diseases

HUMAN SERVICES

- Public protection: crime/courts/legal services
- administration of justice/courts
 - correctional facilities & prisoner services
 - crime prevention
 - legal services
 - police & law enforcement agencies
 - protection against/prevention of neglect, abuse, exploitation
 - rehabilitation of offenders

Employment/jobs

- employment assistance for the handicapped
- employment procurement assistance
- labor-management relations
- labor union/organization
- vocational guidance & training (such as on-the-job programs)
- vocational rehabilitation

Food, nutrition, agriculture

- agricultural services aimed at food procurement
- farmland preservation
- food service/free food distribution
- nutrition promotion

Housing/shelter

- homeless, temporary shelter
- housing development/construction
- housing owners/renters organizations
- housing search assistance
- housing support services
- low-cost temporary shelters such as youth hostels

Public safety/disaster preparedness and relief

- civil defense & preparedness programs
- disaster prevention, such as flood control
- disaster relief (U.S. domestic)
- safety education

Recreation, leisure, sports, athletics

- amateur sports
- camps
- Olympics & Special Olympics
- physical fitness & community recreation
- recreation/pleasure or social clubs
- sports training

HUMAN SERVICES continues...

HUMAN SERVICES continued

Youth Development

- agricultural development (such as 4-H)
- big brothers/sisters
- business development, Junior Achievement
- citizenship programs
- religious leadership development
- youth centers (such as boys club)

Human service-other/multipurpose

- centers promoting independence of specific groups (such as senior or women's centers)
- children & youth services
- emergency assistance (food, clothing)
- family services
- multipurpose service organizations
- personal social services
- residential/custodial care

INTERNATIONAL AFFAIRS

International

- exchange programs
- foreign policy research & analyses (U.S. domestic)
- international development
- international human rights
- international relief services (foreign disaster relief)
- peace & security

RELIGION

Religion/spiritual development

- Christian churches, missionary societies and related religious bodies
- Jewish synagogues
- other specific religions

PUBLIC/SOCIETY BENEFIT

Civil rights/civil liberties

- civil liberties
- equal opportunity & access
- voter education/registration

Community improvement/development

- business services
- community coalitions
- community/neighborhood development
- community service clubs (such as Junior League)
- economic development, urban and rural

Philanthropy and voluntarism

- community funds and federated giving
- philanthropy associations/society
- private foundations, funds (e.g. women's funds) and community foundations
- voluntarism promotion

Science

- biological sciences
- engineering/technology
- physical/earth sciences
- scientific research & promotion

Social sciences

- interdisciplinary studies, such as black studies, women's studies, urban studies, etc.
- social science research/studies

Public affairs/society benefit

- consumer rights/education
- government & public administration
- public policy research, general
- public utilities
- transportation systems

(Cover letter sent with initial survey)

September 1, 1998

Dear ———:

Berks County Community Foundation is initiating a long-term project to increase the overall level of philanthropy in Berks County, consistent with its mission and the identified needs of Berks County nonprofit organizations.

One of the initial steps in this effort is to measure and categorize the total levels of current charitable giving within our community, through the administration of the enclosed survey. The results of the survey will be compared with national data so that strategies can then be developed to protect our areas of strength and enhance areas where our community lags national patterns.

We have contracted with Dr. James Kurre, of the Economic Research Institute of Erie (ERIE), at Penn State Erie, to collect and analyze the data. He developed and administered a similar research project in Erie County in 1996.

Let me assure you that your answers will be kept strictly confidential. Only ERIE staff will see them. No information on individual organizations will be released, even to Berks County Community Foundation, and only aggregate results will be published.

Your organization has been selected to participate in this inaugural survey, which will form the baseline for all future surveys, to be done on a periodic basis. **Your participation in this voluntary survey is very important to the success of the project.** You are, of course, free to decline to answer any specific question, and completion and return of the survey is considered implied consent (i.e., that you're willing to participate in the study.) We estimate that it will take from 20 minutes to an hour to answer the survey.

Those organizations which respond to the survey will automatically receive a copy of the completed report and an invitation to a special meeting called to review the findings and discuss future responses needed to increase overall community philanthropy.

We anticipate release of the published report to the community in January, so your timely response is critical because of the substantial amount of data to be collected and analyzed. **Please return the completed survey form in the postpaid envelope by September 22.** Specific questions about the survey may be directed to Dr. James Kurre, Associate Director of ERIE, (814) 898-6266, e-mail k12@psu.edu, or Pat Giles locally at BCCF, 685-2223.

Sincerely,

A handwritten signature in blue ink that reads "Kevin K. Murphy". The signature is written in a cursive style with a large, stylized "M" at the end.

Kevin K. Murphy
President

APPENDIX B

AAFRC DATA FOR TYPES OF CONTRIBUTIONS, 1967-97,

TREND EQUATIONS AND CORRELATIONS

Trend equations were fitted with ordinary least squares regression analysis. The dependent variables were the five categories of donations, in billions of inflation adjusted dollars, and the independent variable was the year (and year squared for quadratic cases.) The resulting equations are given below, with t-statistics beneath the respective coefficients. All coefficients are statistically significant.

