

**A SURVEY OF CHARITABLE GIVING AFTER
SEPTEMBER 11TH, 2001**

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FOREWORD – *PUTTING THE FINDINGS INTO CONTEXT*

In the wake of the horrendous terrorist attacks on September 11, America's nonprofit and philanthropic organizations were ready and able to step in quickly to assist in the disaster relief and recovery effort. Corporations, foundations, and individuals have responded with an unprecedented outpouring of financial contributions that now total over \$1 billion. Many others stepped up to donate blood or give their time to help in the relief effort. Throughout the nation, museums and arts organizations, social service agencies, schools, religious congregations, and youth programs were able to provide comfort, counseling, and spiritual reinforcement to people of all ages who are still struggling to understand and cope with the horrors of this new war.

Many have expressed concern about how this extraordinary outpouring of private philanthropic support would affect the ability of nonprofit organizations to raise sufficient funds to carry on other vital community services. While recognizing the enormous need for support as a result of the terrorist attacks, there is widespread recognition that other demands are also expanding with the recent economic decline – demands for other human services, for medical research and treatment, for creative outlets and spiritual healing. Prior to September 11, a number of philanthropic foundations had announced that the value of their assets had dropped significantly due to the declining stock market and they would therefore be forced to reduce their grantmaking activities. Corporations, another key source of support for many nonprofit organizations, were experiencing similar economic challenges and were reducing the dollars they could devote to supporting charitable nonprofits.

INDEPENDENT SECTOR commissioned this poll by Wirthlin Worldwide to help nonprofit organizations, the public, and elected officials assess Americans' response to the events of September 11 and how that response, coupled with an economic downturn, might affect support for the services provided by nonprofits in the coming months. This poll examines only philanthropic contributions by individuals – a key part, but only a part, of the overall support nonprofits depend upon to fund their community services and programs.

In many ways, the portrait of American giving provided by this poll offers much encouragement. Seven in ten Americans contributed money, blood, or time to support the disaster relief and recovery effort, and three-quarters of those who contributed financially say they will contribute as much or more money as they normally do to other charities. Conversely, the other one-quarter reports that they will have to reduce or even eliminate the amount they contribute to other charitable nonprofits.



The outlook becomes more serious when Americans are asked about the effect an economic slowdown will have on their charitable giving. Almost half of Americans interviewed say they would at least somewhat reduce their charitable giving in the next six months if the economic slowdown worsens; one in ten indicate they will completely stop their charitable giving in the event of an economic downturn. It is a testament to American generosity that the other half of Americans interviewed indicated that economic conditions would have virtually no impact on their giving, but it would be unrealistic to expect their donations to make up for any shortfalls in contributions from other individuals.

America's 1.23 million charitable nonprofits derive about 20 percent of their support from private contributions from individuals, corporations, and philanthropic foundations, according to INDEPENDENT SECTOR's *The New Nonprofit Almanac In Brief*. For some nonprofits, particularly for arts organizations, human service agencies, and religious congregations, private contributions account for a significantly higher portion of their overall support. The remaining 80 percent of funding support comes from dues and fees (37.5%), government contracts and grants (31%), and other revenue such as investment income (11%).

The downturn in the economy is already affecting many nonprofits beyond the outlook for private individual contributions. Museums across the country are reporting significant reductions in revenues they receive from admissions fees and museum shop sales as a result of declining travel and tourism, while at the same time, they must invest in increased security measures. Food banks have experienced significant drops in corporate food contributions since mid-summer when the first impacts of an economic slowdown were being felt – and at the same time they are experiencing a rapid increase in demand for food supplies. Other smaller nonprofits that rely on volunteers to implement key components of their adult literacy and youth mentoring programs have found that their regular volunteers who have recently been laid off from their jobs are unable to donate as much, or even any, time to their volunteer service because of the need to focus on job searching and family needs.

Nonprofit organizations that rely on funding from local and state governments to support substantial portions of their program services are also facing the possibility of cutbacks in government spending. Declines in the travel and tourism industry have already caused significant reductions in revenues collected by state and local governments for hotel, restaurant and sales taxes. Many anticipate that lower individual and corporate income will further reduce local and state government revenues. As a result, many local and state government agencies have already announced they will need to cut spending budgets due to anticipated revenue shortfalls, and some social service programs may suffer.



