

# Giving in Kansas City



**A report prepared by**

  
**The Center on Philanthropy**  
**AT INDIANA UNIVERSITY**

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**Giving in Greater  
Kansas City**

**Summary of  
Charitable  
Contributions in 2007**

**Summer 2009**

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The Center on Philanthropy at Indiana University  
550 W. North St., Suite 301  
Indianapolis, IN 46202-3272  
317-274-4200  
[www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

## *Giving in Kansas City*

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### Center on Philanthropy Project Team

Patrick M. Rooney, Ph.D., Executive Director and Principal Investigator

Melissa S. Brown, Associate Director of Research and Project Manager

Reema T. Bhakta, Research Development Specialist

Ke Wu, Applied Statistician

Megan McDermott, Hao Han, and Sung-Ju Kim, Data Analysts

Sung-Ju Kim, Ani Muradyan, and Zachari George, Data Collection

Kirk Ralston, Copy Editing

Cindy Hyatte and Teresa Jones, Project Assistants

# *Giving in Kansas City*

## *Key Findings*

There are more than 7,500 nonprofits in the Greater Kansas City area working to improve people's lives. Many of these organizations receive charitable contributions to support their work. This study examines four different sources of funding and nine different types of recipient charities. Key findings appear first, with graphs and a brief statement. The rest of the report contains chapters that present each component of the study in greater detail.

Total estimated charitable giving of \$2.15 billion by Kansas City-area donors in 2007—including households, foundations, bequests, and corporations—represents nearly the same share of total giving as the Kansas City region's share of the U.S. population (0.7 percent of giving compared to 0.7 percent of the population).

Of the \$2.15 billion contributed in 2007 by all Kansas City-area donors, an estimated 69 percent of dollars (\$1.47 billion) remained in the Greater Kansas City region.

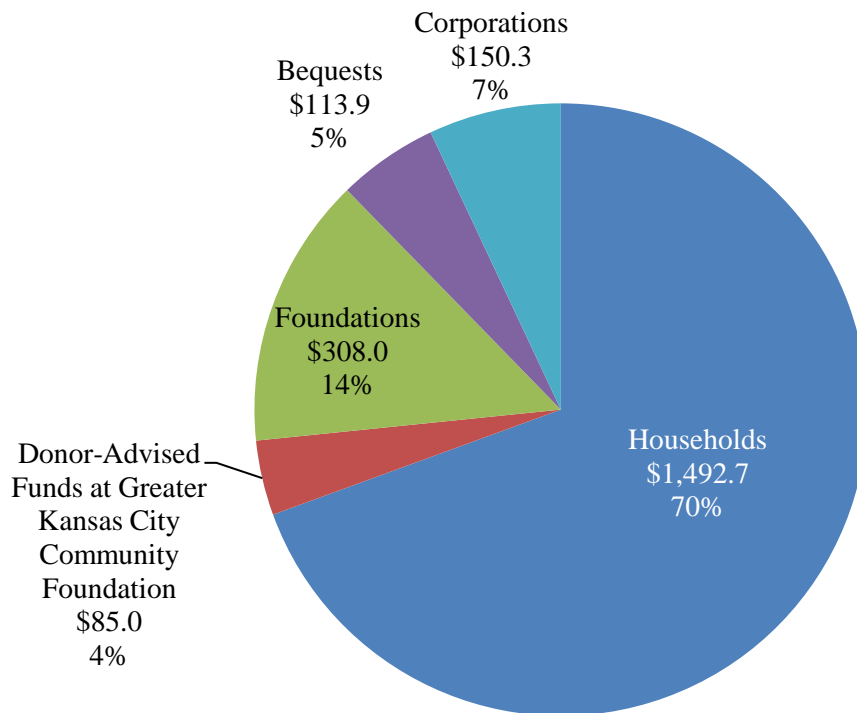
About three-quarters (72.4 percent) of Kansas City-area households made charitable donations in 2007. With an average donation of \$3,375 per donor household, Kansas City exceeds the national average of \$2,247 (as estimated for 2007) by 50 percent.

A large share of charitable giving in Kansas City is directed through foundations. In this region, 18 percent of all contributed dollars are paid in grants, compared to less than 13 percent nationally.

Religion received the largest share of the donated dollars from Kansas City-area donors in 2007, at 42 percent of the total estimated giving in the region.

After religion, the next highest shares of donations went to human service charities (16 percent), public-society benefit (14 percent) and education (13 percent). Public-society benefit includes United Way, Jewish federation, and other combined funds.

**Figure 1: Kansas City-area donations by source of contribution, 2007, Total = \$2.15 billion**  
(dollars in millions)



Values are shown rounded to the nearest whole percentage point.

Total charitable contributions estimated from all types of donors in the Kansas City area were \$2.15 billion in 2007. This is 0.7 percent of total U.S. estimated contributions for 2007; the Kansas City Metropolitan Statistical Area (MSA) has 0.7 percent of the U.S. population.

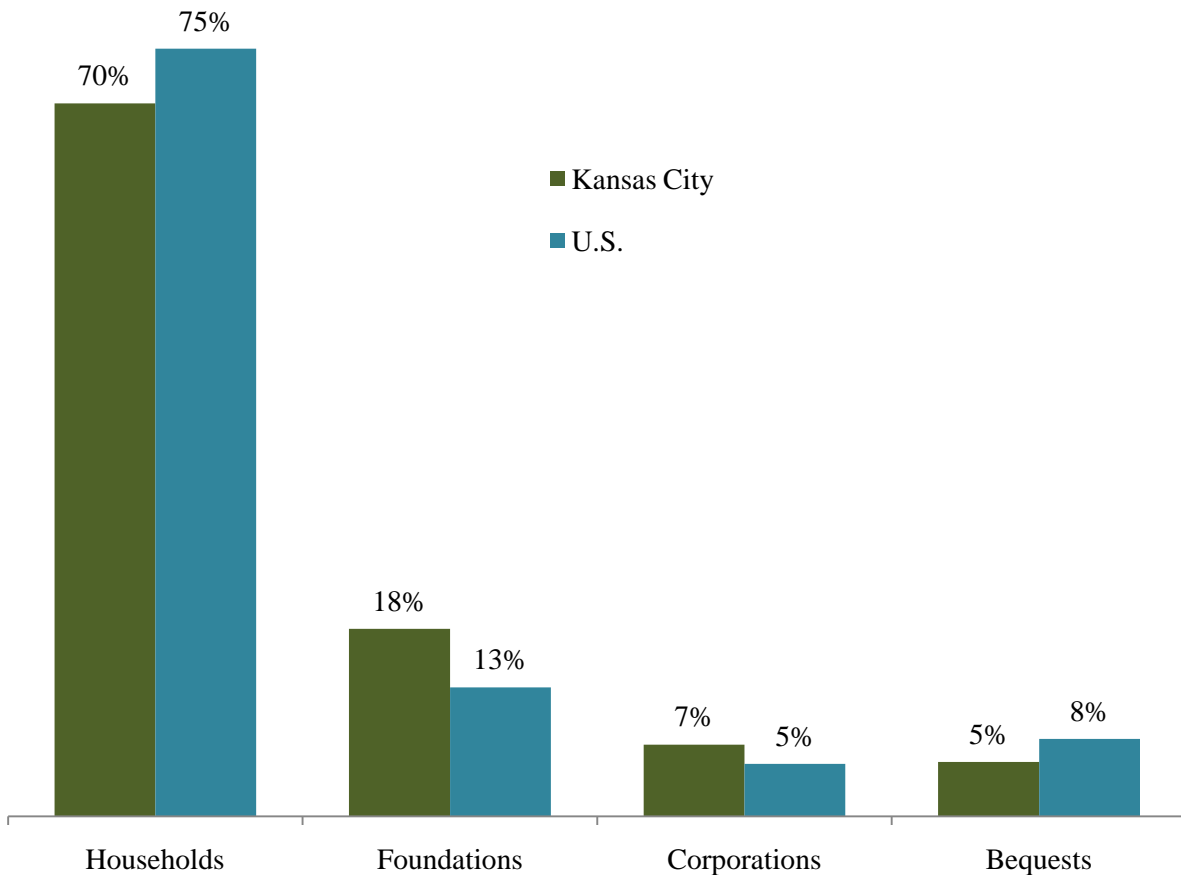
Households and individual donors in the Kansas City region gave an estimated \$1.49 billion to charities in 2007. This is 70 percent of total estimated giving.

Foundation grantmaking, not counting donor-advised funds at the community foundation, was \$308 million in 2006 (the closest year to 2007 for which data are available), this is 14 percent of the estimated total. At least \$85 million in grants were given from donor-advised funds that were held at the Greater Kansas City Community Foundation.

Charities in the Kansas City region received an estimated \$113.9 million in charitable bequests. This is 5 percent of total estimated giving in the region.

Charities in the Kansas City region received an estimated \$150.3 million in contributions from corporations and grants from corporate foundations. This is 7 percent of total estimated giving.

**Figure 2: Source of contributions, Kansas City compared with the U.S., 2007**



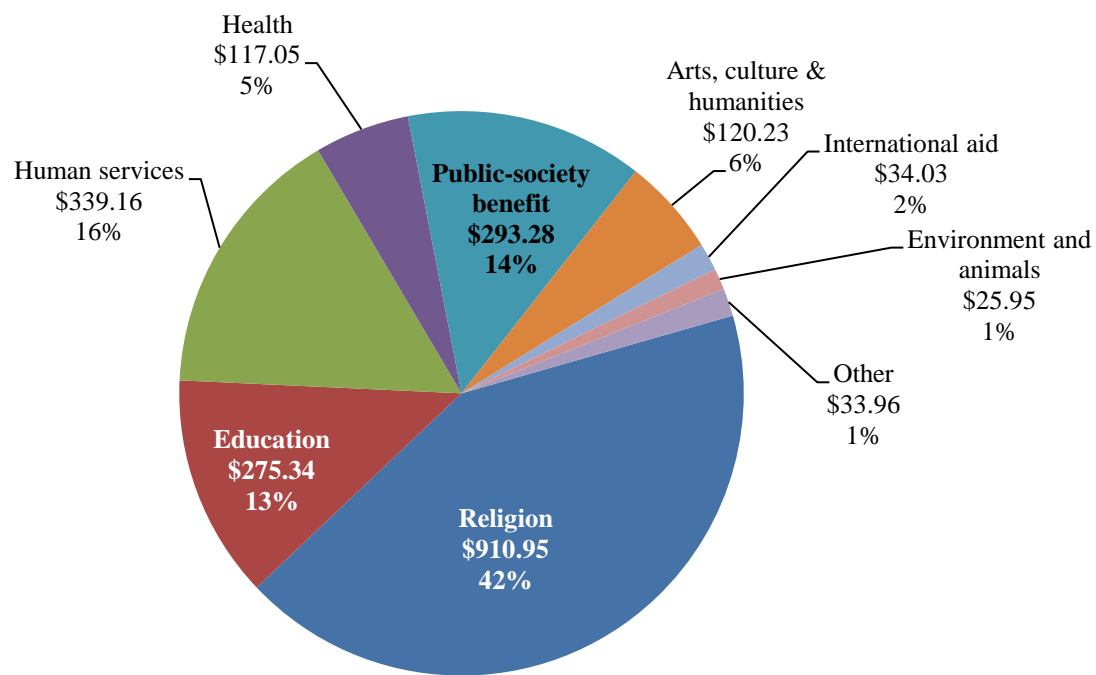
Values are shown rounded to the nearest whole percentage point.

Compared with the U.S. overall for 2007, a greater percentage of Kansas City giving was from foundations (18 percent compared with 13 percent for the country) and from corporations (7 percent compared with 5 percent for the country).

In Kansas City, individuals accounted for a smaller share of the total (70 percent compared with 75 percent in the U.S.) and bequests were a smaller portion of the total (7 percent compared with 8 percent for the U.S.)



**Figure 3: Charitable Recipients of donations from Kansas City-area donors, Total = \$2.15 billion, (dollars in millions)**



Values are shown rounded to the nearest whole percentage point.

Religious organizations, which include houses of worship, the governing bodies of faith groups, ministries and media ministries, received 42 percent of total estimated giving, at \$910.95 million.

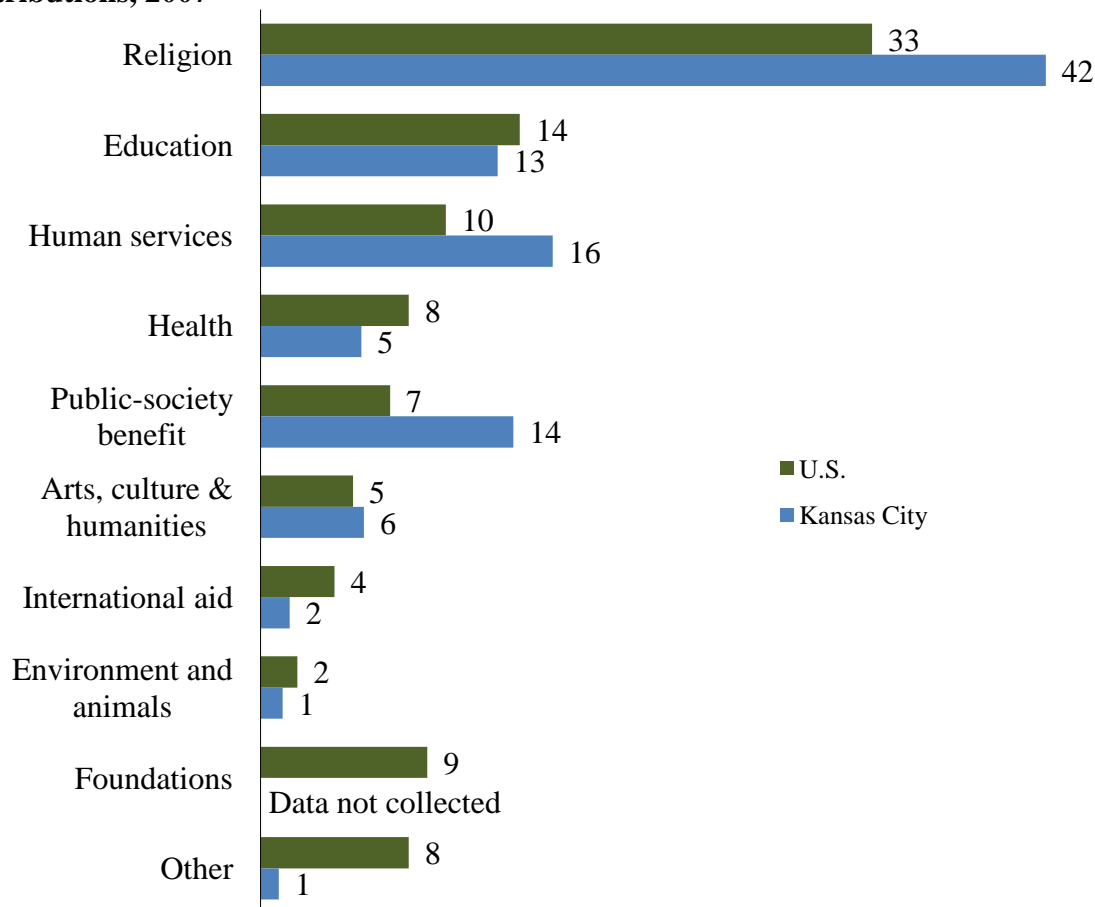
Human services charities received the next largest share, at 16 percent and \$339.16 million.

Public-society benefit organizations include United Way, Jewish federations, community development programs, leadership training programs, veterans' aid groups, research institutes, and civil rights organizations, among other types of charities. In the Kansas City area, these types of groups received 14 percent of total estimated giving, at \$293.28 million.

Educational organizations, including primary and secondary school, tutoring programs, libraries, and colleges and universities, received 13 percent of total estimated giving, at \$275.34 million.

Other types of charities, including arts, health, international affairs, and the environment, all received 6 percent or less of the total estimated giving.

**Figure 4: Distribution by type of recipient compared with U.S. by all sources of contributions, 2007**



Values are shown rounded to the nearest whole percentage point.

The categorization by subsector follows codes developed under the National Taxonomy of Exempt Entities (NTEE). Charitable contributions are classified by the purpose of the charitable organization, not on the activity supported by the gift. For example, The REACH Healthcare Foundation granted funds to a human services charity, Catholic Community Charities, to improve access to postpartum care for mothers and infants, and to an educational organization, the KU Endowment, for an outreach program related to health care. The activities funded are related to health, but the organizations that received the funds are classified in other subsectors.

- The allocation of charitable gifts in the Greater Kansas City area shows \$910.95 million to religion, or 42 percent of the total. This is a larger share than nationally, where 33 percent is for religion, according to *Giving USA 2008*.
- Education giving in Greater Kansas City is estimated to have been \$275.34 million in 2007, or 13 percent. Nationally, education giving is about 14 percent of the total. About 75 percent of all education giving in Greater Kansas City is to higher education. A comparatively large share of the Greater Kansas City adult population has a college degree. It is likely that many households give to their alma maters.
- Human services giving is estimated to be \$339.16 million, which is 16 percent of the total. Nationally, human services giving is about 10 percent.

- Health organizations received an estimated \$117.05 million, which is 5 percent of the total. Not all grants made by foundations that specialize in health are actually directed to health charities.
- Under the NTEE, public-society benefit organizations include the United Way, which received an estimated \$41 million (among all the United Ways operating in the region in 2007). It also includes Jewish federations and Jewish foundations, groups working for community or neighborhood improvement or business development, veterans and military aid organizations, leadership programs, and civil and human rights initiatives. This subsector, with its many types of recipients, received an estimated \$293.28 million, or 14 percent of the total.
- Organizations in the arts, culture, and humanities subsector include performing arts, museums of all types (including science and children’s museums), and organizations focused on preserving ethnic, cultural, or linguistic heritage. This subsector received \$120.23 million, which is 6 percent of the estimated total. This is consistent with the national share of 5 percent.
- The subsector called “international aid” also includes international exchange programs and research and policy institutes devoted to international affairs or issues of peace and security. From donors in the Greater Kansas City region in 2007, organizations in this subsector received an estimated \$34.03 million, which is 2 percent of the estimated total. This is slightly less than the national share of 4 percent.
- The environment and animals subsector includes national organizations and their local chapters, such as the Nature Conservancy and Ducks Unlimited, as well as animal shelters and the Kansas City Zoo. Organizations in this subsector received an estimated \$25.95 million in 2007 from Kansas City-area donors, or 1 percent of the estimated total. Nationally, environment and animal-related charities is about 2 percent of total.
- Organizations considered “other” include entities with purposes that cross a number of categories and limit easy coding; groups that didn’t fit in an earlier category; or government entities, such as a local school or parks department. Contributions considered “other” in the Greater Kansas City area in 2007 totaled an estimated \$33.96 million, or 1 percent of the total. The national share for unallocated giving or “other” is almost 8 percent.
- Gifts to grantmaking foundations (independent, community, and operating foundations) are estimated to be 9 percent of the total nationally. For this regional study, data was not collected on gifts to grantmaking foundations.

