

DOCUMENT RESUME

ED 361 248

SO 022 921

AUTHOR Dinkins, Julia M.  
 TITLE Money Contributions to Religion, Charity, Education, and Politics.  
 INSTITUTION Agricultural Research Service (DOA), Washington, D.C.  
 REPORT NO ISSN-0425-676x  
 PUB DATE 91  
 NOTE 6p.  
 PUB TYPE Journal Articles (080)  
 JOURNAL CIT Family Economics Review; v4 n4 p11-14 1991

EDRS PRICE MF01/PC01 Plus Postage.  
 DESCRIPTORS \*Consumer Economics; \*Donors; Economic Research; Economics Education; Educational Economics; Elementary Secondary Education; Higher Education; Political Campaigns; \*Private Financial Support; Religion; Trusts (Financial)  
 IDENTIFIERS \*Consumer Expenditure Survey; \*Consumers

ABSTRACT

This article presents study results on the 57% of consumer units who made money contributions to religious, charitable, educational, or political causes in 1988-89. The median donation was \$48. Data from the 1989 Consumer Expenditure Survey (CES) were used to determine characteristics of the consumer units making these donations. The CES is an ongoing survey that collects data on household expenditures, income, and major socioeconomic and demographic characteristics. Results show that 7 in 10 of the contributors had incomes above \$35,000; 7 in 10 had a college degree or more; 6 in 10 were married couples with or without children; and 6 in 10 were at least 45 years old. Forty percent of the consumer units gave to religion, 30 percent gave to charity, 7 percent gave to education, and 5 percent gave to politics. A consumer unit is defined as: (1) all members of a particular housing unit who are related by blood, marriage, adoption, or other legal arrangements; (2) two or more people living together who pool their incomes to make joint expenditure decisions; or (3) a person living alone or sharing a household with others, but who is financially independent. Overall, 57% of consumer units interviewed contributed 2 percent of their before tax family income to religion, charity, education, and politics in 1988-89. As income and educational levels increased, so did the percentage of contributors and the dollar amount of median contribution. Because many consumer units did not make cash contributions, whereas some contributed a great deal, the median statistic better describes contribution level. (DK)

\*\*\*\*\*  
 \* Reproductions supplied by EDRS are the best that can be made \*  
 \* from the original document. \*  
 \*\*\*\*\*

Money Contributions to Religion, Charity,  
Education, and Politics

U.S. DEPARTMENT OF EDUCATION  
Office of Educational Research and Improvement  
EDUCATIONAL RESOURCES INFORMATION  
CENTER (ERIC)

This document has been reproduced as  
received from the person or organization  
originating it

Minor changes have been made to improve  
reproduction quality

• Points of view or opinions stated in this docu-  
ment do not necessarily represent official  
OERI position or policy

So 022 921

# Money Contributions to Religion, Charity, Education, and Politics

By Julia M. Dinkins  
Consumer Economist  
Family Economics Research Group

Fifty-seven percent of consumer units made money contributions to religious, charitable, educational, or political causes in 1988-89. The median donation was \$48. Data from the 1989 Consumer Expenditure Survey are used to determine characteristics of consumer units that made these donations. Results show that 7 in 10 of the contributors had incomes above \$35,000; 7 in 10 had a college degree or more; 6 in 10 were married couples, with or without children; and 6 in 10 were at least 45 years old. Forty percent of the consumer units gave to religion, 39 percent gave to charity, 7 percent gave to education, and 5 percent gave to politics. Results provide data to policymakers and others interested in the socioeconomic and demographic characteristics of contributors and noncontributors, median money contributions made by consumer units, and types of contributions made.

## Introduction

At State and local levels, the gap between available funds and what is needed to meet current demands for goods and services is widening (5). Supplementing Federal funds with contributions is one strategy some communities are using to narrow that gap (1,6).

As community agencies and city and county governments seek money donations, and as consumer units make decisions about money donations, answers to several questions may serve as a basis for action.

Overall, what percentage of households donate money income? How much money income is given? What percentage of before-tax family income is donated? Who contributes?

This article provides descriptive information on selected socioeconomic and demographic characteristics of consumer units<sup>1</sup> that donated money income to religion, charity, education, and politics in 1988-89. Information on median and mean contributions is presented, but the focus is on median contributions made by all consumer units interviewed. The median is especially useful because the data were skewed: contributions ranged from none to \$33,000.

<sup>1</sup>A consumer unit consists of either: (1) all members of a particular housing unit who are related by blood, marriage, adoption, or other legal arrangements; (2) two or more people living together who pool their incomes to make joint expenditure decisions; or (3) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent. To be considered financially independent, at least two of the three major expense categories (housing, food, and other living expenses) have to be provided by the respondent.