The impact of possible reductions in private contributions from individuals will vary significantly among nonprofit organizations. Smaller, community-based nonprofits that have few, if any, reserve funds and are more likely to rely on private contributions to support their service programs may be forced to cut back, or even eliminate some services, at a time when many report that demand for services is increasing. Nonprofits that are heavily dependent on corporate and foundation grant support are also projecting smaller budgets for 2002 and a need to scale back some of their community services.

The overriding message INDEPENDENT SECTOR has heard from nonprofit organizations and philanthropic foundations is that the services nonprofit organizations provide have become even more critical to the health and vitality of our communities in the wake of both the events of September 11 and the economic slowdown that has been exacerbated by those events. It is essential that nonprofit organizations continue strong fundraising efforts to let the public know about the services they provide and the need for contributions to continue those services. It is equally essential that community, business, and government leaders continue to encourage all Americans to give back to the community through gifts of time and money, especially during these challenging times.

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INTRODUCTION

Wirthlin Worldwide is pleased to present the results of a national telephone survey conducted on behalf of INDEPENDENT SECTOR. The survey was fielded October 5 - 8, 2001 among 1,009 American adults and is representative of the U.S. population. The survey has a margin of error of ± 3.1 percentage points at the 95% confidence interval. This means that if this survey were to be replicated 100 times, in at least 95 instances the results would be within 3.1 percentage points of those reported here.

RESEARCH OBJECTIVE

The purpose of the survey was to measure Americans' reactions to the September 11 terrorist attacks, with a specific focus on their charitable and civic response to these events. It also includes forward-looking questions on how these events will affect their charitable giving activity in the future.

DETAILED FINDINGS

The American resilience demonstrated in so many ways this past month is also strongly present when it comes to charitable giving. Seven in ten Americans have contributed money, blood, or time in response to the September 11th terrorist attacks. In addition to their support for September 11th, more than seven in ten Americans (73%) who made a donation say they will continue to contribute *as much money* as they normally do to other charities (59%) or *plan to give more* than they usually do (14%). While many organizations may have been impacted by some short-term redirections in giving, in the long-term, these findings paint a more optimistic picture of charitable giving.

Across our national sample, 70% of Americans reported giving charitable support in response to the September 11th terrorist attacks. Specifically, *Donations of Money* (58%) was the most common form of support, followed by *Blood Donations* (13%) and *Time Donations* (11%). Americans aged 35 - 54 were the most common donors of *money* (64%), while younger Americans (younger than 35 years of age) were the most frequent *blood donors* (17%). Further, African Americans (particularly females) were more likely than any other demographic group to have donated *Time* in support of September 11th.



Among demographic subgroups, those most likely to have given a financial donation include (percentage in parenthesis indicates percentage of that group who gave a monetary donation – only significant differences shown):

- Large charitable contributors, over \$5,000/year (80%)
- Americans in the New England region of the U.S. (76%)
- Americans who have previously given to disaster relief efforts (74%)
- Households with \$60,000+ income (71%)
- Married women (68%)
- Females 35 - 54 (67%)

Looking across ethnicity, Caucasians age 35 - 54 (68%) were most likely to donate money. However, statistically, Caucasians (62%) as a group are no more likely than the average to donate money; Hispanics, as a group, also showed no statistically significant difference (50%). African Americans were statistically the least likely group to donate money (47%), but were more likely to donate *time* (21%) than any other ethnic group.

Americans who supported a charitable cause following the September 11th attacks were asked to indicate what impact this giving would have on their other charitable giving throughout the rest of the year. Survey findings are somewhat optimistic, but contain a mixed outlook. While nearly three-quarters (73%) of Americans who gave indicate they will give as much or more to other charities than they usually give, a full one-quarter (26%) of Americans said that they either *don't think they will have much more to give* (14%) or *they will give some more, but not as much as usual to other charities* (12%). The total net impact of these perceptions on charitable giving will depend on a mix of several factors, including which demographic groupings of Americans decide to give more or less and which organizations they generally support. However, it is clear that a reduction in giving by one-quarter of donors may have a bigger impact on smaller nonprofit organizations (which are less likely to receive a proportionate share of giving) and, furthermore, that many nonprofit organizations may experience a short-term reduction in donations due to the redirection in giving in response to September 11th.