## ***Trends over time in Kansas City Giving***

This is the third study of charitable giving in the Greater Kansas City region, but the first with the larger territory redefined in 2003 by the U.S. Office of Management and Budget. As the region has grown, so has the charitable giving in the area, with the largest growth seen in household giving.

Note that in 2003, the composition of the Kansas City MO-KS Metropolitan Statistical Area changed to include more counties. The 1998 and 2001 studies (about giving in 1997 and 2000) were produced by the Greater Kansas City Community Foundation and included Wyandotte and Johnson counties in Kansas and Jackson, Clay, and Platte counties in Missouri. The combined population of the MSA was 1.7 million in 2001. In 2007, the MSA included 15 counties in the two states and the combined population was 1.9 million. At least some of the increase in giving is attributable to the change in definition for the MSA to include more people.

**Table I. Total giving in Greater Kansas City, studies about giving in 1997, 2000, and 2007**

Year of donations in study	Current dollars, in millions	Rate of change from prior period	Adjusted to 2007 dollars, in millions	Rate of change from prior period
1997	\$770.40		\$ 995.24	
2000	\$1,314.25	70%	\$1,582.46	59%
2007*	\$2,149.92	64%	\$2,149.92	36%
2007 without bequests	\$2,036.03	55%	\$2,036.03	29%

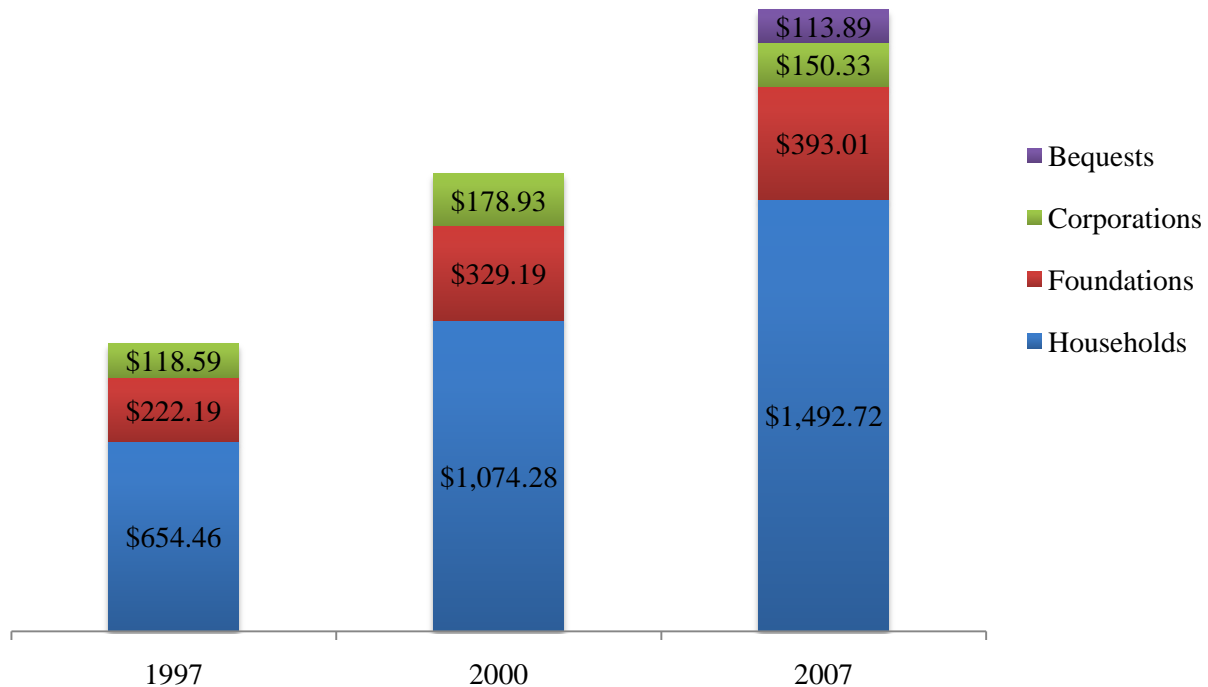
\* The total for 2007 includes bequests of \$113.9 million. Bequests were not studied in the earlier periods, so an adjusted total for 2007 removing them is shown, with the corresponding rates of change.

From 1997 to 2000, adjusted for inflation, total giving increased nationally by 36 percent, using the data in Giving USA 2008. In that same period, Kansas City saw nearly double the rate of national growth, with an inflation-adjusted increase of 59 percent.

From 2000 to 2007, adjusted for inflation, total giving rose nationally by 13 percent, according to Giving USA 2008. In that time, Kansas City saw a much stronger rate of growth, with inflation-adjusted giving rising 29 percent when not including bequests (which were not in the 2000 study).

The Kansas City population increased by 10 percent in 2007, compared with 2000, in part due to the 2003 decision by the U.S. Office of Management and Budget to include additional territory in the Metropolitan Statistical Area. However, the rate of growth in territory and population does not alone account for increases in giving that are two times or more the national rate of change.

**Figure 5: Trends over time, Kansas City studies of 1998, 2001, and 2008 compared, adjusted for inflation to 2007 dollars**  
(dollars in millions)



From 1997 to 2007, individual giving rose from an inflation-adjusted \$654 million to \$1,492.7 million (or \$1.49 billion). This is a growth of 128 percent. Nationally, from 1997 to 2007, inflation-adjusted individual giving rose from \$176 billion to \$229 billion, or a growth of 30 percent.

From 1997 to 2007, foundation grantmaking in the Kansas City area increased from an inflation-adjusted \$222.19 million to \$393.01 million, or growth of 77 percent. In the same period, foundation grantmaking increased nationally from an inflation-adjusted \$21.64 billion to \$38.52 billion, or growth of 78 percent.

Giving by corporations has fluctuated in Kansas City, with the 2007 estimate 16 percent lower than the inflation-adjusted estimate for 2001. Given the different methodologies in 1998 and 2001 (when companies were surveyed) and in 2007 (when nonprofit organizations were surveyed) the drop is likely to reflect a shift in methods rather than such a large shift in giving.

Nationally, from 2000 to 2007, corporate giving rose 15 percent (adjusted for inflation). From 1997 to 2007, corporate giving rose 46 percent nationally.

The estimate for bequests was not developed in 1998 or in 2001.

# *Giving in Kansas City*

## *Introduction*

### **Background Information about Kansas City**

1.98 million estimated population in 2007  
0.7 percent of the total U.S. population  
Second largest metropolitan area in Missouri  
Largest metropolitan area with territory in Kansas, though the Wichita Metropolitan Area is the largest metro anchored in Kansas

The population of Kansas City is  
76.9 percent white  
12.7 percent black  
7.0 percent of Hispanic or Latino origin (any race)  
3.4 percent from other minority groups

\$53,508 median household income, above the national average of \$50,740

10.2 percent of people live in poverty

90.1 percent graduated from high school  
31.5 percent have a bachelor's degree or higher

20 percent employed in education, health care, and social assistance  
11.6 percent employed in retail trade  
10.4 percent employed in manufacturing  
6.8 percent employed in professional, scientific, and technical services

Source: U.S. Census Bureau, 2007 American Community Survey

***The nonprofit sector plays a vital role*** in American life. Occupying the space outside of business and government yet influenced by both, nonprofits address peoples' physical, intellectual, and spiritual needs. The unique position in society of nonprofits allows them to do more than provide services; it also allows them to guard the values of their constituents, advocate for them, and facilitate connections among those involved with the organizations.<sup>1</sup> Nationwide, there are over 1.4 million nonprofits<sup>2</sup> with yearly revenue of nearly \$1.1 trillion,<sup>3</sup> which account for 8.3 percent of wages and salaries paid in the U.S.<sup>4</sup> They run from large hospitals that derive their revenue mainly from fees to small social service groups run by part-time volunteers.

***Philanthropy is incredibly important*** to American nonprofits. *Giving USA*, published by the Giving USA Foundation and researched and written at the Center on Philanthropy at Indiana University, estimates that \$306.39 billion was given to charity in 2007. Living individuals gave \$229.03 billion. Corporations and corporate foundations contributed \$15.69 billion, while independent and community foundations gave \$38.52 billion. Bequests rounded out the total at \$23.15 billion.<sup>5</sup>

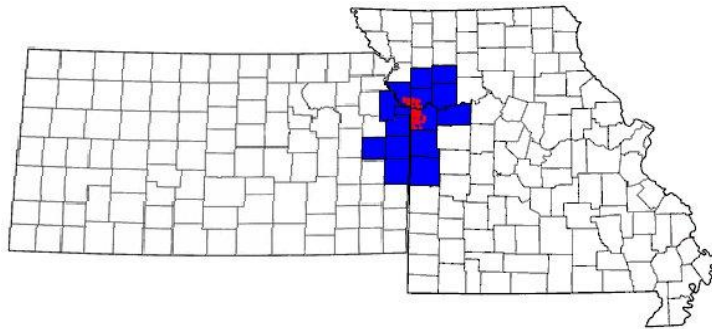
***Kansas City has an active nonprofit sector.*** There are more than 7,500 nonprofits in the metro Kansas City area, according to the Midwest Center for Nonprofit Leadership. Kansas City has a strong nonprofit community that exhibits an exceptional record of giving, including one of the most successful community foundations in the nation, the Greater Kansas City Community Foundation. It is among the ten largest community foundations in the nation with grantmaking of \$132.5 million in 2006.

## ***Why Study Kansas City?***

Every city has a unique mix of demographic, economic, religious, and historical factors that influence giving patterns. When philanthropy data from individual cities differs from benchmarks set by large, national studies like *Giving USA* and the Center on Philanthropy Panel Study, one must look to the differences between those cities. Several characteristics that set Kansas City apart are examined below. It is helpful to keep these broad themes and important characteristics in mind when interpreting the data contained in this report.

## ***Kansas City's Characteristics***

In 2007, Worldwide ERC and Primary Relocation recognized Kansas City as third on its list of the "Best Cities for Relocating Families" in the United States. In addition, in May 2008, *Money* rated Overland Park, Kansas, as the 9th best city in which to live in the United States. A neighboring city, Olathe, Kansas, was rated 11th. Both of these cities are in the Kansas City Metropolitan Statistical Area (MSA). Kansas City's long history of urban redevelopment has contributed to its appeal. More than \$9 billion is currently being spent on improving the Kansas City area, including renovations to its museums, construction of a new entertainment district, and construction of a new performing arts center.



Source: Wikimedia

Kansas City is a major transportation hub for the Midwest. The Kansas City area has more freeway lane-miles per capita than any other large metropolitan area in the United States. The Kansas City area tops second-place Dallas/Fort Worth Metroplex by 27 percent and has over 50 percent more freeway lane-miles per capita than the average American metro area. I-29, I-35, I-70, I-435, I-470, I-635,

and I-670 all pass through the Kansas City metropolitan area. In addition, Kansas City also has more rail traffic in terms of tonnage than any other city in the country.

Kansas City is home to nearly 15 post-secondary educational institutions. One of these, Metropolitan Community College, has five campuses located around the city. Two of the Kansas City's universities, the University of Missouri-Kansas City and Rockhurst University, offer programs for the study of the nonprofit sector.

The Kansas City area is also a culturally active city. Since jazz musicians Count Basie and Charlie "Bird" Parker both began their careers in local jazz clubs, it is not surprising that Kansas City continues to have an active jazz scene. The distinctive jazz style of Kansas City is commemorated in the American Jazz Museum, the first in the nation to be devoted exclusively to jazz.

The per capita personal income for residents of the Kansas City MSA in 2007 was \$39,222, slightly above the national average of \$38,615.<sup>6</sup> Kansas City's 2006 total gross domestic product was \$94 billion.<sup>7</sup> Kansas City is home to four Fortune 500 companies: Sprint Nextel Corporation, H&R Block, Embarq Corporation, and YRC Worldwide, Inc. Another major employer in Kansas City is Hallmark Cards, but it is not included in the Fortune 500 because it is

privately owned by the Hall family. Kansas City is also home to one of 12 Federal Reserve Bank headquarters.

## ***Objectives***

The goal of *Giving in Kansas City* is to report the sources, recipients, and scope of giving in the Kansas City MSA. Comparisons with national data provide context and show the distinctive character of philanthropy in the Kansas City area. Acting on careful assessment of these national benchmarks can improve both the understanding and practice of philanthropy in Kansas City.

This study of the philanthropic landscape of the Kansas City MSA focuses particularly on formal donations that qualify for tax deduction under the Internal Revenue Code. This includes donations to 501(c)(3) charities as well as religious organizations. While informal philanthropy such as giving to friends and relatives, volunteering, or donating to unincorporated groups is important to American society, these are not included in this report.

*Giving in Kansas City* compiles data from all areas of the private and nonprofit sectors to provide the most accurate and up-to-date information. Individuals in the Kansas City area were surveyed to determine how much and why people and organizations gave to charitable causes and what types of organizations Kansas City residents supported with their gifts. Foundation information was obtained through IRS Forms 990-PF, as available on FoundationSearch.com, Foundation Center, and Guidestar.org. Information from secondary sources is also included, such as analyzed data from the Center on Philanthropy Panel Study. Three methods were used to assess corporate giving in Kansas City: a mail survey of nonprofit organizations, analysis of a database containing corporate gifts made to Kansas City-area nonprofits, and analysis of a database of corporate foundation grants.

## ***Area of focus***

The study focuses on sources of giving in the Kansas City Metropolitan Statistical Area (MSA), covering the counties of: Franklin, Johnson, Leavenworth, Linn, Miami, Wyandotte, Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray. Metropolitan statistical areas expand beyond city limits and are defined by looking at large population centers and determining what adjacent communities are most socially and economically involved with them.

***There are four primary sources*** of charitable gifts to nonprofit organizations in the United States: living individuals, foundations, corporations (including corporate foundations), and bequests.

***Individual gifts*** represent the largest portion of gifts made to charitable causes in the United States. According to *Giving USA 2008*, individuals contributed an estimated \$229.03 billion in 2007, or about 82.4 percent of the total estimated giving (including bequests) of \$306.39 billion.<sup>8</sup> These gifts, which are defined as donations of money or assets by a living individual, can range from multimillion-dollar gifts by wealthy donors to donations of food to a local food bank. Total individual giving continues to rise, from \$83.24 billion in 1967 (in inflation-adjusted 2007 dollars) to \$229.03 billion in 2007.<sup>9</sup>

***An independent or private foundation*** is defined as “a nongovernmental, nonprofit [entity] with its own funds... established to maintain or aid educational, social, charitable,



religious, or other activities serving the common welfare, primarily by making grants to other nonprofit organizations.”<sup>10</sup> The Foundation Center estimated that Kansas City has approximately 453 foundations (including corporate foundations). Using a broader definition of grantmaker, this report examines 477 entities.

**Corporations** make gifts directly to charities in cash or in-kind—giving either products or equipment—and through grants made by corporate foundations funded through prior years’ corporate profits. Charitable contributions by U.S. companies and corporate foundations grew at a relatively modest rate in 2007 with a rise in corporate profits.<sup>11</sup> Nationwide, corporations donated an estimated \$15.69 billion in 2007.<sup>12</sup>

**Charitable bequests** amounted to \$23.15 billion dollars in 2007, 7.6 percent of the total given in the United States that year.<sup>13</sup> Charitable bequests will likely continue to grow as the wealthy choose to give away some of their savings at death rather than passing it on to relatives.<sup>14</sup>

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<sup>1</sup> Salamon, Lester M. *America's Nonprofit Sector: A Primer*. 2nd ed. New York: The Foundation Center, 1999. pp. 15-17

<sup>2</sup> The Urban Institute, National Center for Charitable Statistics, IRS Business Master File 01/2007. Available at: <http://www.nccsdataweb.urban.org>

<sup>3</sup> The Urban Institute, National Center for Charitable Statistics, Core Files 2004, <http://www.nccs.urban.org>

<sup>4</sup> The Urban Institute, National Center on Charitable Statistics, *Nonprofit Almanac 2007* (forthcoming). Preliminary estimate based on data from the U.S. Bureau of Economic Analysis.) <http://www.nccs.urban.org>

<sup>5</sup> *Giving USA 2008* p. 13

<sup>6</sup> Income data <http://www.bea.gov/regional/reis/action.cfm>

<sup>7</sup> <http://www.bea.gov/regional/gdpmetro/action.cfm>

<sup>8</sup> *Giving USA 2008*, p. 13

<sup>9</sup> *Ibid* p. 25

<sup>10</sup> Lawrence, Steven, Dia Ganguly. (2002). *Foundation Yearbook, 2002*. New York: The Foundation Center, p. 85.

<sup>11</sup> The Conference Board’s annual survey on corporate contributions: *The 2008 Corporate Contributions Report*

<sup>12</sup> An estimated total amount of corporation giving found through *Giving USA 2008*.

<sup>13</sup> *Giving USA 2008* p. 13

<sup>14</sup> Schervish, Paul G., and John J. Havens. "Resource Development Overview Survey." *The CASE International Journal of Educational advancement* 2.2 (2001): 95-113.

# Giving in Kansas City

## *Individual Giving*

### ***Highlights***

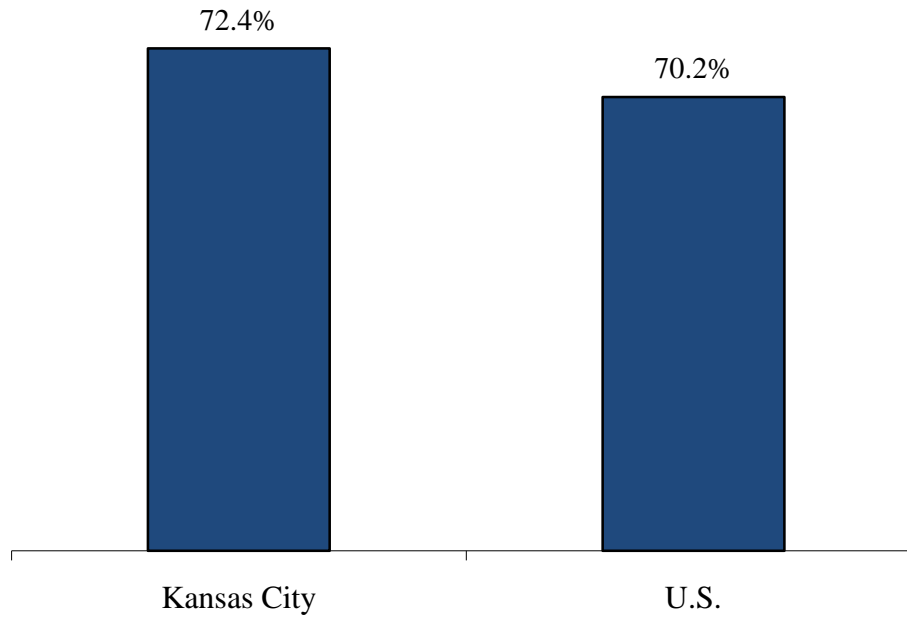
- 72.4 percent of households in Kansas City made charitable gifts in 2007, totaling an estimated \$1.49 billion. This was 0.7 percent of total estimated household giving in the U.S. for 2007. At 1.97 million residents in 2006, the Kansas City Metropolitan Statistical Area had 0.7 percent of the 2006 U.S. population.
- Among Kansas City households that donated, the average donation was \$3,375, or 50 percent above the U.S. average of \$2,247 (estimated for 2007).
- The average donation for all Kansas City households, including non-donors, was \$2,438 or 53 percent above the national average of \$1,590 for all households (including non-donors).
- Sixty-nine percent of estimated Kansas City donations remain in the region. 13.3 percent went to the states around Kansas City (Missouri or Kansas), 13.7 percent went elsewhere in the U.S., and less than four percent was directed abroad.
- Compared with national results, Kansas City donors give a lower share to religion (58.1 percent compared to 61.0 percent nationally) and higher shares to help meet people's basic needs (11.8 percent compared to 10.0 percent nationally) and for public-society benefit purposes (10.9 percent compared to 9.8 percent nationally). However, these differences are not statistically significant, which means that they are not very likely to be repeated if the study were to be done again.