## Source of Data

Data for this study are from the interview component of the 1989 Consumer Expenditure Survey (CE) (4), conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS). The CE is an ongoing survey that collects data on household expenditures, income, and major socioeconomic and demographic characteristics. A national sample of consumer units is interviewed once each quarter for five consecutive quarters; the first interview is used for bounding purposes. Using a rotating sample design, about one-fifth of the sample is replaced each quarter. The 1989 CE, with a response rate of 86 percent, contains information from about 20,000 quarterly interviews. Income data are annual and expenditure data for cash contributions are for the "past 12 months."

### Religious contributions:

Donations to weekly collections or to causes sponsored by a religious organization. *Excluded* are membership dues to church-related groups or expenses for schools run by a religious order.

### Charitable contributions:

Donations to such organizations as the American Cancer Society, United Way, Red Cross, United Black Fund, CARE, Save the Children Fund, Project Hope, Helen Keller Fund, Multiple Sclerosis Society, March of Dimes, Muscular Dystrophy Association, and the United Cerebral Palsy Fund.

### Educational contributions:

Donations to alumni funds and cash donations to libraries and scholarship funds of public, private, and parochial schools that offer an academic diploma or certificate. *Excluded* is the cost of tuition.

### Political contributions:

Donations to a political party or to a specific candidate.

Findings in this study are based on responses by 4,396 consumer units who were asked the amount of religious, charitable, educational, political, or other<sup>2</sup> cash contributions made during the past 12 months. This item is asked only in the fifth interview. This interview occurs throughout the year, depending on when the consumer unit entered the survey. So, during any quarter, only one-fifth of all consumer units are asked about contributions. The sample was unweighted as only consumer units having their final interview were asked about their annual contributions, and BLS weights apply to the entire sample in a quarter.

Only consumer units who gave complete income information were included in this study. (Complete income reporters provide values for major sources of income such as wages and salaries, self-employment income, and Social Security income. However, even complete income reporters may not have provided a full accounting of all income from all sources.)

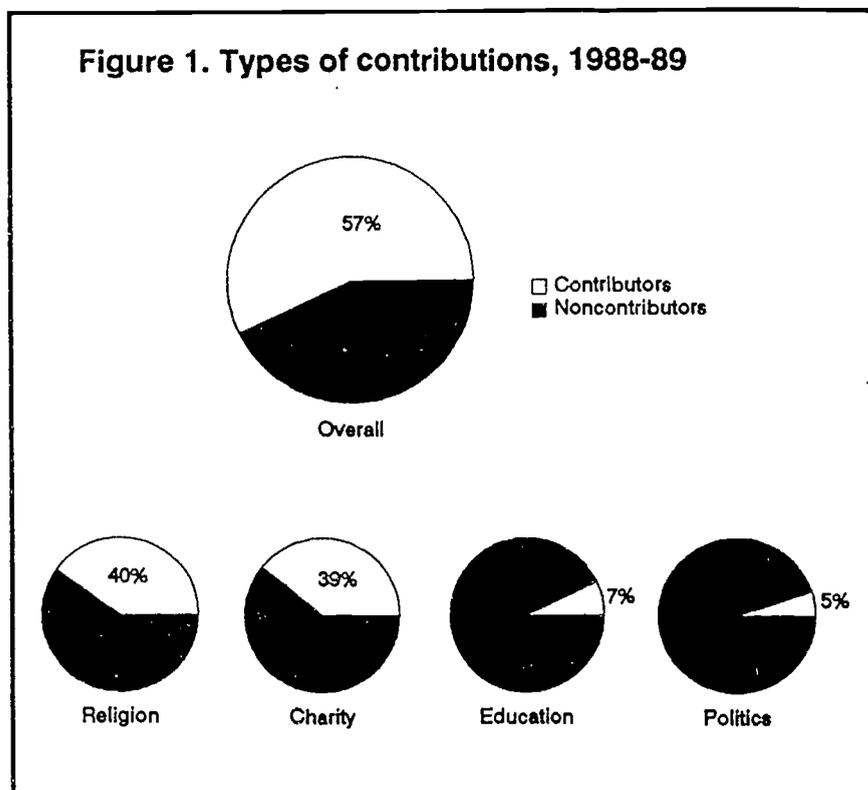
## Results

Over one-half of the consumer units contributed to religion, charity, education, or politics (figure 1). About 40 percent of the consumer units contributed to religious organizations, 39 percent to charitable causes, 7 percent to educational institutions, and 5 percent to political causes.