Type of Donations	Fitting Period	Coefficients			R ²
		Intercept	Year	Year Squared	
Total	1967-97	195598.5 4.71	-199.17 -4.75	0.05072 4.80	.950
Individual	1967-97	-2783.5 -21.77	1.447 22.43		.946
Business	1967-97	-330.0 -13.10	0.1693 13.32		.859
Foundation	1967-97	80378.5 11.52	-81.266 -11.55	0.02054 11.57	.905
Bequest	1981-97	-663.1 -8.35	0.3379 8.47		.827

Table B-1
Correlations Between Percentage Deviations from Trend

Type of Donor	1967-97			1981-97			
	Individual	Business	Foundation	Individual	Business	Foundation	Bequest
Individual	1.000			1.000			
Business	.481	1.000		.273	1.000		
Foundation	.426	.146	1.000	.586	.693	1.000	
Bequest				-.189	-.040	-.095	1.000

Consistent data for bequest giving are only available from 1981-1997.

Table B-2
 Donations, 1967-97
 (Billions of Inflation Adjusted Dollars)

Year	Total	Individual	Business	Foundation	Bequest
1967	81.83	64.44	3.93	6.73	
1968	86.92	68.03	4.14	7.38	
1969	90.34	69.67	4.05	7.87	
1970	87.02	66.97	3.38	7.86	
1971	92.90	69.91	3.37	7.73	
1972	93.84	74.38	3.72	7.68	
1973	92.50	74.23	3.82	7.23	
1974	87.51	70.32	3.58	6.87	
1975	85.21	70.20	3.44	4.92	
1976	89.83	74.24	3.75	5.36	
1977	93.26	78.26	4.09	5.30	
1978	94.94	79.02	4.18	5.34	
1979	95.30	80.89	4.52	4.95	
1980	94.72	79.30	4.38	5.47	
1981	97.61	81.20	4.66	5.42	6.32
1982	98.31	79.22	5.17	5.26	8.67
1983	101.86	83.89	5.92	5.80	6.25
1984	105.94	87.22	6.38	6.10	6.24
1985	106.93	85.61	6.90	7.31	7.12
1986	121.91	98.25	7.36	7.95	8.35
1987	116.14	91.17	7.37	8.31	9.30
1988	119.44	94.94	7.24	8.34	8.91
1989	127.40	102.84	7.06	8.48	9.02
1990	124.48	99.52	6.71	8.88	9.38
1991	123.75	99.30	6.18	9.10	9.17
1992	126.30	100.33	6.77	9.88	9.32
1993	129.44	102.19	7.19	10.58	9.49
1994	129.07	100.20	7.56	10.47	10.84
1995	130.91	100.78	7.71	11.12	11.30
1996	136.53	104.70	7.81	12.28	11.74
1997	143.46	109.26	8.20	13.37	12.63

Source: Kaplan, *Giving USA 1998*, p. 155.

APPENDIX C

SURVEY PARTICIPANTS

The following 124 organizations responded to the 1997 Berks County Philanthropy Survey. Most of these are active, functioning organizations, but a few wrote to tell us that their organizations were not active in 1997. Note also that not all participants answered every question, so a particular organization listed below may not be included in the data for any particular number in this report.

A.H.E.D.D. Berks/Reading Area	Boyertown Community Library
Abilities in Motion	Breast Cancer Support Services of Berks County
Albright College	Burn Prevention Foundation
Alliance for the Mentally Ill	Camp Fire Boys & Girls, Adahi Council
ALS Association - Berks County	CARE, Inc.
Alvernia College	Caron Foundation/Chit Chat
American Diabetes Association	Central PA Legal Services
American Heart Assn., Berks Division	Central Park United Methodist Food Ministry
American Lung Assn. of Lancaster & Berks County	Children's Home of Reading
American Red Cross-Berks County Chapter	Community Child Care
Beacon House	Community Prevention Partnership of Berks County
Berks AIDS Network	Community School of Music and the Arts
Berks Arts Alliance	Concern - Professional Services for Children
Berks Arts Council	East Penn Emerging Arts Program
Berks Ballet Theatre	Easy Does It, Inc.
Berks Business Education Coalition	Exeter Library Association
Berks Classical Children's Chorus	Family Guidance Center
Berks Community Action Program	Footprints In Time
Berks Community Television (BCTV)	Foundation for the Reading Public Museum
Berks Counseling Center	Friends of Chamber Music
Berks County 4-H	Gifted Education Assn. of Reading and Berks
Berks County Assn. for Graveyard Preservation	Goodwill Industries of Mid-East PA
Berks County Community Foundation	Great Valley Girl Scout Council
Berks County Conservancy	Greater Berks Food Bank
Berks County Head Start	Habitat for Humanity, Reading-Berks
Berks County Literacy Coalition	Hamburg Public Library
Berks County Prison Society, Inc.	Hawk Mountain Council #528, Boy Scouts of America
Berks County Public Library System	Hawk Mountain Sanctuary
Berks County Senior Citizens Council	Hispanic Apostolate in Berks County
Berks Deaf & Hard of Hearing Services	Historical Society of Berks County
Berks Heritage Center	Holy Name High School
Berks Talkline	Humane Society of Berks County, Inc.
Berks Visiting Nurse Association	Jewish Community Center of Reading
Berks Women in Crisis	Junior Achievement of Berks County
Bethel Tulpehocken Public Library	Juvenile Diabetes Foundation, Berks County Chapter
Birdsboro Community Library	Keystone Community Blood Bank
Birdsboro Community Memorial Center	Kutztown Pennsylvania German Festival
Boyertown Area Historical Society	Kutztown University Foundation Inc.
Boyertown Area YMCA	Latino Social Services of Lutheran Services Northeast