### ***Giving by household in Kansas City***

Kansas City-area residents were about as likely to give as the rest of the U.S., and when they gave, they gave a higher amount, on average. This conclusion is based on data from the *Giving in Kansas City* survey and was compared with national data from the Center on Philanthropy Panel Study (COPPS), which surveyed households in 2005 about contributions in 2004. *Giving in Kansas City* used the same survey questions as COPPS to make the information comparable. As a national measure, COPPS is highly accurate because it reaches more households and has a higher response rate than any other survey of giving in the United States.<sup>1</sup>

The COPPS study shows that 70.2 percent of households in the nation contributed to charity in 2004. In Kansas City, 72.4 percent of households donated to a charity in 2007 (see Figure 1). While the percentages appear different, a statistical test finds that it is not very likely that they would be different if the Kansas City study were repeated.

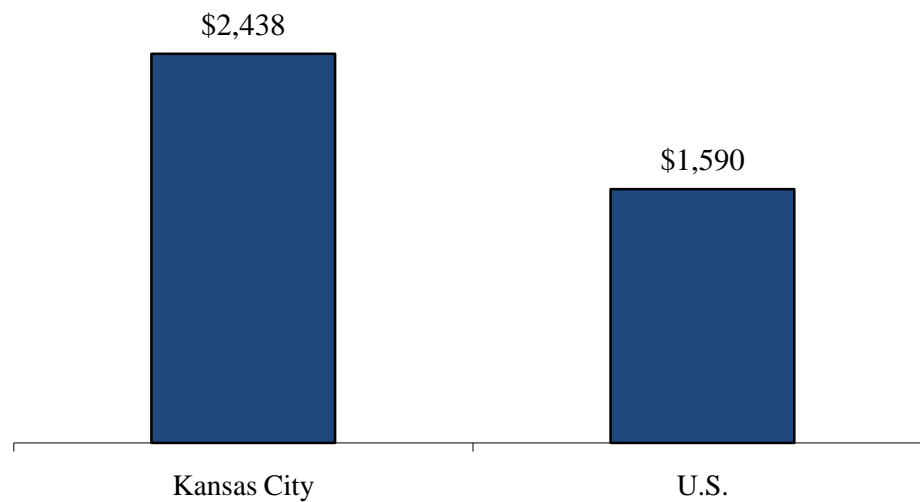
**Figure 1: Percentage of Donors, Kansas City and U.S., 2007**



National data from the Center on Philanthropy Panel Study, 2005.

Among all U.S. households, including those who did not donate to charity, the average amount donated in 2007 was \$1,590 (see Figure 2).<sup>2</sup> Among all Kansas City households, the average amount contributed to charity was \$2,438 for 2007. The average total amount of giving to charity from all Kansas City households was approximately 53 percent more than all U.S. households in 2007.

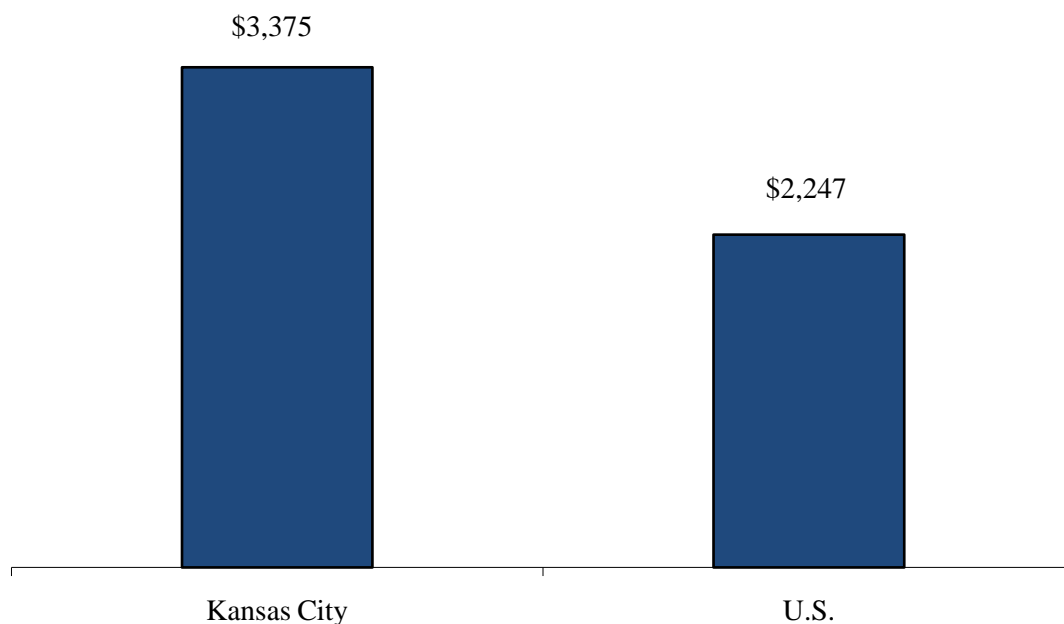
**Figure 2: Average Total Contribution by all Households**



National data from the Center on Philanthropy Panel Study, 2005; adjusted for inflation in 2007 dollars.

As Figure 3 shows, all households in Kansas City, not including non-donor households, gave a higher average amount than the national average (\$3,375 compared to \$2,247 in the U.S.) This is 50 percent more than the national average per donor household. The difference is found primarily in donations from the high-income households, as those with income of \$100,000 or more in Kansas City gave an average of \$7,613, whereas nationally the average is \$4,265, for individuals in this income group.

**Figure 3: Average Total Contribution by Donor Households, Kansas City and the U.S., 2007**



The high average gift amount also seems to be explained by these factors:

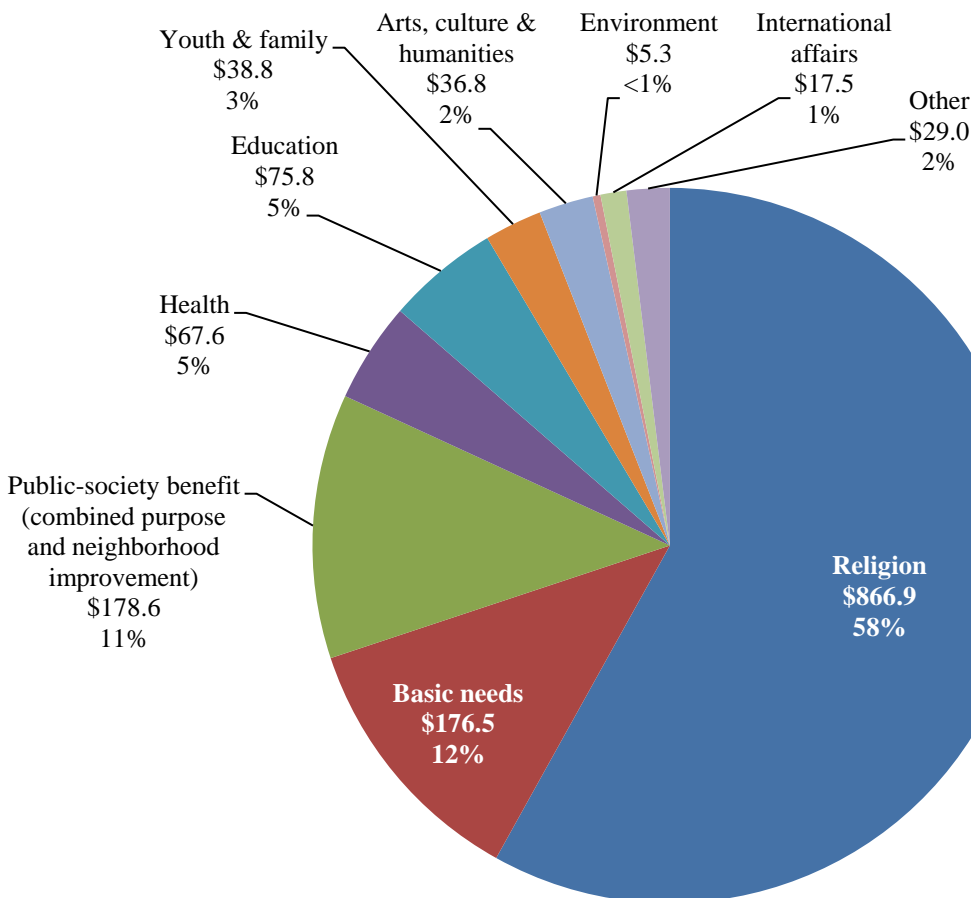
- About 16.8 percent of Kansas City households had income between \$100,000 and \$200,000 in 2007, according to the American Community Survey. In the U.S., about 15.7 percent fall within that range. Kansas City also had a lower poverty rate than nationally and lower than many other cities in the same size range, including Cleveland, San Antonio, and Sacramento.
- 31 percent of Kansas City-area residents have a college degree, more than the national rate of 27 percent (these rates are for people 25 and older). Higher education has been found to be associated with higher levels of giving, all other factors held constant.
- 18.1 percent of Kansas City-area adults work in industries found to be associated with higher giving after controls for income and education: finance, professional, business services, or public administration.<sup>3</sup> Nationally, 15.9 percent work in these industries.

Because national surveys include residents of rural areas, large cities, and small towns, we have compared Kansas City giving with a subset of national data limited to cities of one million or more. Nationally, 73.3 percent of residents of metropolitan areas with a population of one million or more contributed in 2004. They gave, on average, \$2,332 (\$2,559 converted to 2007 dollars).<sup>4</sup>

***Kansas City residents gave to a variety of causes in 2007.*** The estimated total amount given to charity by Kansas City households in 2007 was \$1.49 billion. As shown in Figure 4, the largest share, 58 percent of the total amount donated to charity in 2007, went to religious organizations, which includes houses of worship, media ministries, and other types of religious groups. The second largest share, \$176.5 million, went to basic needs organizations. Kansas City households gave a larger amount to international causes than to environmental causes (\$17.5 million versus \$5.3 million).

**Figure 4: Kansas City Donors Household Giving by Type of Recipient, 2007 (dollars in millions)**

**Total amount \$1.49 billion**



According to *Giving USA 2008*, the total estimated giving by all U.S. households is \$229.03 billion for 2007. This estimate includes itemized charitable deductions on tax returns and an estimate of giving by non-itemizing households. The estimate of \$1.49 billion in gifts from Kansas City residents is 0.7 percent of the total estimated giving by all U.S. households.

***Distribution of gifts by recipient type parallels that of Americans overall,*** which can be seen when comparing the allocation of gifts by Kansas City households with that of households across the nation.

**Figure 5: Estimated Percentage of Gift Dollars by Type of Recipient Household Donations, 2007**

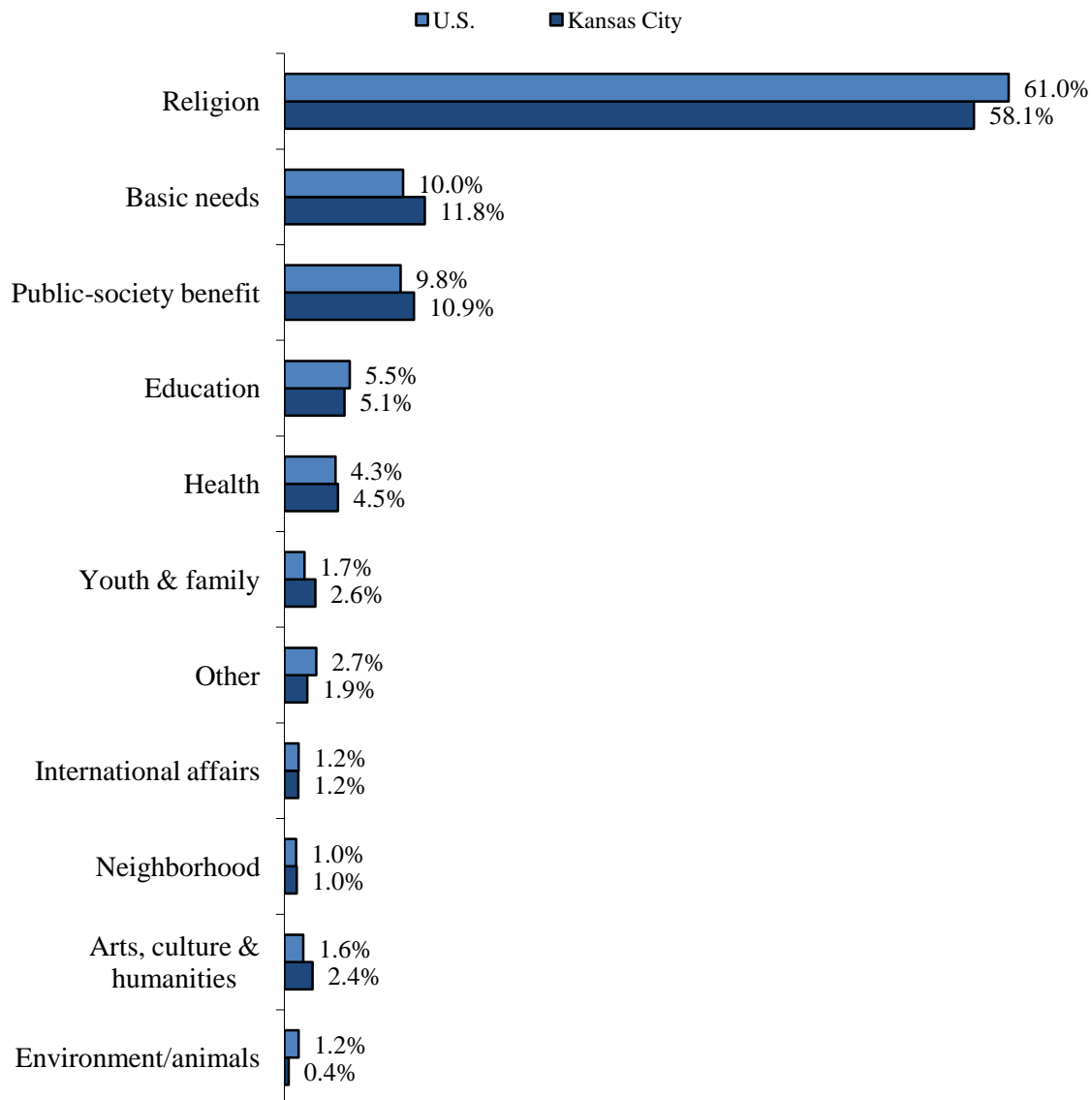


Figure 5 shows:

- Giving to religion as a share of all household giving by Kansas City-area household donors is slightly lower than it is at the United States level. In Greater Kansas City, 58.1 percent of household gift dollars go to religion, compared with the national share of 61.0 percent.
- In Kansas City, households (also called individual donors) give somewhat larger shares to other types of charities than we see nationally based on the COPPS survey of households:
  - 11.8 percent to help meet people's basic needs, such as for food, shelter, or personal safety, which exceeds the national 10.0 percent. In the broader taxonomy

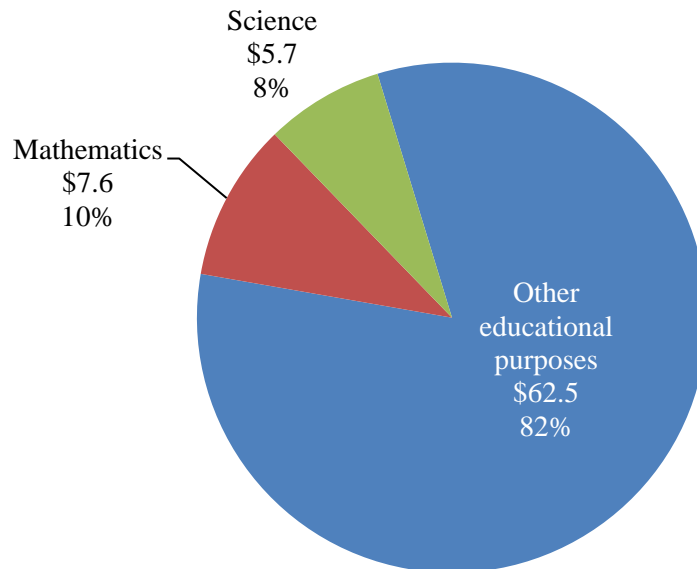
- of the National Taxonomy for Exempt Entities, charities that address people's basic needs fit within human services.
  - 10.9 percent to public-society benefit (United Way, Jewish federations, and other combined-purpose funds that collect money to reallocate to a number of different types of charities, plus donations for neighborhood improvement) which exceeds the national rate of 9.8 percent.
  - 2.4 percent to arts, above the national share of 1.6 percent;
- Kansas City-area households give about the same share of their total giving to several subsectors:
  - 5.1 percent to education compared with a national share of 5.5 percent;
  - 4.5 percent to health, which slightly exceeds the national share of 4.3 percent in the U.S.;
  - 2.6 percent to youth development organizations. In the broader taxonomy of the National Taxonomy for Exempt Entities, youth development and family services fit within human services.
  - 1.9 percent to other, which is close to the national share of 2.7 percent; and
  - 1.2 percent or less to environment and international organizations, both of which are 1.2 percent nationally.

***Education giving includes 18 percent for science and math teaching.*** Educational programs receive about the same share of household contributions from Kansas City-area donors as they do from national donors. Typically, household surveys do not ask about what type of education the donor is supporting. However, in Kansas City in 2007, the household survey conducted for *Giving in Kansas City* asked respondents to identify contributions they made to improve math education or science education, including contributions for summer camps, computer training, scholarship funds, strengthening school curricula in science or math or recruiting and training high-quality teachers in those subjects.

Figure 6 shows that eight percent (\$5.7 million) of total estimated household education giving of \$75.8 million was for programs to improve education about science. Similarly, 10 percent (\$7.6 million) was for programs to improve education about math.