### Contributions From Two Perspectives

Because many consumer units did not make cash contributions, whereas some contributed a great deal, the median statistic better describes contribution level. A comparison of mean and median contributions illustrates why it was

<sup>2</sup>Less than 5 percent of the consumer units made "other" contributions; therefore, that category is not included.



**Table 1. Cash contributions, 1988-89**

Type of contribution	All consumer units		Contributors only	
	Median	Mean	Median	Mean
Overall <sup>1</sup>	\$48	\$492	\$300	\$859
Religion	0	368	362	919
Charity	0	96	100	248
Education	0	20	73	305
Politics	0	9	50	165

<sup>1</sup>The sum of cash contributions to religion, charity, education, and politics.

important to focus on median contributions when considering contributions by all consumer units.

The overall mean contribution by all consumer units was \$492 or 2 percent of their before-tax family income (table 1). Mean contributions were \$368 for religion, \$96 for charity, \$20 for education, and \$9 for politics. The overall mean contribution for *contributors only* was \$859, which was 3 percent of their

before-tax family income. Among contributors only, \$919 was donated to religion, \$305 was donated to education, \$248 to charity, and \$165 to politics.

The median contribution falls at the 50th percentile, with half of the sample donating less and half donating more. Median overall contributions by all consumer units was \$48; half (n=2,198) of the consumer units interviewed donated less than \$48 overall to religion,

charity, education, and politics. The overall median contribution for contributors only was \$300: half of the contributors-only group donated less than \$300 overall to religion, charity, education, and politics.

**Contributions and Socioeconomic and Demographic Characteristics of Consumer Units**

Predictably, there were more contributors among those with incomes above \$35,000 than those with lower incomes, about a 3-to-2 ratio (figure 2). By family type, about two-thirds of husband and wife families both with and without children were contributors, compared with about half of those in other families<sup>3</sup> and in one-person consumer units.

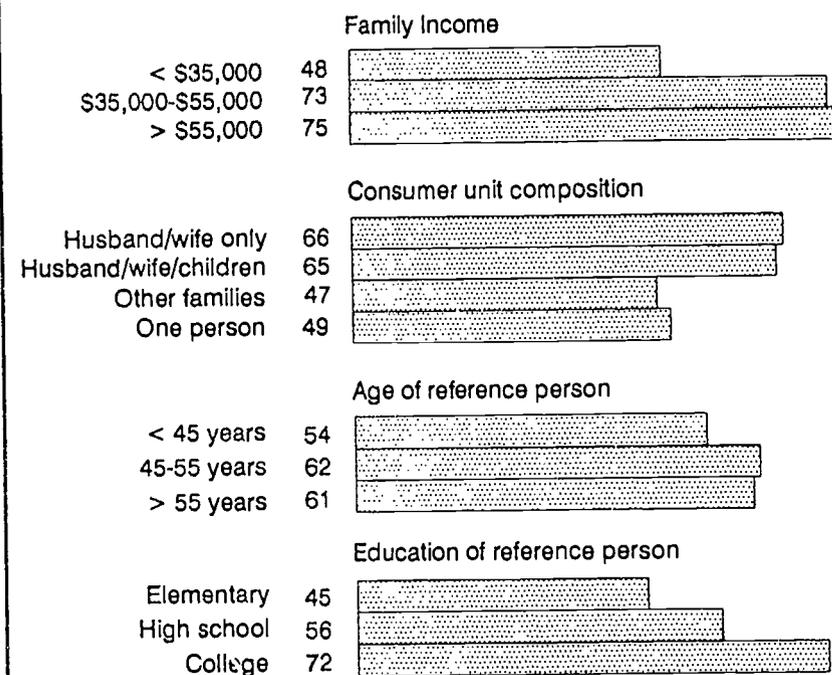
A higher percentage of consumer units with reference persons<sup>4</sup> age 45 and over were contributors, compared with younger consumer units (figure 2). However, age was less likely to distinguish between contributors and noncontributors than income, education, and family type. As educational level of the reference person increased, the percentage of contributors in each category rose from 45 to 72 percent.

Median contributions, by socioeconomic and demographic characteristics, are given in table 2. At the 25th percentile, only consumer units with incomes above \$55,000 made contributions (table 2). At the median or 50th percentile, consumer units with incomes over \$35,000, husband and wife families both with and without children, and reference persons with at least

<sup>3</sup>“Other families” includes single-parent families, husband and wife families with other relatives in the household, and relatives living in the same household.

<sup>4</sup>A reference person is identified by the respondent when asked “to start with the name of the person or one of the persons who owns or rents the home.” The terms “head of household” or “householder” may be used to denote “reference person” in this paper.