Leadership Berks
League of Women Voters
Literacy Council of Reading-Berks
Lifeline of Berks County, Inc
Lodge, Inc. of Reading, PA
Lutheran Services Northeast
Motivated Moms, Inc.
Muhlenberg Community Library
Neighborhood Housing Services of Reading, Inc.
New Arts Program, Inc.
Northwest Neighborhood Ministries, Inc.
Olivet Boys and Girls Club
Parkinson's Support Group of Berks County
Penn State Berks / Lehigh Valley College
Penn State - Fine Arts Council
Planned Parenthood of Northeastern Pennsylvania
ProKids of Berks County, Inc.
Rainbow Home of Berks County
Reading Area Community College
Reading Area CHADD
Reading Beautification, Inc.
Reading Community Players
Reading Hospital and Medical Center

Reading Musical Foundation
Reading Pops Orchestra
Reading Public Library
Reading Symphony Orchestra
Reading Urban Ministry
Reading-Berks Conference of Churches
Robesonia Community Library
Salvation Army-Reading Corps
Schuylkill River Greenway Association
Shoestring Productions
Star Series Association
Supportive Concepts for Families
Teen Challenge Training Center
Threshold Rehabilitation Services
Treatment Access & Service Center
United Service Organization
United Way of Berks County
Village Library
West Lawn-Wyomissing Hills Library
Women's Counseling Services of Berks County, Inc.
Wyomissing Institute of Fine Arts
Wyomissing Public Library
YMCA of Reading & Berks County

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- U.S. Department of Commerce, Bureau of the Census. Website: <http://www.census.gov>.

ABOUT THE AUTHOR...

James A. Kurre is an Associate Professor of Economics at Penn State University Erie, The Behrend College. A native of Cincinnati, he took an undergraduate degree in Economics from the University of Cincinnati, *magna cum laude*, and completed M.A. and Ph.D. degrees in Economics at Wayne State University in Detroit. He has been on the faculty at Penn State Erie since 1977, and is the only two-time winner of the college's Excellence in Teaching Award. He serves as the Associate Director of the Economic Research Institute of Erie, of the College's School of Business. His primary research field has been regional economics and economic development, and he has presented nearly three dozen research papers at national and international conferences. He has published a dozen articles in professional journals such as *Economic Development Quarterly*, *Regional Studies*, *Annals of Regional Science*, and *Pennsylvania Economic Review*. He has completed research contracts with the Center for Rural Pennsylvania, the Erie Conference on Community Development, the Erie Community Foundation, GTE North, and the Pennsylvania Department of Commerce, as well as consulting on lawsuits for wrongful death and loss of earnings.

When not in the classroom, in front of his computer, or in a sand trap somewhere, he spends time assisting the comedy troupe In All Seriousness, of which his wife is a long-standing member.

ABOUT THE ECONOMIC RESEARCH INSTITUTE OF ERIE...

The purpose of the Economic Research Institute of Erie (**ERIE**) is to collect, analyze, interpret and disseminate data and information on the Erie regional (Erie County) economy. It also provides economic research for other areas on a contract basis, in its fields of expertise: economic forecasting, regional economics, economic development, international economics, labor economics, and local area philanthropy studies. In this process, it also provides hands-on research experience for undergraduates.

Established in late 1982, the Institute is an applied research unit of Penn State-Erie's School of Business. The Institute's research results are published and distributed in the ERIE Technical Reports series and through articles in the regional media. Institute Technical Reports, articles and bibliographies are available to the general public; contact the Institute at the phone number listed below for more information. The Institute's staff have presented more than 30 technical papers at national and international conferences. Among these are presentations in Amsterdam, Cambridge (England), Marseilles, Montreal, Paris, Quebec City, Reading (England), Toronto, Wellington (New Zealand), and Vancouver, as well as numerous major U.S. cities. Articles based on the Erie economy, written by members of the Institute staff, have appeared in *Economic Development Quarterly*, *Environment and Planning A*, the *International Journal of Forecasting*, the *Journal of Forecasting*, *Regional Studies*, *Systems Research*, the *Pennsylvania Economic Review* and other academic journals.

ERIE can be reached at (814) 898-6107.

INSTITUTE STAFF

Barry R. Weller, Ph.D.
Associate Professor of Economics
Director
brw@psu.edu

James A. Kurre, Ph.D.
Associate Professor of Economics
Associate Director
k12@psu.edu

Kenneth K.T. Louie, Ph.D.
Associate Professor of Economics
Research Associate
obr@psu.edu