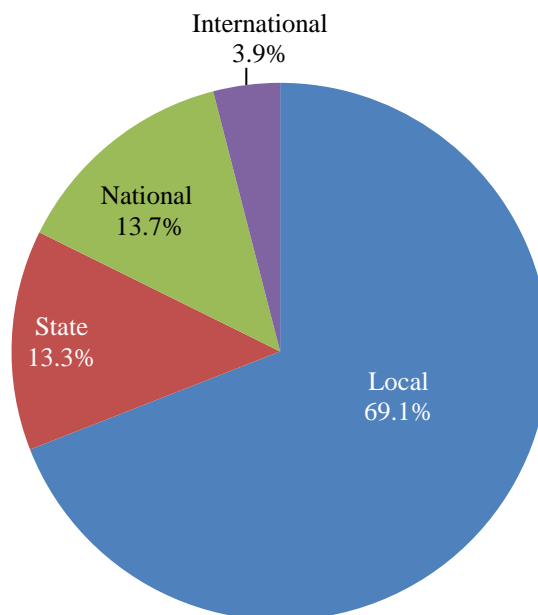
**Figure 6: Kansas City Donor Households' Educational Giving by Purpose, 2007, Total Estimated Giving to Education is \$75.8 Million**



***Kansas City residents directed most of their giving to local***

***organizations*** (see Figure 7). Almost 7 in 10 donation dollars remained in the Kansas City region (69.1 percent). About 13 percent was directed to organizations in either Kansas or Missouri. Less than 14 percent was sent to nonprofits elsewhere in the U.S., and about four percent supported work abroad (which can include special offerings in congregations that are directed to international recipients). Although there is no nationally comparable figure, this distribution follows findings of similar surveys completed in other regions of the country.

**Figure 7: Percentage of Giving to Local, State, National, and International Organizations by Kansas City Households, 2007**



# Factors that Influence Individual Giving

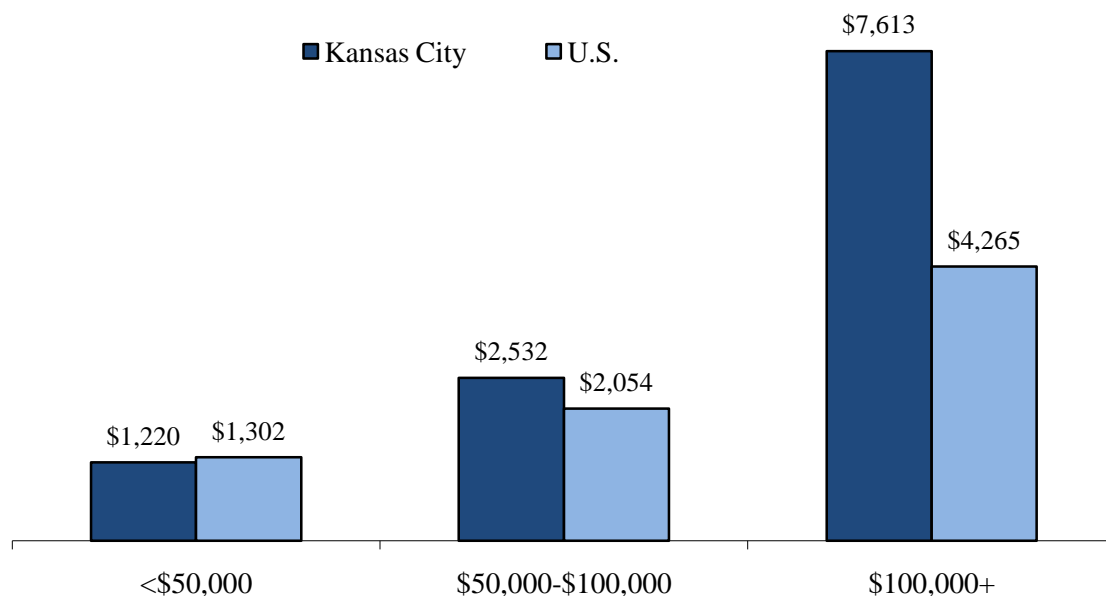
A number of economic and social factors play a role in how much households and individuals give to charity in a year. *Giving in Kansas City* provides comparisons of giving based on income range, percentage of income, education level, age, frequency of attendance at religious services, religious affiliation, and motivations for giving.

***Income level is known to have a positive effect on giving,*** both nationally and regionally. Income has a positive and significant correlation with the amounts donated even after controlling for other factors such as age, education level, and region. The data from Kansas City households further reinforce this statement. Households with the highest income were the most likely to give and, on average, gave a larger amount. Figure 8 compares the average total giving for each income bracket.

Approximately 89.8 percent of the households in our sample with an annual income of \$100,000 or more reported making gifts in 2007. The average total giving among Kansas City donors with an annual income of more than \$100,000 was \$7,613.

Of households with an annual income between \$50,000 and \$100,000, 87.0 percent reported contributing to charity in 2007. In 2007, the average total amount given to charity by those donors was \$2,532, which is approximately 23.3 percent more than U.S. household giving in this income group. The lowest annual household income range, \$50,000 and lower, had the lowest percentage of donors (56.4 percent) in 2007 and the lowest average total giving of \$1,220.

**Figure 8: Average Total Giving by Income Range, Donor Households, 2007**



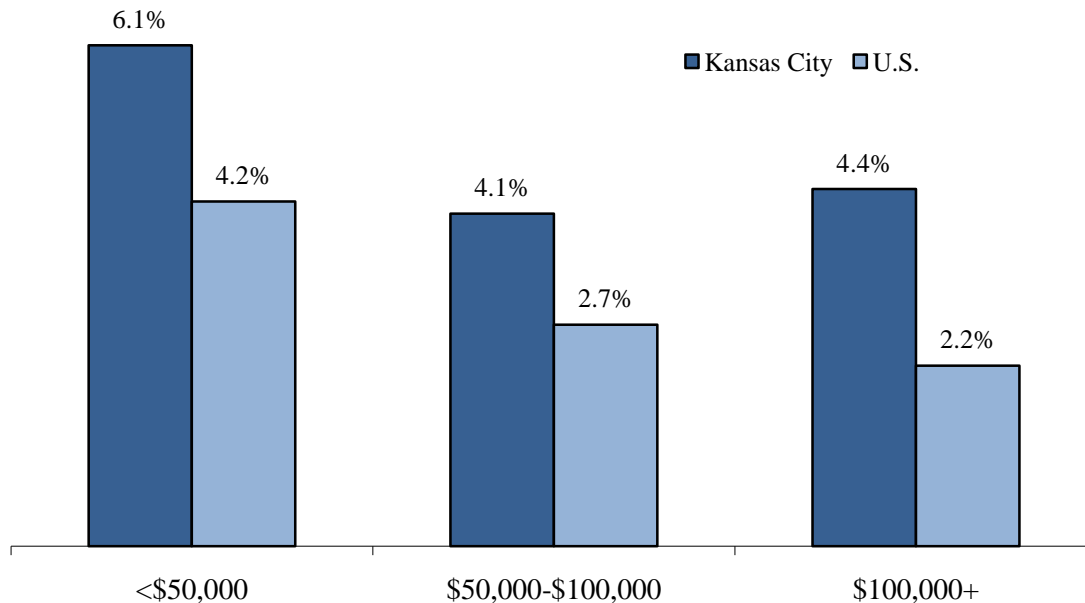
National data from the Center on Philanthropy Panel Study, 2005 and adjusted for inflation in 2007 dollars

It is likely that the survey results underestimate giving in Kansas City by not capturing the largest gifts from high-income households. In a telephone survey, information about charitable gifts is available from households at most points along an income spectrum, although the highest-income households are normally less likely to participate in telephone studies than are other households.

The *Giving in Kansas City* survey findings reflect the giving of households with income ranging from zero to more than \$100,000. All estimates were weighted to reflect the number of residents in the city with incomes in those ranges. The survey did not reach a representative sample of the very small percentage (less than one-half of 1 percent) of households with income of \$1 million. In the U.S. overall, households in this income group account for more than 20 percent of the amount contributed by households, but only 0.2 percent of the number of income tax returns filed.

***Lower income donor households gave the largest percentage of their income*** to charity in 2007 (see Figure 9). Of lower income Kansas City households, 56.4 percent donated to charity, and they donated approximately 6.1 percent of their annual income. Middle-income households (those with an income between \$50,000 and \$100,000) donated 4.1 percent of their income. Higher income donors, those with \$100,000 or more in annual income, gave 4.4 percent of their income. All three groups gave more than the average percent of income donated by donors in the same income groups nationally.

**Figure 9: Average Total Giving as a Percentage of Income, Kansas City and U.S., 2007**



National data from the Center on Philanthropy Panel Study, 2005

***Giving priorities differ by income range.*** Tables 1, 2, and 3 show average giving by type of recipient for the three income ranges used in the study. In each table, recipient types are ranked by the average giving amount.

**Table 1: Giving by Kansas City Households, Income Less than \$50,000 in 2007**

Type of Recipient	Rank of Average	Average Annual Giving	Percentage who Gave
Total		\$1,220	56.4%
Religion	1	\$1,075	35.3%
Public-society benefit*	2	\$290	21.4%
Other	3	\$263	6.9%
Basic needs	4	\$258	42.6%
Education	5	\$225	14.3%
Arts, culture & humanities	6	\$179	8.8%
Neighborhood	7	\$170	7.1%
Health	8	\$149	21.0%
Youth & family	9	\$127	21.3%
International affairs	10	\$110	8.7%
Environment/animals	11	\$70	6.0%

**Table 2: Giving by Kansas City Households, Income from \$50,000 to \$100,000 in 2007**

Type of Recipient	Rank of Average	Average Annual Giving	Percentage who Gave
Total		\$2,532	87.0%
Religion	1	\$2,329	54.4%
Public-society benefit*	2	\$493	46.3%
Basic needs	3	\$469	59.9%
Other	4	\$342	15.3%
Education	5	\$312	32.5%
International affairs	6	\$260	12.7%
Arts, culture & humanities	7	\$256	15.7%
Youth & family	8	\$166	34.1%
Neighborhood	9	\$158	13.4%
Health	10	\$139	38.7%
Environment/animals	11	\$82	8.1%

**Table 3: Giving by Kansas City Households with Income above \$100,000 in 2007**

Type of Recipient	Rank of Average	Average Annual Giving	Percentage who Gave
Total		\$7,613	89.8%
Religion	1	\$3,659	72.8%
Public-society benefit*	2	\$1,053	52.8%
Basic needs	3	\$894	64.6%
Health	4	\$647	48.4%
Other	5	\$630	9.7%
Arts, culture & humanities	6	\$572	25.3%
Education	7	\$527	49.1%
Neighborhood	8	\$285	13.5%
International affairs	9	\$282	13.3%
Youth & family	10	\$256	37.6%
Environment/animals	11	\$146	9.4%

\* Public-society benefit includes organizations such as the United Way, United Jewish Appeal, or a local community foundation.

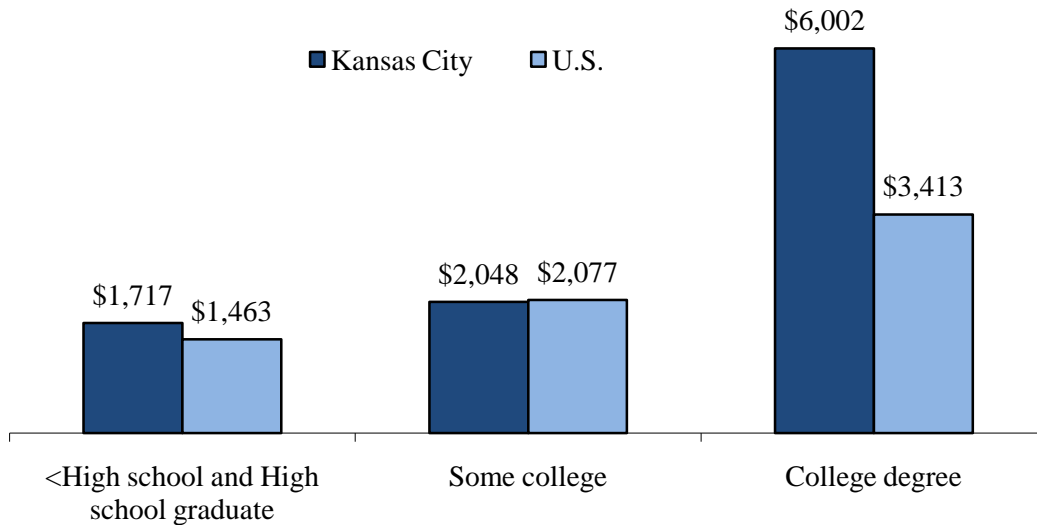
The average total does not equal the sum of the subsectors. Not all donors gave to all subsectors.

In all income ranges, Kansas City donor households gave the most, on average, to religion, followed by public-society benefit organizations such as United Way. Lower income brackets gave less, on average, to basic needs than middle- and high-income groups (\$258 versus \$469 and \$894, respectively). Donors from these lower income brackets also had a lower participation rate for basic human needs compared to middle- and high-income groups (42.6 percent versus 59.9 percent and 64.6 percent, respectively).

***Kansas City residents with college degrees contributed a larger amount to charity in 2007.***

Figure 10 shows the average giving by Kansas City donors by education level in 2007. In general, higher levels of education were associated with higher giving levels. Those Kansas City residents who had earned a college degree gave \$6,002, on average, to charity in 2007. This is 76 percent more than the national average (\$3,413). On the other hand, those with only some college gave an average of \$2,048, which is nearly identical to the national average of \$2,077. Kansas City residents with a high school graduate degree or less gave, on average, \$1,717 in 2007.

**Figure 10: Average Giving by Education Level, Donor Households, 2007**



National data from the Center on Philanthropy Panel Study, 2005 and adjusted for inflation in 2007 dollars. College degree refers to those with bachelor's, master's, or any other post-secondary degree.

Table 4 shows the differences in giving by education level in Kansas City and nationally, using national data from the Center on Philanthropy Panel Study in 2005. The highest rate of giving among all education levels in Kansas City was among people with a college degree, 90.1 percent of whom reported contributions to charity in 2007. This is higher than the national participation rate of 86.0 percent.

**Table 4: Giving by the Maximum Educational Level Attained by Head of Household, Kansas City and U.S.\*, 2007**

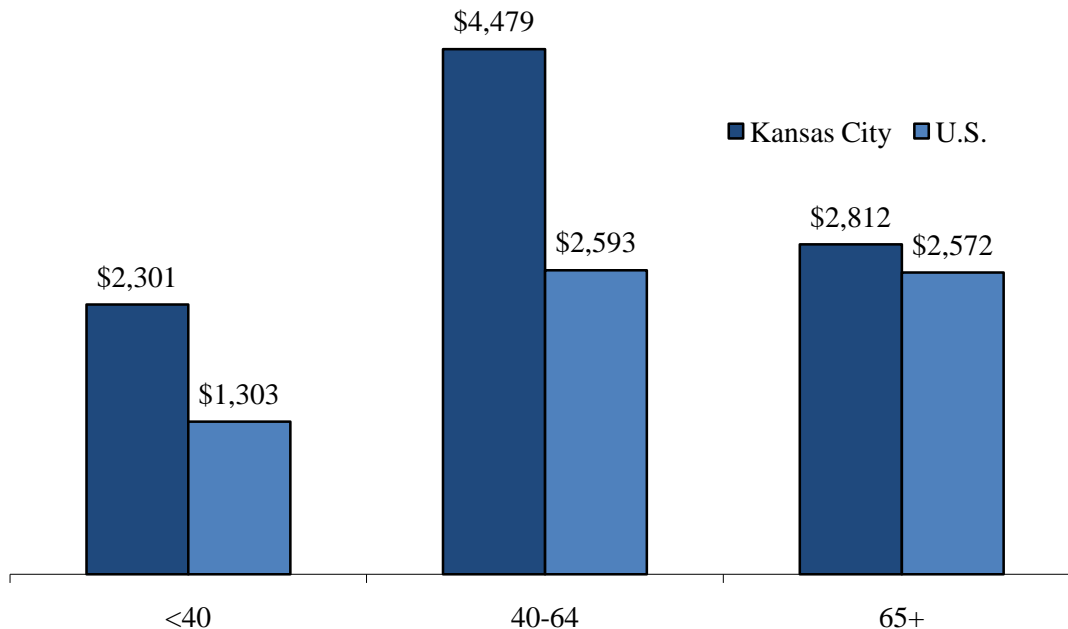
Education	<High School and High School Graduates		Some College		College Degree +	
Locale	Kansas City	Nation	Kansas City	Nation	Kansas City	Nation
Percentage of all households giving	56.5%	55.6%	76.0%	75.5%	90.1%	86.0%
Average donation among donors	\$1,717	\$1,463	\$2,048	\$2,077	\$6,002	\$3,413

\* National data from the Center on Philanthropy Panel Study in 2005. All figures were adjusted for inflation in 2007 dollars.

Kansas City donors with some college experience were less likely to give in 2007 than those with at least a bachelor's degree (14.1 percentage points less). Kansas City respondents with a high school diploma or only some high school reported an even lower participation rate (56.5 percent) than those with more education. Their average annual giving of \$1,717, in 2007, was also lower than that of Kansas City residents with more education (\$2,048 and \$6,002). Nevertheless, Kansas City respondents with a high school degree or less had higher levels of giving than their national counterparts (\$1,717 versus \$1,463), as well as a higher participation rate (56.5 percent versus 55.6 percent).

***The survey also showed a connection between the age of donors and the amount they gave.*** Figure 11 compares average annual giving in 2007 for those Kansas City residents under 40, those aged 40 through 64, and those 65 years and older.

**Figure 11: Average Total Giving by Age Range, Donor Households, 2007**



National data from the Center on Philanthropy Panel Study, 2005 and adjusted for inflation in 2007 dollars.

Table 5 compares Kansas City giving by age group with national data from the Center on Philanthropy Panel Study in 2005.

**Table 5: Giving by Age Range, Kansas City and the U.S.\*, 2007**

	<b>&lt;40</b>		<b>40-64</b>		<b>65 +</b>	
<b>Locale</b>	<b>Kansas City</b>	<b>Nation</b>	<b>Kansas City</b>	<b>Nation</b>	<b>Kansas City</b>	<b>Nation</b>
Percentage of all households giving	66.7	58.9	77.7	74.8	71.9	76.6
Average donation total	\$2,301	\$1,303	\$4,479	\$2,593	\$2,812	\$2,572

\* National data from the Center on Philanthropy Panel Study in 2005

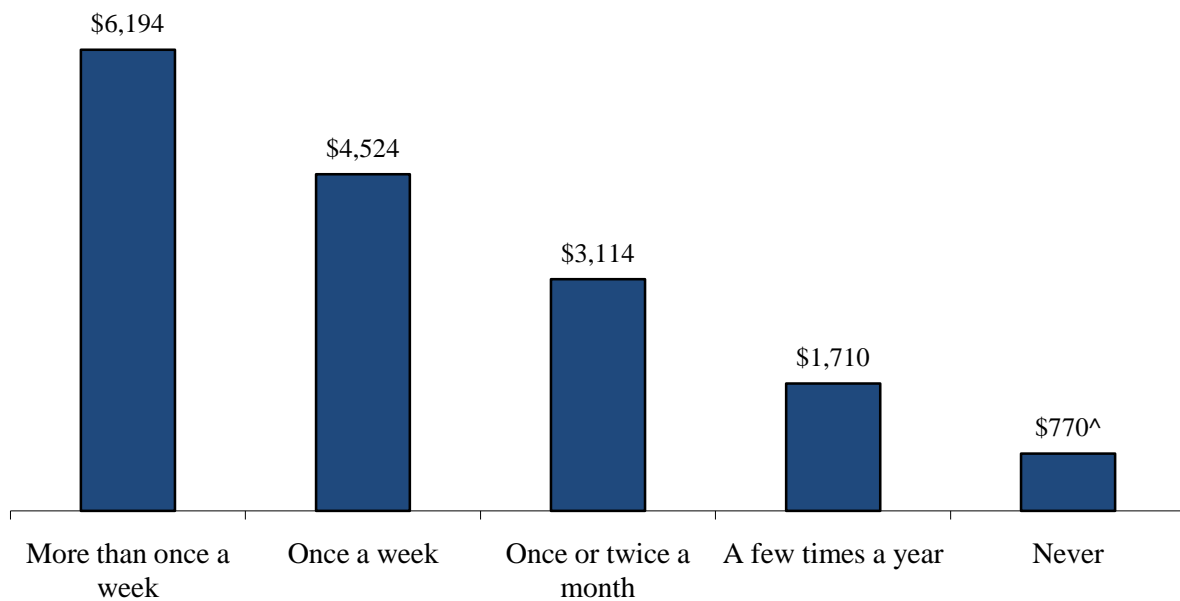
All figures were adjusted for inflation in 2007 dollars.