An analysis of general geo-demographic information from the survey sheds some light on the net impact of charitable giving. In summary, it appears as though those with the most means for giving, higher income Americans with generally higher charitable donations, will continue to give as much or more to nonprofits in the wake of September 11th. Interestingly, data also point to younger Americans (who are not traditionally the bulk of charitable givers) as another source of ongoing donations, while retirees and older Americans may end up giving less to other



charities as a result of a redirection of giving. These two factors highlight the fact that those who intend to give more are either *larger donors* or *outside the usual pool of nonprofit donors*. Therefore, it is possible that, in the long-term, behavioral changes in these two groups will help to offset the reductions from the one-quarter of Americans who say they will give less after their September 11th support.

A further analysis of the data indicates that those most likely to say *they will give more* to other charities than they usually do includes (percentage in parenthesis indicates percentage of that group who say they will give more to other organizations):

- Large charitable contributors, giving more than \$5,000 annually to charities (30%)
- Americans age 35 or younger (23%)
- Single Americans (23%)
- High school and Post-graduates (20% and 21%, respectively)

Those who indicate they *don't have much more to give* to other charities include the following sub-groups:

- Those who feel an economic slowdown will greatly reduce their giving (28%)
- Americans age 65+ (27%)
- Americans with four or more children (26%)
- Americans in the Great Lakes region of the US (26%)
- Those who give less than \$100 annually to charities (25%)
- Females 55+ years old (23%)
- Retirees (22%)

Looking at other demographic information, Caucasians age 18 - 34 (22%) were more likely than any other ethnic sub-group to say they will *give more*; however, Caucasians as a whole (13%) are no more likely than the average American (14%) to *give more*. Other ethnic groups share this same finding: African Americans (15% *give more*) and Hispanics (19% *give more*). Surprisingly, there are few differences across income levels in terms of intended giving. While Americans with a household income of \$15,000 - \$30,000 (19%) are directionally more likely to *give more*, all groups are within the average range for *giving more*. Looking at party identification, Democrats (15%) and Republicans (16%) are statistically even, however Democrats age 18 - 34 (28%) were most likely to say they will *give more* of any political grouping.



The greatest potential negative impact on nonprofit and charitable giving appears to come from an economic slowdown, not redirected giving as a result of the terrorist attacks. Almost half (48%) of Americans interviewed say they would *at least somewhat reduce* their charitable giving in the next six months if the economic slowdown worsens. Yet, the other half (50%) say economic conditions would have *virtually no impact* on their charitable giving. While this again is a testament to the American will and generosity, this finding indicates that the greatest challenge for nonprofit fundraising stems from a decline in economic fundamentals, which may be exacerbated by the September 11th attacks and a resulting slowdown.

When asked directly, one in ten Americans (9%) indicate they will *completely stop* their charitable giving in the event of an economic downturn; further, a statistically equal proportion (11%) say they will *greatly reduce* their giving. While there is no question that an economic slowdown will result in overall reductions in giving, predicting the net impact of an economic slowdown on giving is complex and dependent upon which sectors of donors actually change their behavior. The survey data indicate there are two demographic groups of most interest: *smaller donors* (give less than \$500 per year) and *larger donors* (more than \$1,000 per year). Americans who give less than \$100 per year to charities are most likely to say that an economic decline will *stop their charitable giving* (17%) – this finding minimizes the effect of a slowdown because the largest impact falls among those who give the least. Conversely, a plurality of America’s largest charitable givers (\$5,000+) say that a slowdown will have *virtually no impact on their giving* (47%); while another third (37%) say a slowdown may only *somewhat reduce their giving*. This finding also tends to have a mitigating effect in the net reduction of giving because those who give the most appear to be the least likely to *dramatically* change their giving behavior.

Further subgroup analysis indicates that those most likely to say an economic slowdown will have *virtually no impact* on their charitable giving include:

- Males 18 – 54 (55%)
- Americans with a Post-graduate education (65%)
- Women with college degrees (56%)
- Americans who will give more to other charities following their Sept. 11th donation (61%)
- Americans who have given to the Arts in the last 12 months (57%)

Interestingly, Americans who have given to *Environmental or Conservation* causes in the last 12 months are more likely than other donor groups to say that an economic slowdown will somewhat or greatly reduce their charitable giving.