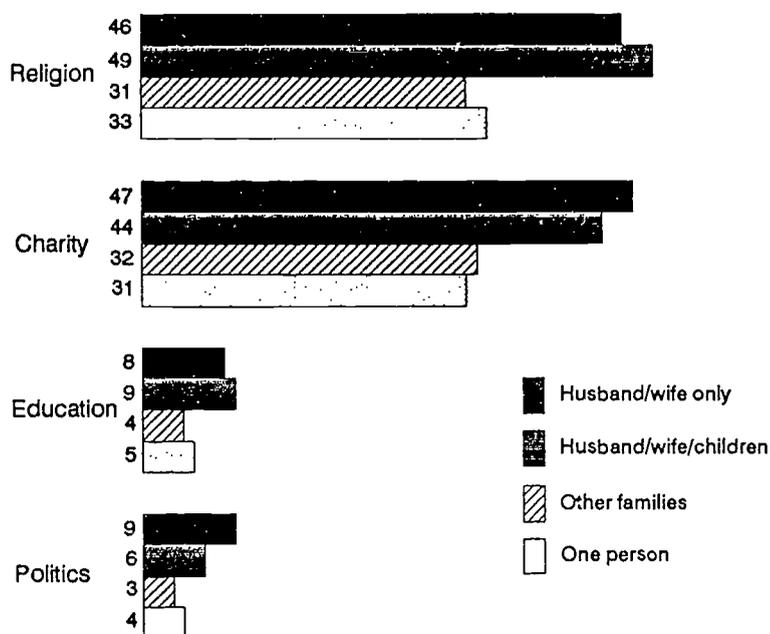
**Figure 2. Percent contributing by socioeconomic characteristics, 1988-89**



**Table 2. Percentile contributions by socioeconomic characteristics, all consumer units, 1988-89**

Socioeconomic characteristics	Percentiles		
	25th	50th (Median)	75th
Overall contribution	0	\$ 48	\$ 400
<b>Family income</b>			
<\$35,000	0	0	200
\$35,000 - \$55,000	0	150	600
>\$55,000	3	326	1,200
<b>Consumer unit composition</b>			
Husband/wife only	0	125	652
Husband/wife/children	0	100	600
Other families	0	0	172
One person	0	0	184
<b>Age of reference person</b>			
<45	0	20	260
45 - 55	0	100	600
>55	0	85	500
<b>Education of reference person</b>			
Less than high school	0	0	180
High school or some college	0	30	300
College degree or more	0	200	850

**Figure 3. Percent contributing by family composition, 1988-89**



a high school education made contributions. Over half of all consumer units, regardless of age of reference person, contributed.

At the 75th percentile, contributions were reported by consumer units in each of the socioeconomic categories. Highest donations (\$1,200) were reported by consumer units with before-tax family incomes of over \$55,000. In other categories, contributions at the 75th percentile were highest for consumer units headed by reference persons with a college degree or more (\$850), husband and wife families without children (\$652), and reference persons 45-55 years old (\$600).

#### Family Composition of Consumer Units Profiled

Less than one-half of the husband and wife families both with and without children donated to religion or charity (figure 3); less than one-third of other families or one-person consumer units donated to religion or charity. Less than 10 percent of husband and wife families both with and without children contributed to education or politics; less than 6 percent of other families or one-person consumer units donated to educational or political causes.

#### Conclusion

Overall, 57 percent of consumer units interviewed contributed 2 percent of their before-tax family income to religion, charity, education, and politics in 1988-89. Clearly, religious or charitable causes were able to attract more contributors than were educational or political causes.

Findings indicate that one-way transfers<sup>5</sup> of money income are influenced by socioeconomic and demographic characteristics: Before-tax family income, family composition, and age and educational level of the reference person. As income and educational levels increased, so did the percentage of contributors and the dollar amount of median contribution.

<sup>5</sup>Philanthropic donations are considered to be voluntarily generated with a one-way flow of resources: from donors to donees (3).

#### References

1. Hsu, E. 1991. Arlington turns to charity to raise funds for projects. *The Washington Post*, July 6 issue.
2. Independent Sector. 1990. *Giving and Volunteering in the United States*. [1990 ed.]
3. Schwartz, R.A. 1970. Personal philanthropic contributions. *Journal of Political Economy* 78:1264-1291.
4. U.S. Department of Labor, Bureau of Labor Statistics. Consumer Expenditure Survey: 1989 Interview Survey Public Use Tape and Documentation.
5. Walsh, E. 1991. Forecast is bleak for state finances. *The Washington Post*. August 13 issue.
6. *The Washington Post*. 1991. Campaign to aid federal program. August 8 issue. ☒