The average amount given to charity by Kansas City residents younger than 40 was lower than the average amounts given by other age ranges. Nevertheless, Kansas City residents in the youngest cohort gave nearly \$1,000 more, on average, than their national cohorts (\$2,301 compared to \$1,303) and had a higher rate of participation than the same age range nationally (66.7 percent compared to 58.9 percent). Kansas City donors ages 40 to 64 had a higher participation rate and gave more on average than donors of the same age range nationally (\$4,479 compared with \$2,593). On the other hand, Kansas City donors over 65 gave approximately 9.3 percent less than donors in that age range gave nationally. Nevertheless, Kansas City donors over 65 gave a higher average donation than their national counterparts (\$2,812 compared to \$2,572).



***Numerous studies have shown a strong link between religious practice and total giving.***<sup>5</sup> Giving in Kansas City reaffirms that the frequency of attendance at religious services is associated with higher levels of giving. In 2007, there was a pronounced linear relationship between giving and worship service attendance. Figure 12 shows average total household giving for 2007 by frequency of reported attendance at worship services. Those who attended religious services more than once per week gave \$4,484 more, on average, than those who attended religious services a few times a year (\$6,194 compared to \$1,710). Those who attended religious services once a week gave, on average, \$1,670 less than those who attended more frequently per week.

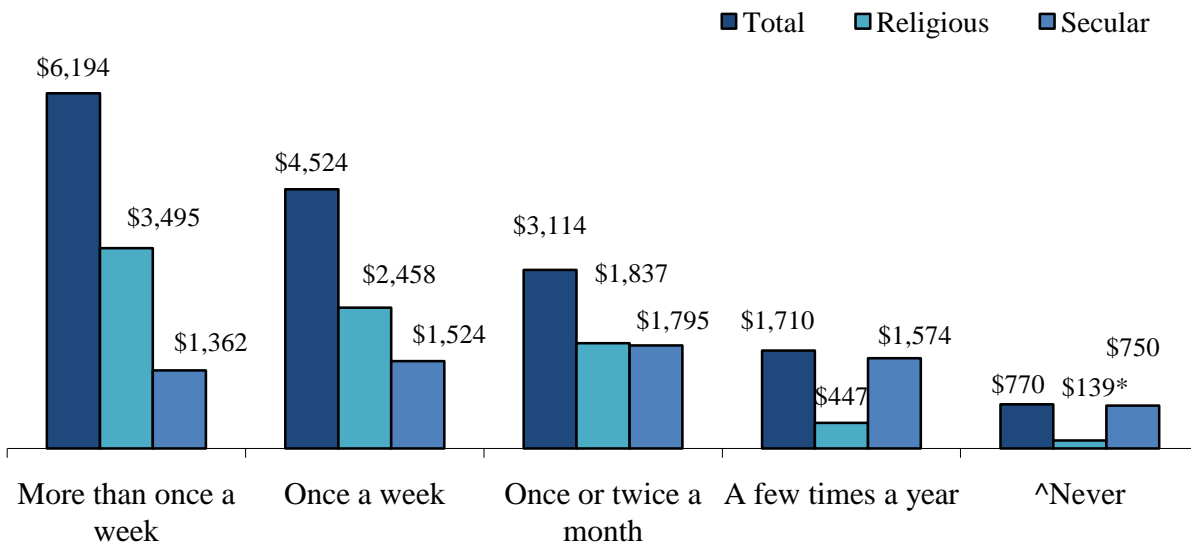
**Figure 12: Average Total Giving by the Frequency of Religious Attendance, Donor Households, 2007**



^Results are not statistically meaningful because the sample size was between 30 and 100.

When we examine secular and religious giving separately, the influence of the frequency of religious attendance has a noticeable impact on religious giving, but not as much on secular giving (see Figure 13). Those Kansas City households that donate to charity and attend religious services once a week or more gave more, on average, to religious causes than those households that did not attend religious services as frequently or not at all. Those who attended religious services only once or twice a month, however, gave more to secular causes than those households that attended religious services more than once a week (\$1,795 versus \$1,362).

**Figure 13: Average Giving by the Frequency of Religious Attendance, Donor Households, 2007**

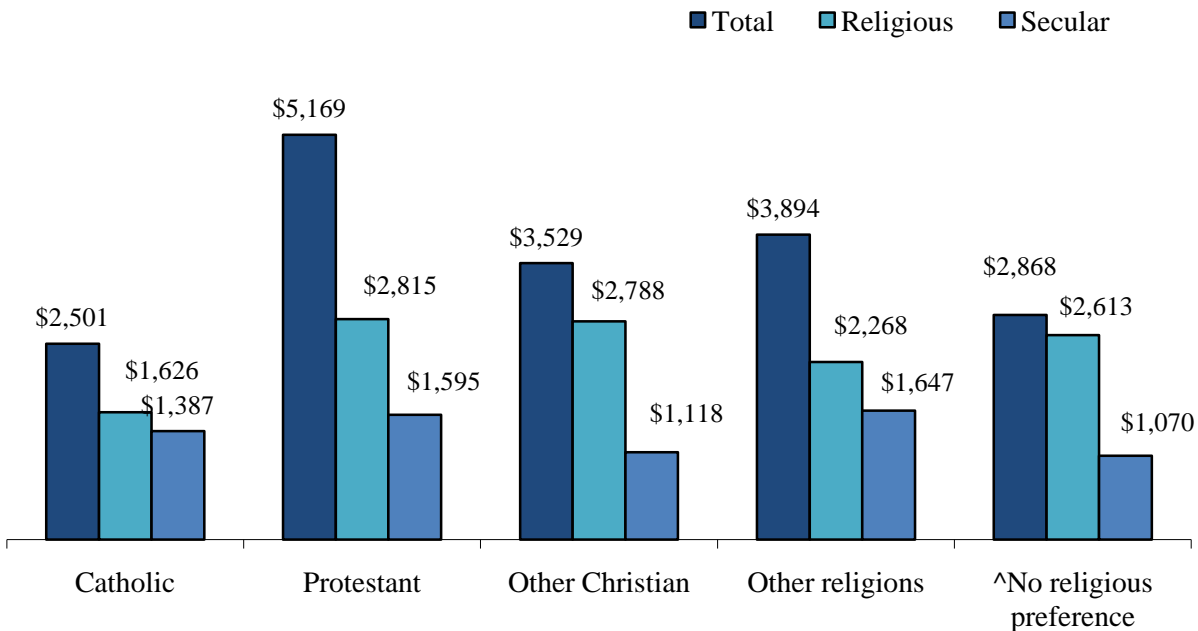


\*Results are not statistically meaningful because the sample size was less than 30.

^Results are not statistically meaningful because the sample size was between 30 and 100.

***Total giving to all causes also varies by religious affiliation.*** Figure 14 illustrates that secular giving did not vary much by religious denomination; however, religious giving did vary by denomination. Protestant households who made donations in 2007 gave more on average to religion than Catholic and other Christian households (\$2,815 versus \$1,626 and \$2,788, respectively). With the exception of those who reported other religions, secular giving by Kansas City households did not vary much by denomination.

**Figure 14: Average Giving by Religious Preference, Donor Households, 2007**



^Results are not statistically meaningful because the sample size was between 30 and 100.

Other Christian - Respondents selected one of the following from a list of possibilities: Mormon/Latter Day Saint, Quaker, Jehovah's Witness, Mennonite, or nondenominational Christian.

Other Religions - Respondents selected one of the following from a list of possibilities: Jewish, Muslim, some other religion.

## ***Households in suburban areas have a higher participation rate for***

***giving***, where 78.8 percent of people who lived in suburban areas gave to charity and gave, on average, more than either rural or metropolitan areas (\$4,246 compared to \$2,202 and \$3,028), as can be seen in Table 6. In the telephone survey, individuals were asked to self-report the type of community they lived in. Table 6 shows the percentage of households that reported charitable gifts, based on type of community. The difference in rural areas and small cities was most likely due to lower average incomes rather than to differences in feelings of generosity or empathy with others.

**Table 6: Giving by Community Type of Donor Household**

	Rural	Suburban	City (less than 500,000 people)	Metropolitan City (more than 500,000 people)
Percentage of all households giving	78.0%	78.8%	73.0%	62.6%
Average donation total	\$2,202	\$4,246	\$3,028	\$3,013

There is no statistical difference by community type.

## ***Motivations for Giving***

The *Kansas City Gives* survey asked households about possible motivations for charitable giving. People in the survey could select major motivation, minor motivation, or no motivation for each factor. The percentage of Kansas City residents selecting each possible motivating factor as either a major or minor motivation is shown in Table 7, which also presents the key words used in Figure 15.

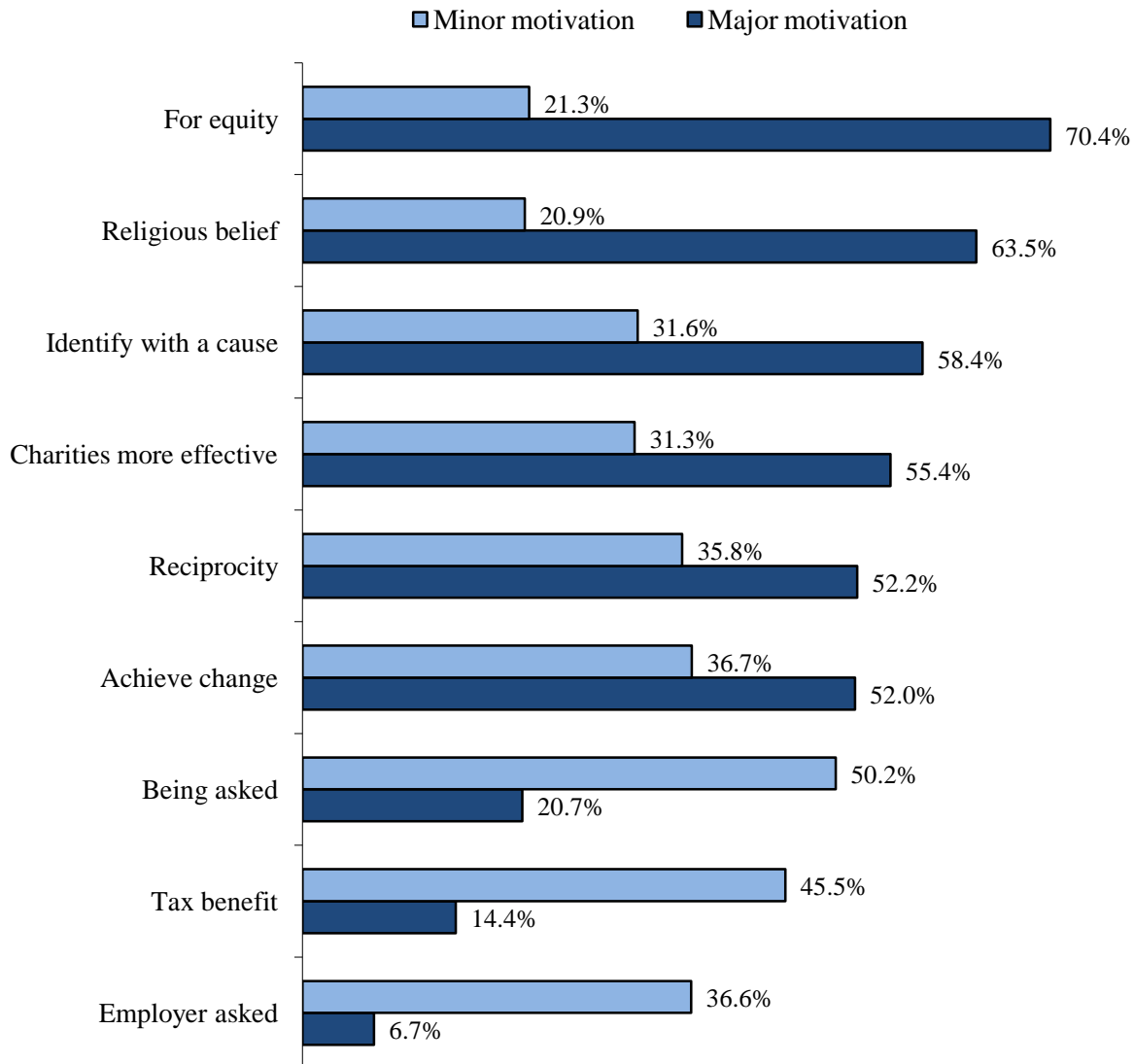
As shown in Table 7, feeling that those who have more should help those with less, or “For equity,” was selected as a major or minor motivation for 91.7 percent of respondents. “Identify with a cause” was the second-highest motivation for giving. The least-cited motivation for giving to charity was “Employer asked,” which was reported by only 43.3 percent of respondents.

**Table 7: Percentage of Households Selecting Factor as a Major or Minor Motivation for Giving to Charity**

Percent selecting	Rank	Keywords on Figure 15	Survey question:
			How much of a motivation is:
91.7%	1	For equity	Feeling that those who have more should help those with less
90.0%	2	Identify with a cause	Identify with a certain cause
88.7%	3	Achieve change	The belief charity can activate change or bring about a desired impact
88.0%	4	Reciprocity	Helping individuals meet their material needs
86.7%	5	Charities more effective	The belief charities can provide public services more effectively than governments or private businesses can
84.4%	6	Religious belief	Religious beliefs
70.9%	7	Being asked	Being asked to give by a friend or associate
59.9%	8	Tax benefit	Tax benefits
43.3%	9	Employer asked	Being asked by your employer

***Kansas City residents were most inspired by equity and religious beliefs to give in 2007.*** According to the 2007 survey, 70.4 percent of Kansas City residents selected equity as a major motivation and 21.3 percent selected it as a minor motivation. Kansas City residents selected religious beliefs as the second highest major motivation for giving to charity (63.5 percent). Figure 15 shows the motivation and the percentage of respondents who selected each factor as a major or a minor motivation. Kansas City residents were least likely to select being asked by their employer as a major motivation (6.7 percent).

**Figure 15: Percentage of Households Selecting Motivation as a Major or Minor Motivation**

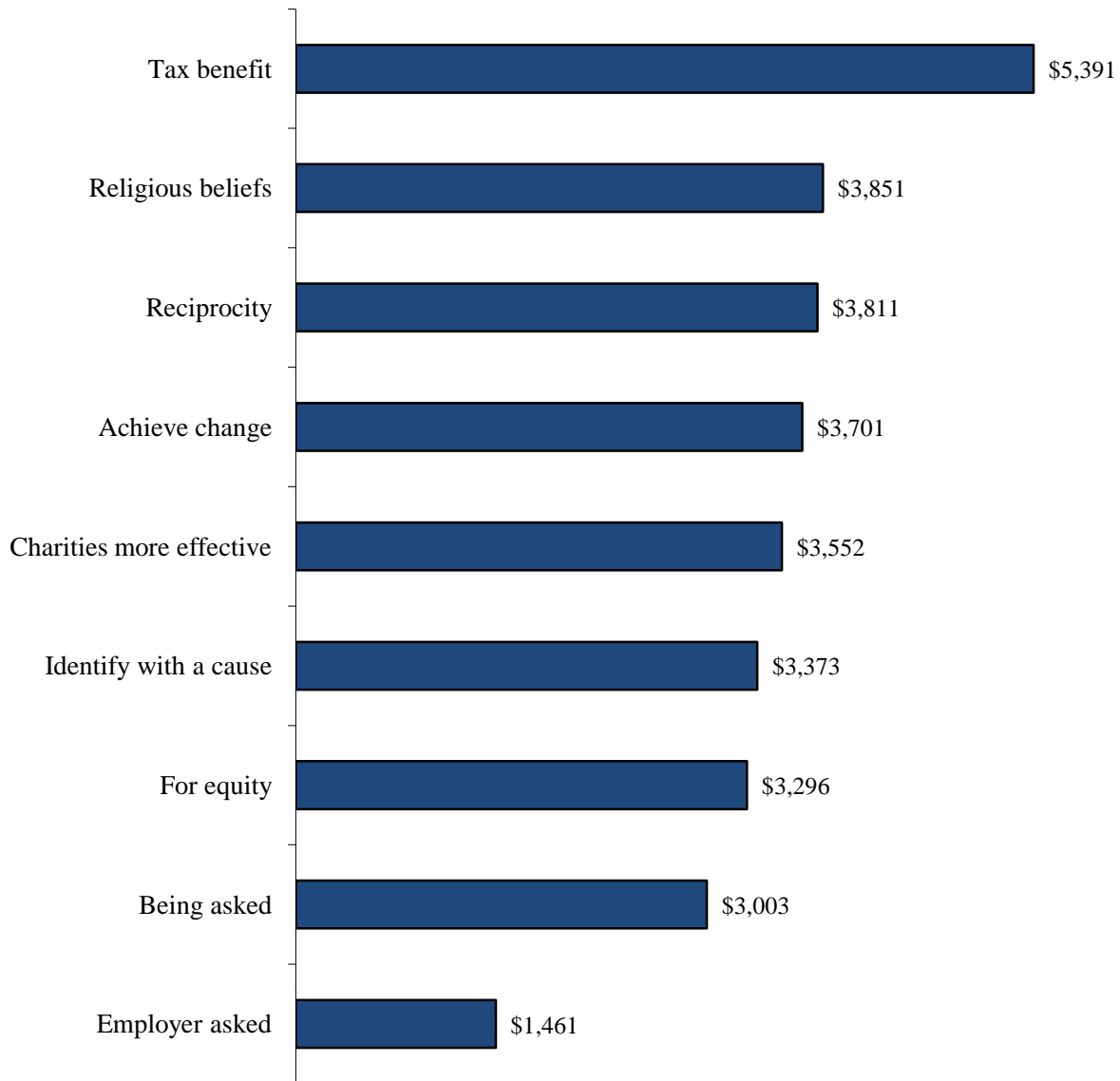


The average total amount of giving varied based on the motivating factors selected by each donor respondent. Figure 16 shows the average total giving from donors who selected each of the motivating factors as a major motivation in 2007. Tax benefit had the largest average total giving (\$5,391), in spite of the fact that 45.5 percent of the survey respondents cited it as a minor motivation. The second highest average total giving (\$3,851) came from the people who

identified “Religious beliefs” as a major motivation, which is reasonable since this was the second most-selected major motivation.