Americans responded to very personal appeals when supporting efforts related to the September 11th events; surprisingly, workplace appeals appeared to be most successful. The success of these *workplace appeals* (with 39% responding) was followed by *religious institution appeals* (32% responding), and then by *in-person solicitations* (23% responding). In addition, a significant percentage of Americans (22%) say they responded to other *impulse* appeals, such as coupons at shopping markets or other appeals while shopping. Mass-market appeals – radio, television, and print advertisements; telethons; online appeals; and direct mail – comprise a third tier of response.

Charitable appeals for September 11th support at the workplace struck a chord of personal relevance for Americans. Among those who gave money, blood, time, or some other contribution in response to the terrorist attacks, nearly four-in-ten Americans (39%) said they responded to *workplace appeals*. The strength of this response underscores the potential power of workplace appeals, if done effectively and made personally relevant to the target audience.

Those who were most likely to donate through *workplace appeals* include the following subgroups (percentage in parenthesis indicates percentage of that group who say they responded to a workplace appeal):

- Those who donated their time in the wake of the attacks (58%)
- Males age 35 - 54 (54%)
- Americans age 35 - 54 (48%)
- Those who have donated to *education* or *literacy* causes in the last year (48%)
- Males (44%)
- Those who plan to give more to other charities after their September 11th donation (44%)

Other successful appeals came in the form of very personal contact, such as through a *religious institution* (32%), or *in-person solicitation* (23%). These personal appeals were followed by standard mass-market appeals such as *Radio* (14%), *TV* (13%), and *Newspaper or Magazine* (10%). Following these appeals is a third tier of media, which includes *Telethons*, *Direct Mail* and *Internet*. Interestingly, survey findings indicate that the *Internet* and *direct mail* (8% and 6%, respectively), two very disparate mediums, were equally as effective as one another as appeals for charitable support.

When respondents were asked specifically through what channel their donations were made, *mail* (23%) was the most common channel for a donation, followed by *telephone* (9%). Survey findings also indicate that five percent of charitable responders gave directly through the *Internet*. Although this still represents a small



proportion of Americans, it is interesting to note that among those who gave a contribution over the *Internet*, eight in ten (81%) had never before given a donation to a charity or nonprofit organization over the Internet. Internet givers are generally younger Americans (age 35 or younger), particularly females age 18 - 34. Further, those who have previously made a purchase over the Internet are ten times as likely as those who have never made a purchase online to make a financial contribution over the Internet to a September 11th related cause.

Three-in-ten Americans (30%) participated in one or more community, spiritual, or local neighborhood events or activities as a direct result of the events of September 11th. As important as the financial, blood, and time donations resulting from these tragic events have been, perhaps even more heartening is the way the country has come together as a true community, through both spiritual and local neighborhood channels. Americans participated in multiple types of activities: 20% participated in a *spiritual activity*, 15% participated in a *community activity* and 7% participated in a *local neighborhood activity*.

Respondents who participated in these activities were asked on an open-ended basis to indicate what types of activities they participated in as a result of the tragedy. While *religious services* (65% of mentions) and *community activities* (46%) were most commonly mentioned, specific activities included participation in a *community gathering/candlelight vigil* (39%), *prayer vigil* (27%), *special church meeting* (19%), and *individual prayer* (11%).

Some respondent verbatims on the actual events they attended are included below:

- *We had a candlelight vigil on a Friday night where you put candles in your porch or yard. I hung a flag that I didn't have hanging previously, and we had a prayer at church.*
- *We went and we prayed and we did a candlelight vigil. We sang songs.*
- *I participated in the candle vigil from the Internet.*
- *It was a town meeting with people of all ages, teenagers through seniors with their feelings about this, what it meant to the country. It was also in support of the firefighters and police departments. Everyone there was of the opinion of being in support of the police and firefighters, that they've done a great job.*
- *We attended services and we have become a lot more conscious of what is going on around us.*
- *I lit candles with my neighbors.*

Those most likely to have participated in community activities include Americans who live in the Northeastern U.S. (62%) and Americans who live in the Western U.S. (56%). Those most likely to have participated in *special religious services* include:



females (72%), working women with children (75%), married Americans (72%), female Republicans (76%), Americans who live in the Midwest (77%) and South (71%), and Americans who have given to religious charities in the last 12 months (73%).

Complete crosstabulations of all survey data are available. Please contact Justin Greeves, Vice President, or Bill Dalbec, Senior Research Executive at Wirthlin Worldwide (703) 556-0001 with any questions pertaining to the survey findings.