The motivation with the third highest average total giving (\$3,811) came from the people who chose “Reciprocity” as a major motivation. “Being asked by your employer,” however, had the lowest percentage of respondents among major motivation categories (6.7 percent) and the lowest average contribution of \$1,461.

**Figure 16: Average Total Giving by Major Motivation Cited, Donor Households**



## ***Reason to Give More to Charity***

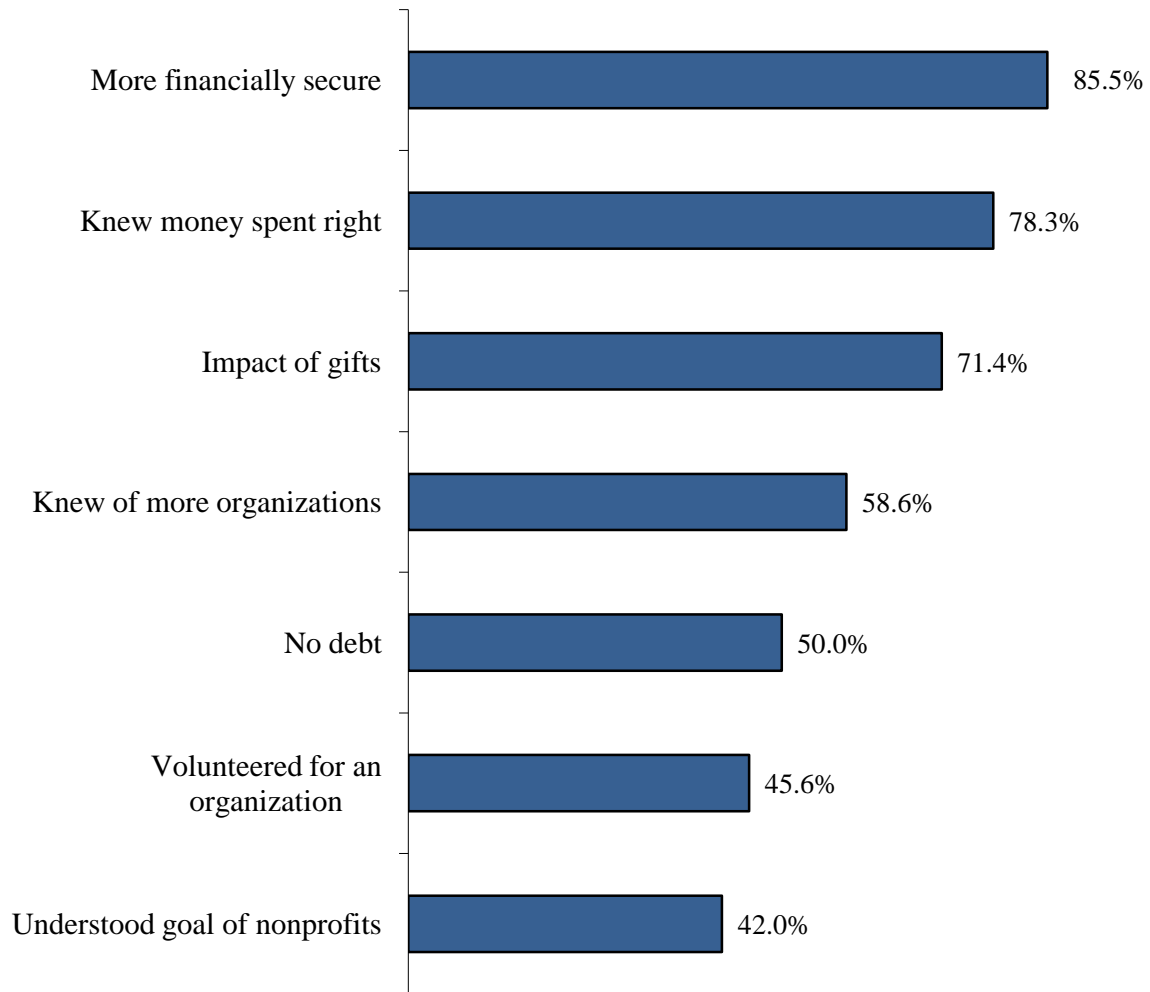
The *Giving in Kansas City* survey asked households about possible factors that would cause them to increase their giving. People in the survey could select agree or disagree for each factor. The percentage of Kansas City residents selecting each possible factor is in Table 8, which also presents the key words used in Figure 17. In the Kansas City sample, “More financially secure” was the most frequently selected factor (85.5 percent). 78.3 percent of respondents identified “Knew money spent right” as the second-highest factor that might cause them to give more to charity. The factors with the lowest totals were “Understood goals and mission” at 42.0 percent and “Volunteered for an organization” at 45.6 percent.

**Table 8: Percentage of Households Who Agree or Disagree with Impediments for Giving to Charity**

Percent selecting		Key words on graph	Survey question:
Agree	Disagree		Would give more to charity if:
85.5%	14.5%	More financially secure	Feeling more financially secure
78.3%	21.7%	Knew money spent right	More money was spent on programming rather than administration
71.4%	28.6%	Impact of gifts	Being able to determine the effectiveness or impact of nonprofits
58.6%	41.4%	Knew of more organizations	Knowing of more organizations that further a cause I care about
50.0%	50.0%	No debt	Didn't have so much debt
45.6%	54.4%	Volunteered for an organization	Volunteered for an organization
42.0%	58.0%	Understood goal of nonprofits	Better understanding the goals and missions of nonprofits

***Kansas City donors reported they would give more to charity if they felt financially secure.*** According to the 2008 survey, 85.5 percent of all Kansas City donors agreed they would give more to charity if they felt more financially secure (see Figure 17). 78.3 percent of all respondents reported that they would give more to charity if they knew the nonprofit was spending money on programming rather than administrative costs. Half of Kansas City donors, 50.0 percent, reported that they would give more if they did not have so much debt. The high percentages for “More financially secure” and “No debt” imply that financial stability is an important factor in the level of giving for Kansas City residents. The idea that financial stability is important to Kansas City residents is supported by the facts that the median income (\$53,508) is above the national average (\$50,740) and the poverty rate (10.2 percent) is below the national average (12.9 percent).

**Figure 17: Percentage of Kansas City Households Reporting They Would Give More to Charity if the Following Occurred**





## ***Reasons households stopped giving to charity***

The *Giving in Kansas City* survey asked households about possible reasons that caused them to stop their giving to a particular organization. People in the survey could select agree or disagree for each factor. Responses are shown in Table 9; this table also presents the key words used in Figure 18.

**Table 9: Reasons Why Respondents Stopped Supporting an Organization They Previously Supported**

Percent selecting		Key words in Figure 18	Survey question:
Agree	Disagree		I stopped supporting an organization because:
68.9%	31.1%	Frequent appeals	Organization requested donations too frequently.
61.2%	38.8%	Lost connection	I didn't feel connected to the organization anymore.
60.2%	39.8%	Stopped involvement	I stopped my involvement with the organization.
48.2%	51.8%	Misled public	Organization misled the public about its work.
44.0%	56.0%	Mismanaged donations	Organization mismanaged donations.
40.2%	59.8%	Lack of finances	My finances did not permit it.
13.3%	86.7%	No recognition	Organization did not recognize or acknowledge my contributions.
12.4%	87.6%	Other	Other reasons.
11.6%	88.4%	Inaccurate reporting	Organization did not keep accurate records of my address or gifts.
6.3%	93.7%	Overhead	Organizations spent too much on overhead.
6.1%	93.9%	Moved	I moved to another place.
2.9%	97.1%	Denied help	Organization denied help to me or others.

***“Receiving frequent appeals” is the major reason Kansas City donors stopped supporting a charitable organization.*** Figure 18 shows the reasons that donors stopped giving to nonprofit organizations. In the Kansas City sample, “Frequent appeals” was the most frequently selected reason Kansas City residents stopped giving to a charity (68.9 percent). The second highest reason Kansas City households stopped giving was “Lost connection,” reported by 61.2 percent. Donors in this group may have felt they did not receive enough information from the charity, or their circumstances may have changed. For example, their child may have ended his or her involvement in one of the charity’s programs. Nearly half (48.2 percent) of Kansas City respondents reported that they thought the organization misled the public.

“Moved” was reported by 6.1 percent and “denied help” was reported by 2.9 percent. These were the least frequently reported reasons Kansas City households stopped giving to a particular nonprofit.

**Figure 18: Reasons Why Respondents Stopped Supporting an Organization They Previously Supported**

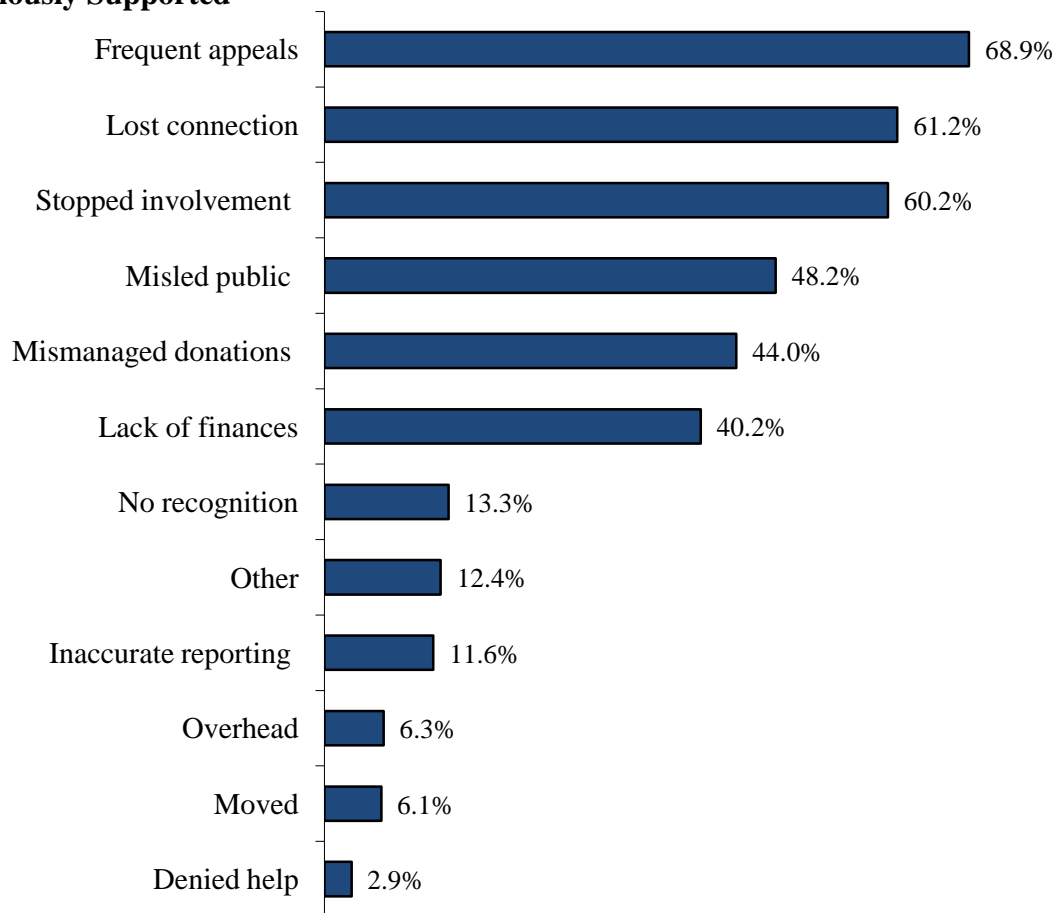
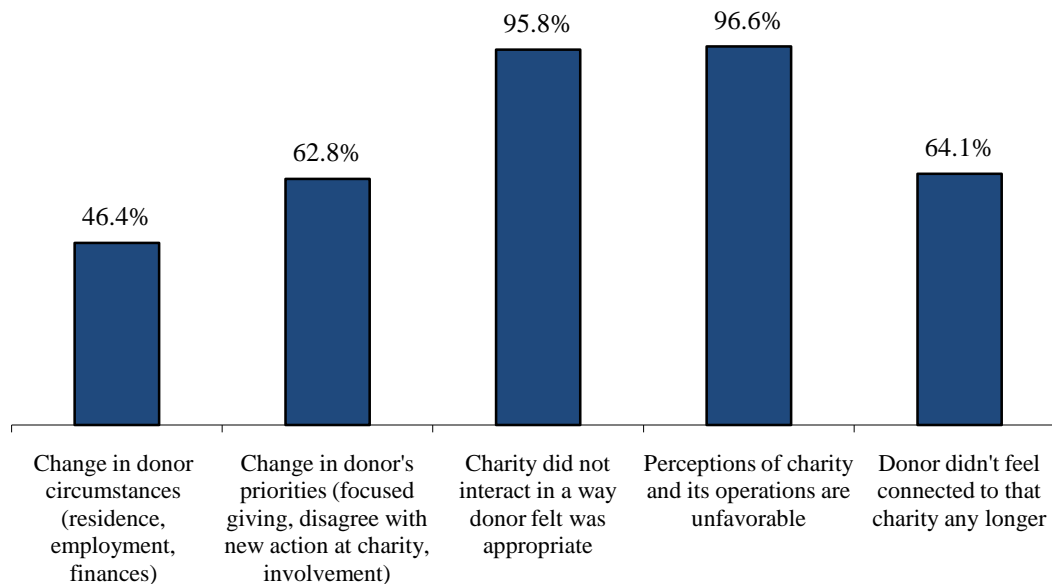


Figure 19 shows the stopped giving responses grouped. The bullet points below further explain what fits within each group.

- The donor changed his or her circumstances: experienced strained finances, moved, or changed jobs. Of those, financial reasons predominated.
- The donor shifted his or her priorities: ended his or her involvement with the charity, disagreed with a specific charities actions or policies, became more focused in giving, or gave a reason other than those indicated.
- The donor felt the charity did not treat the donor appropriately by sending too many requests, failing to provide acknowledgement, keeping inaccurate records, or not providing sufficient information about impact and programs.
- The donor perceived the charity to be mismanaged or even fraudulent, selecting that the charity mismanaged funds, misled the public, or spent too much on administration and fundraising.
- The donor selected the option of not feeling connected to the charity any longer. This can result from a lack of information from the charity but it can also result from changes in

the donor's circumstances (a child is no longer active in the charity's programs or the donor has pursued new interests).

**Figure 19: Reasons for Ending Giving to a Specific Charity, Grouped by Themes**



Note: Donors could select all that applied. N=379

***Kansas City residents consider the characteristics of nonprofits more than their own circumstances when deciding whether to continue***

***giving or not.*** The largest theme in the reasons donors stopped giving to a specific nonprofit was that the donors had a negative perception of the charity and its operations (96.6 percent). The theme that the charity did not interact in a way the donor felt was appropriate was second largest (95.8 percent) in the reasons donors ended their support for a charity. This indicates that Kansas City residents consider factors related to the charity more than they consider factors related to themselves when they decide whether to continue giving or not.

<sup>1</sup> Mark O. Wilhelm, associate professor of economics and philanthropic studies at IUPUI, examines six major household surveys of giving and attempts to trace the differences in their measurements to underlying differences in survey methodology in "The Distribution of Giving in Six Surveys." Preliminary analysis of the results from the newest survey, the Center on Philanthropy Panel Study (COPPS), shows that nearly every respondent (98.5 percent) answered all the survey questions about charitable giving. In other surveys, this figure can be as low as two-thirds. Just as important, the COPPS seems to be the only survey to obtain measurements of giving, among respondents who contribute very large amounts, which are similar to those obtained by the Filer Commission's National Study of Philanthropy (1974). The success of the COPPS in these two dimensions is probably due to the design of the questionnaire, the use of interviewers experienced in asking about financial issues, and the respondents who, through their experience as participants in a long panel study, also are accustomed to answering questions about financial matters. These advantages, combined with the sample size of 7,406 households, make the COPPS a good tool for evaluating giving.

<sup>2</sup> Center on Philanthropy Panel Study indicates the average amount donated by all U.S. households was \$1,449 in 2004. This figure was adjusted for inflation to 2007 dollars to make it comparable.

<sup>3</sup> Havens, J. and Schervish, P. (2007) *Geography and Giving*. Boston: The Boston Foundation.

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- <sup>4</sup> Center on Philanthropy Panel Study (COPPS), 2005 wave about giving in 2004. Fielded as part of the Panel Study of Income Dynamics conducted every two years by the Institute for Social Research at the University of Michigan.
- <sup>5</sup> INDEPENDENT SECTOR, *Faith and Philanthropy* and data under analysis currently from the Center on Philanthropy Panel Study (COPPS), among others.

# *Giving in Kansas City*

## **Bequest Giving**

### ***Highlights***

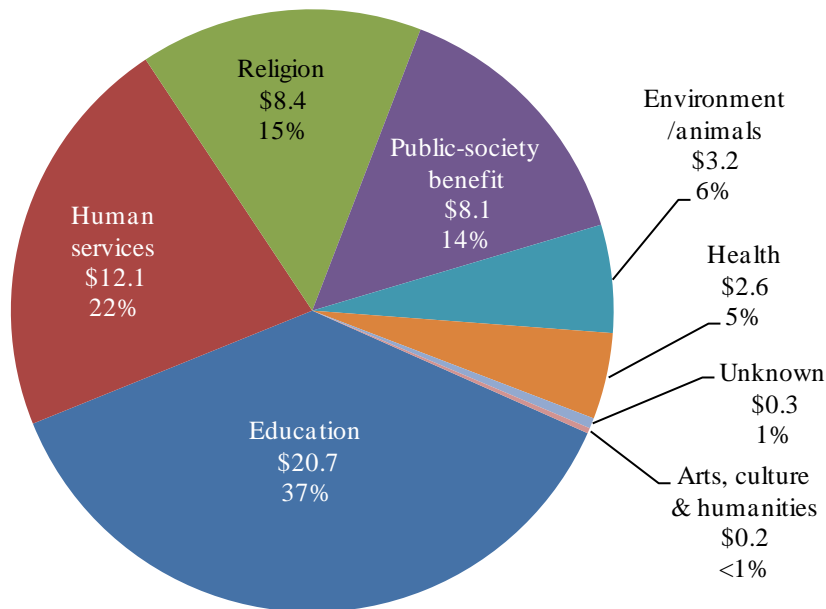
- Bequests made by Kansas City-area estates were estimated to be more than \$113.9 million in 2007. Of this estimate, about \$55.5 million (49 percent) was estimated to go to Kansas City-area charities.
- In the Kansas City area for 2007, the estimate of bequests of \$113.9 million is approximately 5 percent of total estimated giving in the region, and 4 percent of the estimated total for the amount staying in the Kansas City region.
- 17 percent of Kansas City-area nonprofit organizations reported receiving a bequest in 2007.
- About 8 percent of Kansas City-area residents surveyed reported having a charitable bequest in their will. This is consistent with the national estimates, which range from 5 percent of decedents who actually have a bequest made to a charity to 8 percent of people surveyed who have a charity named in a will.

### ***Charitable giving by bequest***

Americans left an estimated \$23 billion to charity through wills and trusts in 2007. That represents almost 8 percent of the total giving in that year.<sup>1</sup> Over the past 40 years, giving by charitable bequest has risen by \$14.5 billion (adjusted for 2007 dollars) nationally, representing a real growth of 166 percent. From 2002 to 2007, in the U.S. overall, charitable bequests increased 10 percent (a drop of 4 percent adjusted for inflation).

Figure 1 shows the estimated distribution of bequest contributions to Kansas City-area charities from Kansas City-area residents, based on the survey responses received and a projection for bequests to religion. Education organizations reported receiving the largest share of bequest dollars, followed by human services organizations (which can include foundations).

**Figure 1: Estimated distribution of reported bequest contributions, to Kansas City-area charities from Kansas City-area residents, 2007, Total = \$55.5 million**  
(dollars in millions)

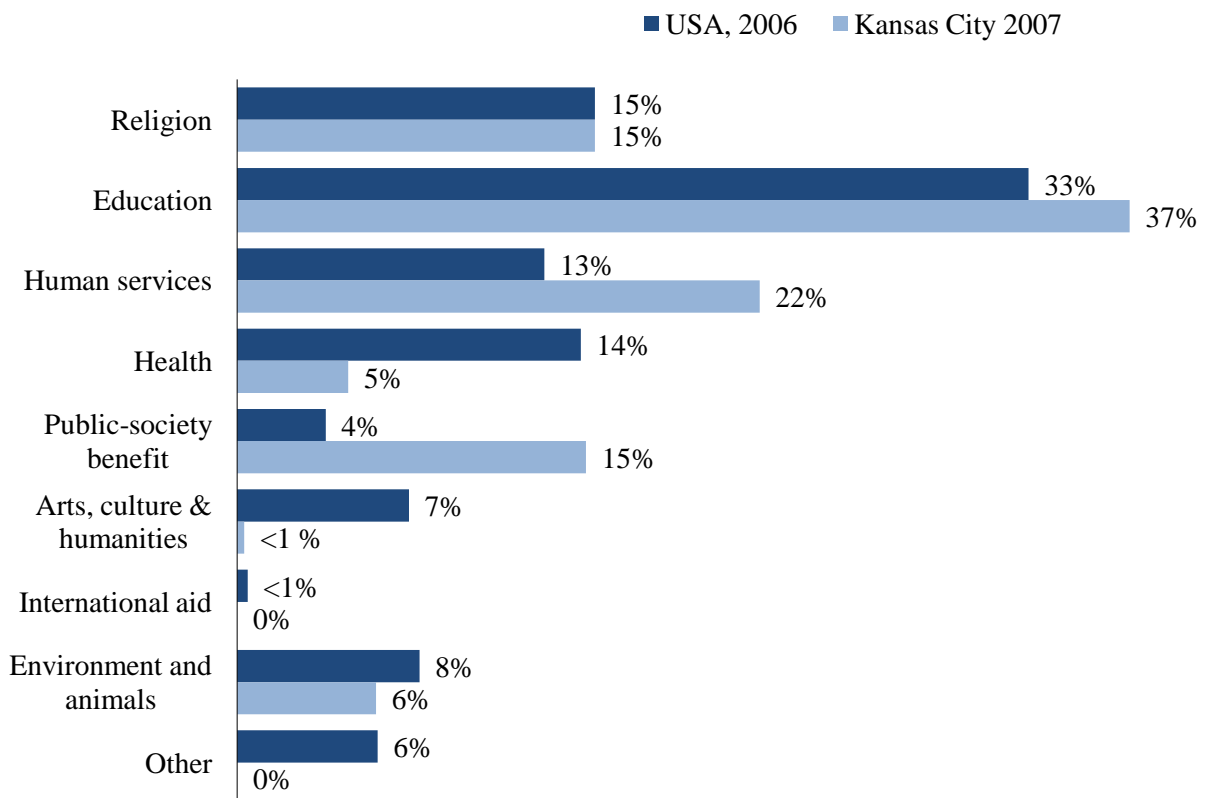


Note: Based on survey responses from 352 charities in the Greater Kansas City region.

### ***Comparison to national distribution of bequest dollars***

Bequests in Kansas City were reported by organizations of all sizes and from all sizes of estates. The national comparison data, however, is limited to charitable bequests claimed as deductions on estate tax returns filed for 2006 by estates with gross estate value of \$2 million or more. In that dataset, the highest percentage of charitable bequest dollars went to philanthropy and voluntarism, primarily private foundations. Figure 2 shows the comparison between the two sets of data, with the “philanthropy and voluntarism” amount excluded from the national results. Even with that change, the differences are probably due to the different characteristics of the people who left a gift to a charity in an estate. That is, the U.S. data comes from high net worth households, and the Kansas City information represents anyone of any wealth level who left a bequest to a charity.

**Figure 2: Share of charitable bequest dollars by type of recipient, Kansas City 2007 and U.S., 2006**



Note: U.S. data from *Giving USA 2008*. Adjusted to remove the amount to foundations in order to be more comparable to Kansas City survey of nonprofit organizations. Values are shown rounded to the nearest whole percentage point and may not total 100 percent.

Similar to the U.S. overall, the largest portion of Kansas City-area bequest giving, 37 percent, went to education, compared with 33 percent of the national bequests (as adjusted). In Kansas City, 15 percent of the amount reported in bequest receipts by a Kansas City-area recipient went to religion. This is comparable to the national result for the highest-wealth estates, where 15 percent of the dollars (excluding the amount left to “philanthropy and voluntarism” organizations) went to religion.

### ***Analysis of bequest size in the Kansas City region***

On average, organizations providing data on the Kansas City regional survey reported receiving \$25,032 each from bequests in 2007. The range in the total amount received from bequests in 2007 was from a minimum of \$500 in bequest donations to a total of \$9.7 million.

### ***Charitable bequests in wills***

Ten percent of households surveyed said they have a charitable provision in a will, and on average, households with a charitable provision have named two charities in their will. Based on the household survey conducted for *Giving in Kansas City*, the percentage of people by different groups who have a charity named in their will varies. This section contains more

information about which respondents to the Kansas City household survey reported having a charity named in a will. The percentages reported here are as a percentage of all Kansas City survey respondents (not just those with a will). The groups most likely to have a charity in a will include:

- People who attend worship often (18 percent)
- People with a college degree (16 percent)
- Evangelical Christians (16 percent)
- Individuals with no children (14 percent)
- Individuals with two children (14 percent)

The people in the Kansas City household survey who were least likely to have a charity in their will were:

- People with no religious preference (5 percent)
- People with high school education or less (5 percent)
- People with one child (5 percent)
- People who seldom attend worship (3 percent)

Not all of the differences found are statistically significant. Among respondents with one child, 5 percent had a charity in a will; among those with three children, 6 percent had a charity in a will.

An important factor that links the four groups immediately above is that all have a low incidence of having a will at all.

There is a higher percentage of people aged 65 and above, as we would expect, who have a will and who have a charity named in a will (12 percent) and a lower percentage of people under 40 who have a charity named in a will (9 percent). The largest age cohort without a will at all is the group of people under 40. Other research has shown that people typically make a first will as they approach 50.<sup>2</sup>

**Table 1: Percentage of respondents in the household survey by whether they have a charitable bequest, a will or no will, Kansas City, 2007**

Age range	Have a will with:		Do not have a will	
	A charitable bequest	No charitable bequest		
<40	9%	31%	60%	100%
40-64	11%	42%	47%	100%
65+	12%	60%	28%	100%
No response for age	6%	47%	47%	100%



Those under 40 are not likely to have a will. Nor are the following groups:

People who seldom attend worship	(60 percent do not have a will)
People with one child	(63 percent do not have a will)
People who identify with a religion other than Catholic or Protestant Christian	(60 percent do not have a will)
People who completed high school but do not have any college	(70 percent do not have a will)
Single men	(60 percent do not have a will)

As charities consider long-term donors as potential donors through their estate plans, it might help to focus on groups in this study in which individuals are likely to have a will but half or more of the people in the group do not already have a charitable provision. These include Roman Catholics (55 percent have a will and no charitable bequest); people with some college but not a college degree (48 percent have a will and no charitable bequest), and others. Table 2 summarizes these groups.

**Table 2: Percentage of respondents within various groups where 48 percent or more have a will but no charitable bequest, Kansas City, 2007**

	Charitable bequest	No charitable bequest
<u>Education</u>		
Some college	6	<b>48</b>
<u>Religious affiliation</u>		
Catholic	12	<b>55</b>
Mainline Protestant	10	<b>61</b>
<u>Number of children</u>		
Three	6	<b>65</b>
<u>Frequency of worship</u>		
Once a week	10	<b>49</b>
Once or twice a month	13	<b>49</b>

## Conclusion

Bequest contributions, at an estimated five percent of Kansas City-area giving, are a lower share than nationally. Organizations responding to the *Giving in Kansas City* survey reported average receipts from bequests of \$163,362, with an average of three bequests received at each responding organization. There remains potential in the Kansas City area to engage existing donors who have a will as potential planned gift donors, as some groups, while likely to have a will, are not highly likely to have a charitable bequest already created.

<sup>1</sup> *Giving USA 2008*.

<sup>2</sup> National Committee for Planned Giving, Survey in 2000, released in 2001.

# *Giving in Kansas City*

## Foundation Grantmaking

### ***Highlights***

- In the Kansas City Metropolitan Statistical Area (MSA), independent, community, and operating foundations granted an estimated \$393 million in 2006 (477 foundations counted, excluding corporate foundations). Of the total:
  - Independent and operating foundations in the Kansas City MSA granted an estimated \$251.5 million and
  - Community foundations in the Kansas City MSA granted an estimated \$141.5 million.
- Almost 61 percent of the grant dollars awarded by Kansas City foundations in 2006 stayed in the Kansas City MSA.
- Nearly 30 percent of all grants (\$116 million) were for educational organizations, and approximately 18 percent of all grants (\$71 million) went to public-society benefit organizations such as United Way, Jewish federations, and advocacy groups for civil rights.

***Kansas City foundation grantmaking is estimated using grants from 309 Kansas City-area foundations.*** In order to estimate patterns of grants from Kansas City-area foundations, this study collected grant information from 309 Kansas City foundations and used that base to project the giving by all foundations in the region. Independent, operating, and community foundations in Kansas City gave an estimated \$393 million in grants to charity in 2006 (the latest year available).<sup>1</sup> The first portion of this chapter looks at grantmaking by all grants from these three types of foundations.

This estimate does not include corporate foundation grantmaking because corporate foundation grantmaking is included as a part of the Corporate Giving chapter.

The *Foundation Center* estimated 453 independent, corporate, community, and operating foundations headquartered in Kansas City MSA. Also, they estimated all foundations in Kansas City MSA gave more than \$431.6 million in grants in 2006 (includes corporate foundation grants).

The *Foundation Center* reported \$6.37 billion in assets for Kansas City independent, operating, corporate and community foundations in 2006.

This is equivalent to \$3,239 in foundation assets per Kansas City resident compared with \$2,053 in foundation assets per resident nationally.

Foundation Asset Data: The *Foundation Center*, Key facts on Kansas City Foundations, September, 2008.

***Information used in the study was obtained from online databases,*** including FoundationSearch.com, the Foundation Center, and Guidestar.org, all of which present information about funders, including forms filed with the Internal Revenue Service. In some cases, individual foundations provided information about grants they paid in 2006. Analysis is based on paid grants reported on IRS Forms 990 or 990-PF filed for 2006 or from the information provided by the funder about its grant paid in 2006.

Since some IRS Forms 990 were filed by fiscal year rather than calendar year, the fiscal year with the most time in 2006 was used. Fiscal year 2005-2006 was used for Forms 990 that start and end in midyear. All other data, including annual reports and electronic lists, represent grants that were reportedly awarded in 2006.

### ***Definitions of the foundations in this chapter***

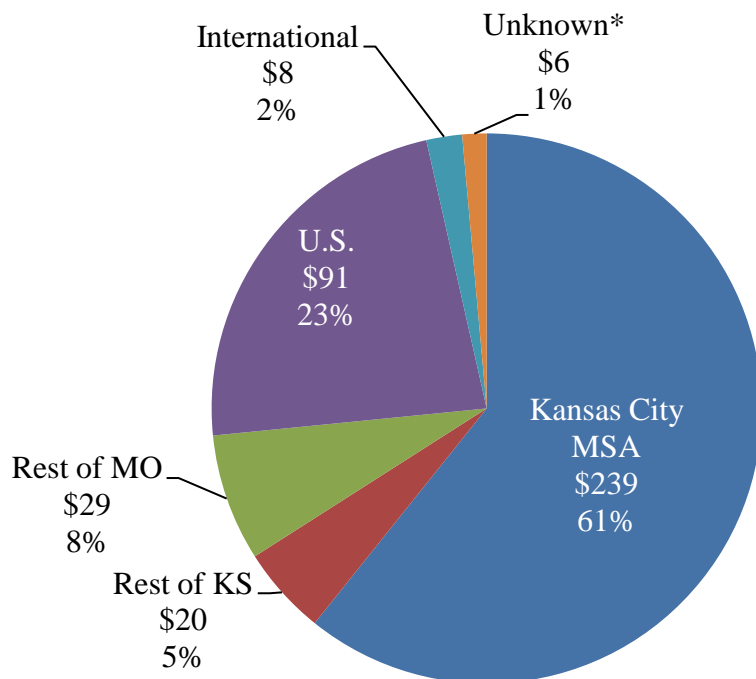
- **Independent foundations** generally have a single major source of funding, and have a primary activity of making grants to charitable organizations.<sup>2</sup> They are also known as private foundations.<sup>3</sup> Although types of independent foundations generally include family foundations, special purpose foundations, and corporate foundations, we excluded corporate foundations from this study. Independent foundation grantmaking accounted for an estimated 55.4 percent of foundation grantmaking in Kansas City during 2006, according to data from the Foundation Center.<sup>4</sup>
- **Community foundations** are generally public charities that receive funding from multiple sources. The community foundations use the funds to make grants or contribute to programs that benefit specific regions or communities.<sup>5</sup> Community foundation grantmaking accounted for an estimated 40.4 percent of foundation grantmaking in Kansas City during 2006, according to data from Foundation Center.<sup>6</sup>
- **Operating foundations** are private foundations that use a large portion of their funds for activities other than grantmaking, though operating foundations may make some grants.<sup>7</sup> Operating foundation grantmaking accounted for an estimated 0.3 percent of foundation grantmaking in Kansas City during 2006, according to data from the Foundation Center.<sup>8</sup>

*Giving USA* reported the Foundation Center's estimate of \$36.5 billion in giving in the U.S. during 2006 by independent, community, and operating foundations.<sup>9</sup> Also, the Foundation Center estimated that all types of foundations in Kansas City Metropolitan area gave approximately \$431.6 million in grants in 2006, including approximately \$10 million in grants paid by corporate foundations.

***A significant portion of Kansas City foundation grantmaking dollars stayed in the Kansas City Metropolitan area.*** In 2006, Kansas City independent, community, and operating foundations made approximately \$393 million in grants to nonprofit organizations (corporate foundations not included). Approximately 61 percent of all grant dollars (\$239 million) were awarded to organizations in the Kansas City metropolitan area in 2006. Only 13 percent of all grant dollars were distributed to organizations in the rest of Kansas or in Missouri. Nearly 23 percent of all grant dollars were awarded to organizations nationally. A very

small percentage of the grant dollars was awarded to organizations with an international presence (2 percent).

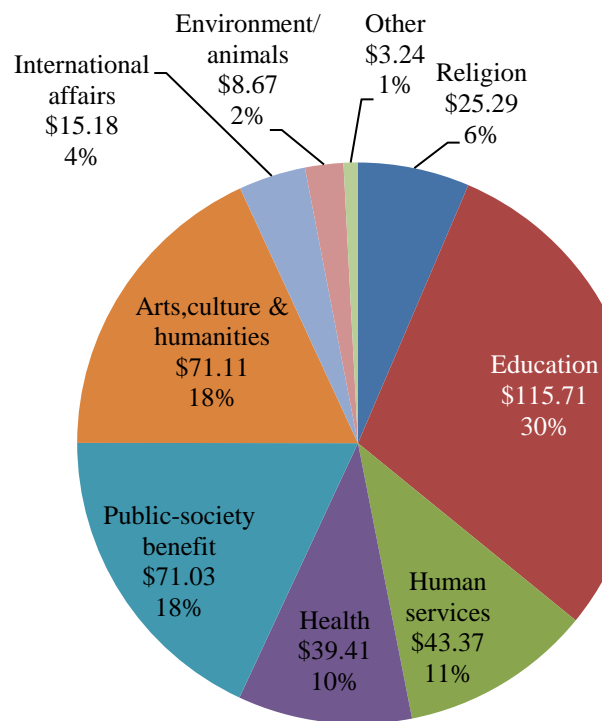
**Figure 1: Percentage distribution of total grant dollars from Kansas City foundations by recipient location, Total estimated grants: \$393 million**  
(dollars in millions)



\*It is highly probable that most grants in the unknown category are to Kansas City organizations. Some IRS Forms 990 did not list the grant recipients. When the recipient of the grant could not be identified, it was coded in this group.

***Educational organizations received the largest share of grant dollars*** from Kansas City foundations (30 percent), followed by public-society benefit organizations (18 percent). Kansas City foundations gave \$116 million of all grant dollars to educational organizations including grants to schools, universities, and libraries. Grants to public-society benefit organizations include those to United Way, Jewish federations, and advocacy for civil rights. These types of organizations received \$71 million of all grant dollars. Also arts and culture organizations received \$71 million (18 percent) from Kansas City foundations. Human service organizations received approximately \$43 million (11 percent) from Kansas City foundations in 2006. Figure 2 shows the allocation of Kansas City foundation giving in 2006 by type of recipient.<sup>10</sup>

**Figure 2: Kansas City foundations' giving priorities, except corporate foundations, 2006,**  
**Total estimated grantmaking: \$393 million**  
(dollars in millions)

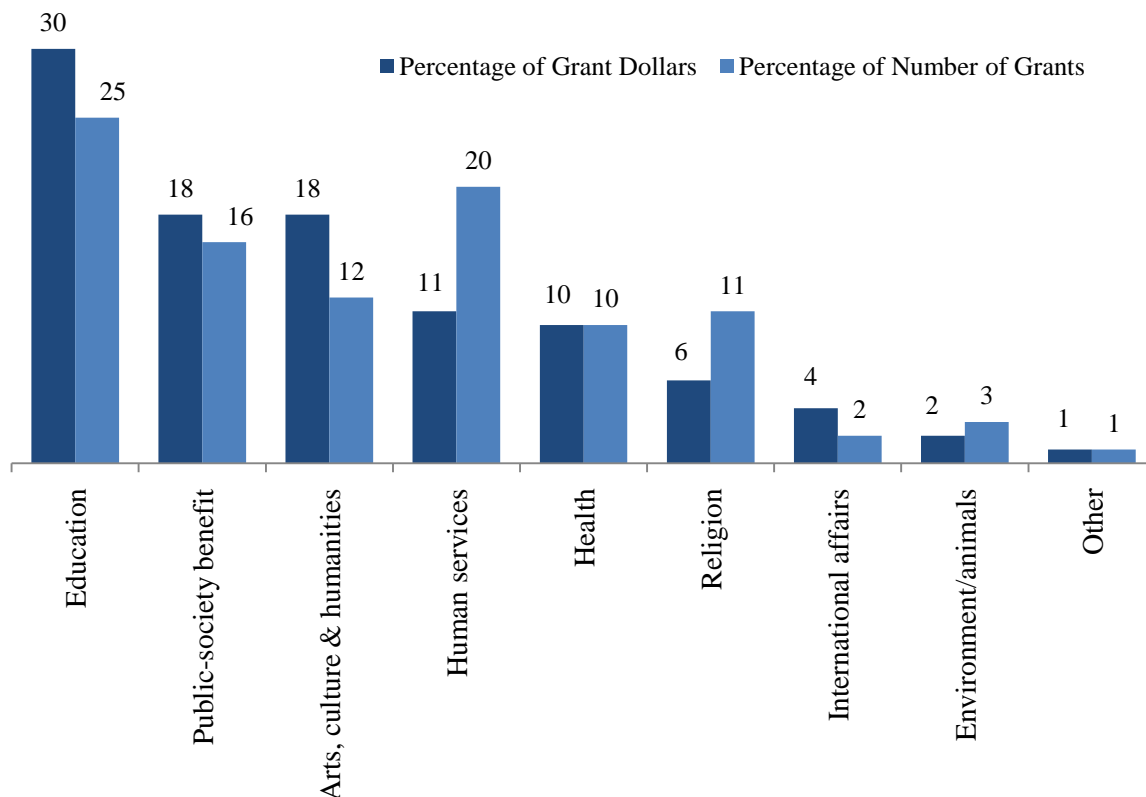


Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org. Figure includes all grants in the *Giving in Kansas City* foundation study. See methodology for subsector categories.

Figure 3 shows the allocation of Kansas City foundation giving in 2006 by the number of grants recorded for each type of recipient.

- Educational organizations, including primary and secondary school, tutoring programs, libraries, and colleges and universities, received the largest share, 30 percent, of the total amount of grant dollars, at \$116 million. Educational organizations also received the largest share of the total number of grants (25 percent) from Kansas City-area foundations in 2006.
- Both public-society benefit organizations and arts, culture, and humanities groups received 18 percent of all grant dollars and received a lower share of the total number of grants (16 percent versus 12 percent, respectively).
- Human services charities received 11 percent of all grant dollars (\$43.37 million) and a higher percentage of the total number of grants (20 percent).
- Religious organizations, which include houses of worship, the governing bodies of faith groups, ministries and media ministries, received 6 percent of all grant dollars, at \$25.29 million and 11 percent of the total number of grants.
- Others types of charities, including international affairs, the environment, and other causes all received less than 5 percent each of total grant dollars.

**Figure 3: Percentage of grant dollars vs. percentage of number of grants by subsector, Kansas City, 2006**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, the Foundation Center, and Guidestar.org. Figure includes all grants in the *Giving in Kansas City* foundation study.<sup>11</sup>

***Kansas City grantmaking in 2006 differs significantly from national grantmaking priorities.*** As shown in Figure 4, when compared with national grantmaking from the *Foundation Center*, Kansas City foundations granted:

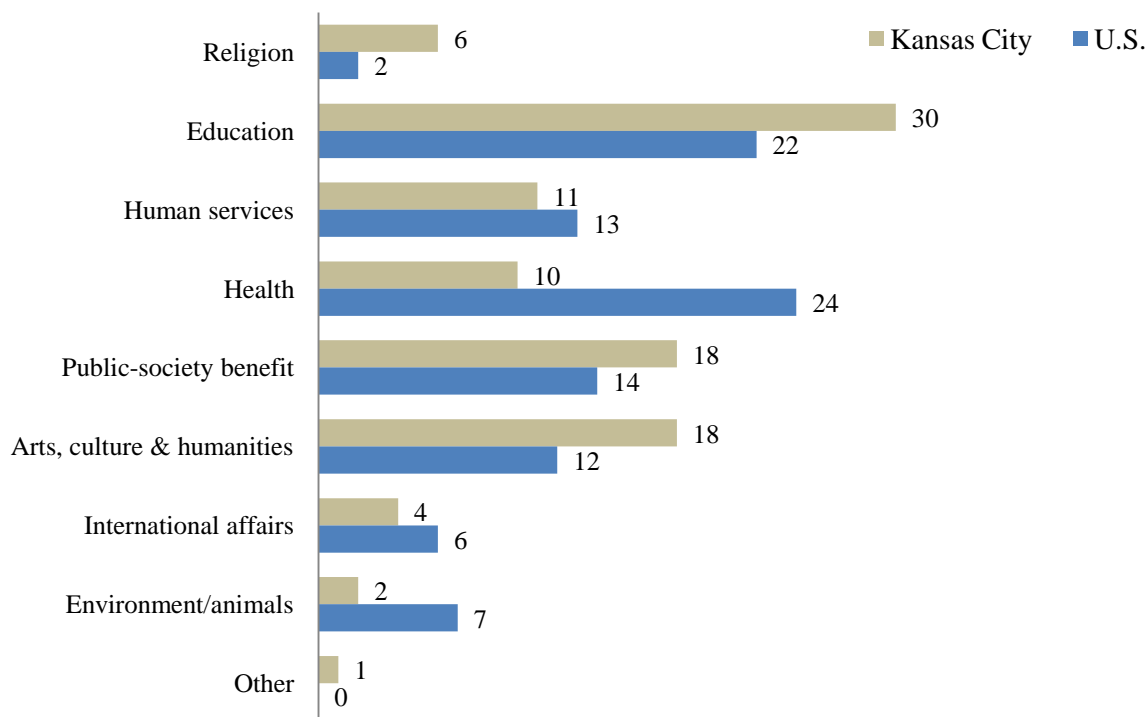
A higher share to

- Education (30 percent compared with 22 percent nationally)
- Public-society benefit (18 percent compared with 14 percent nationally)
- Arts, culture & humanities (18 percent compared with 12 percent nationally)
- Religion (6 percent compared with 2 percent nationally)

A lower share to

- Human services (11 percent compared with 13 percent nationally)
- Health (10 percent compared with 24 percent nationally)
- International affairs (4 percent compared with 6 percent nationally)
- Environmental/animal (2 percent compared with 7 percent nationally)

**Figure 4: Kansas City foundation giving priorities, 2006 compared with national foundation giving priorities, 2006**  
**Percentage distribution of total grant dollars by subsector**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*; Kansas City Data: FoundationSearch.com, Foundation Center, and Guidestar.org. National Data: Foundation Center, *Foundation Giving Trends 2007 Edition*. Kansas City data is categorized by type of organization whereas the Foundation Center categorizes by the subject of the grant.<sup>12</sup>

***On average, the largest average grants in Kansas City were made to international aid organizations and to arts and culture groups,*** as shown in Table 1. In Kansas City, the average grant size for all types of recipients taken together was \$28,010. The median (midpoint value) grant was \$2,000.

- International aid organizations received the largest grant size, averaging \$42,881 with a median grant size of \$3,750. The ranking of average grant size for international organizations is higher than the *Foundation Center* study<sup>13</sup> because there was a grant from the Greater Kansas City Community Foundation that awarded \$6.8 million to an international organization in 2006. Once that grant was excluded, the average grants for international organizations was \$23,671 and median was \$3,750.
- Arts and culture organizations received the second largest average grants size (\$40,773), followed by educational organizations (\$31,054).
- The average grant size for public-society benefit organizations was \$30,214, which is 8 percent higher than the average for all types of recipients.
- Religion and human service organizations received the lowest average grant size (\$15,591 and \$14,366).

**Table 1: Average and Median Grant Amounts, Kansas City Foundations, 2006**

Subsectors	Average	Median
International affairs	\$42,881	\$3,750
Arts, culture & humanities	\$40,773	\$2,000
Education	\$31,054	\$2,000
Public-society benefit	\$30,214	\$1,725
Health	\$26,555	\$2,000
Environment/animals	\$23,005	\$1,050
Other	\$21,447	\$1,500
Religion	\$15,591	\$1,625
Human services	\$14,366	\$2,000
Overall	\$28,010	\$2,000

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org. Data used: All grants of \$4,000 and above and a sample of grants < \$4,000. Results use weighting to adjust for the different probabilities of grants less than \$4,000 to be in the study.

***The top 10 Kansas City foundations paid approximately 75 percent of all grant dollars in 2006.*** The Greater Kansas City Community Foundation granted 34 percent of total grant dollars in Kansas City, with \$132.5 million granted in 2006. The Hall Family Foundation granted 13.6 percent of all grants in 2006. It is ranked second overall, with total dollars granted in 2006 reaching \$53.5 million, as shown in Table 2.



**Table 2: Top 10 Kansas City Foundations by Total Grantmaking in 2006 (Not Including Corporate Foundations)**

Ranking	Granting Foundation	Total Amount Awarded
1	Greater Kansas City Community Foundation	\$132,532,106
2	Hall Family Foundation	\$53,473,877
3	Ewing Marion Kauffman Foundation *	\$52,095,680
4	William T. Kemper Foundation	\$10,439,611
5	The Harry J Lloyd Charitable Trust	\$9,663,443
6	Muriel McBrien Kauffman Foundation	\$9,418,260
7	Health Care Foundation of Greater Kansas City	\$7,070,694
8	Jewish Community Foundation of Greater Kansas City	\$7,046,873
9	The Francis Family Foundation	\$6,243,523
10	Perry Street Foundation	\$6,097,622
	Total Grantmaking by Top 10 Foundation in Kansas City	\$294,081,689
	Total Amount Awarded from all Foundations	\$393,010,673
	Top 10 as percentage of total grantmaking in Kansas City	74.8%
	Greater Kansas City Community Foundation	33.7%

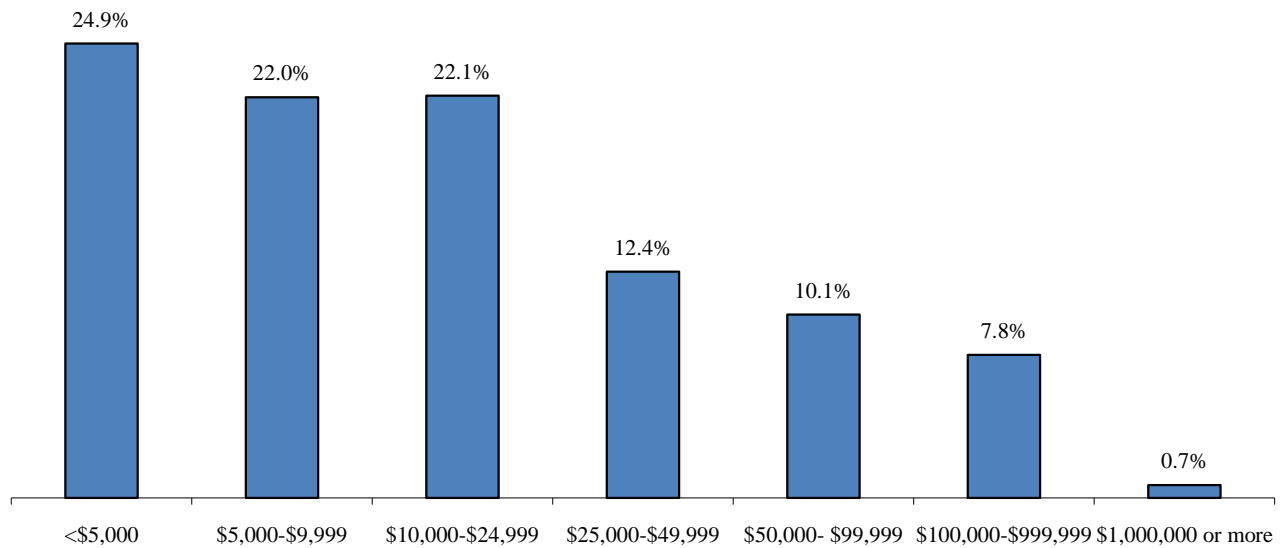
\*Approximately \$20 million in grants paid by the Ewing Marion Kauffman Foundation to the Greater Kansas City Community Foundation are not included here in the Kauffman Foundation total, as they were regranted by the community foundation and appear in that organization's total.

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org. Table is based on paid grants reported on IRS Forms 990 or 990-PF.

Figure 5 is the distribution of all grants in the *Giving in Kansas City* foundation study which shows:

- Nearly 25 percent of the grants awarded by Kansas City-area foundations were less than \$5,000 each, followed by 22 percent of grants which were between \$5,000 and \$9,999;
- Approximately 69 percent of the grants awarded were less than \$25,000; and
- Only 0.7 percent of grants in the study were \$1,000,000 or more (52 grants total).

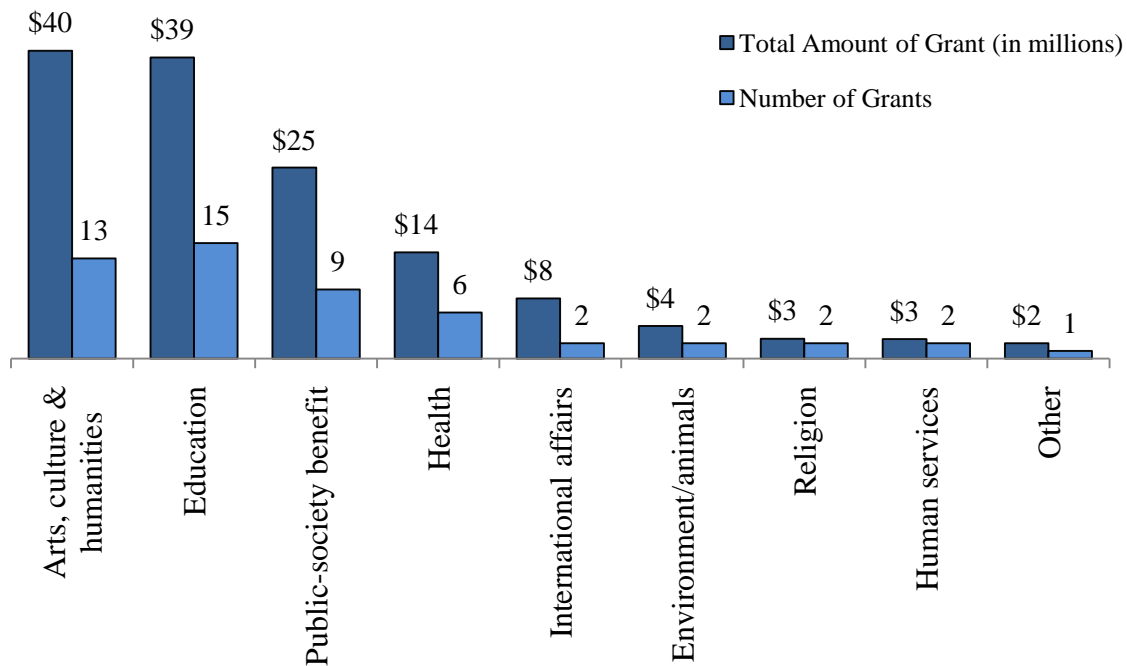
**Figure 5: Distribution of Kansas City foundation grants by size of grant, 2006**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org. The *Giving in Kansas City* foundation study consists of all grants of \$4,000 and above and a sample of grants below \$4,000. Results use weighting to adjust for the different probabilities of grants less than \$4,000 to be in the study.

***There were 52 grants of \$1 million or more awarded by Kansas City-area foundations in 2006***, as shown in **Figure 6**. Educational organizations received the largest number of grants \$1 million or more (15 grants), which totaled \$39 million. Arts, culture, and humanities groups received 13 grants for a combined total of \$40 million received by Kansas City-area foundations in 2006. Public-society benefit organizations received nine grants of \$1 million or more, for a total of \$25 million. International affairs, environmental and animals, religious, human service organizations and other causes each received only one or two million-dollar- plus gifts from Kansas City foundations in 2006. Table 3 shows the 10 largest grants made by Kansas City foundations in 2006.

**Figure 6: Number of grants of \$1 million or more from Kansas City foundations, 2006**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org. Figure is made from all grants in the *Giving in Kansas City* foundation study.

**Table 3: Ten Largest Kansas City Foundation Grants 2006 (dollars in millions)**

Ranking	Donor Foundation	Recipient Organization	Recipient State	Recipient Subsector	Grant Amount
1	Greater Kansas City Community Foundation	Harvard College	MA	Education	\$10,026,400
2	Hall Family Foundation	Missouri Development Finance Board*	MO	Public-society benefit	\$10,000,000
3	Greater Kansas City Community Foundation	Kauffman Center for the Performing Arts	MO	Arts and culture	\$8,710,000
4	Greater Kansas City Community Foundation	Nelson Gallery Foundation	MO	Arts and culture	\$7,191,782
5	Greater Kansas City Community Foundation	Save Darfur Coalition	DC	International	\$6,802,500
6	Hall Family Foundation	Nelson Gallery Foundation	MO	Arts and culture	\$6,000,000
7	Greater Kansas City Community Foundation	Prime Health Foundation	MO	Health	\$5,828,422
8	Greater Kansas City Community Foundation	Union Station Kansas City, Inc.	MO	Arts and culture	\$5,776,980
9	Hall Family Foundation	Kansas University Endowment Association	KS	Education	\$5,240,000
10	Hall Family Foundation	Kansas University Endowment Association	KS	Education	\$5,000,000
	Total				\$70,576,084
	Largest Grants as a Percentage of All Kansas City Grantmaking				18%

\*Missouri Development Finance Board granted the award to the Kauffman Center for the Performing Arts

## ***Conclusion***

In 2006, independent, community, and operating foundations in the Kansas City MSA made approximately \$393 million in grants to nonprofit organizations. Nearly 61 percent of total grant dollars were awarded to organizations in the Kansas City MSA. Educational organizations received not only the largest share of grant dollars (30 percent), but also the largest share of the total number of grants (25 percent).

On the other hand, the percentage of share of total grant dollars and the percentage of share of total number of grants did not always match. For example, public society benefit organizations received the third largest number of grants while they received the second largest share of total grant dollars.

Compared to national foundation giving priorities, Kansas City MSA foundations in 2006 gave a higher percentage to education, public society benefit, art and culture, and religious organizations in 2006. The biggest difference between the Kansas City MSA and the national study in 2006 was the percentage granted to health organizations (10 percent versus 24 percent nationally).

On average, the largest grants in the Kansas City MSA were made to international aid organizations and arts and culture organizations. The average grant size for international organizations is higher than that reported in the *Foundation Center* study because there was one grant that was over \$6.8 million from the Greater Kansas City Community Foundation.

In addition, approximately 75 percent of all grant dollars were awarded by the top 10 Kansas City foundations. In particular, the Greater Kansas City Community Foundation granted almost 34 percent of total grant dollars in 2006.

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- <sup>1</sup> The grants that were distributed through Greater Kansas City Community Foundation from other foundations were excluded from this study (Total amount of grants was \$22.5million).
- <sup>2</sup> Public Charities, *Internal Revenue Service*, <http://www.irs.gov/charities/charitable/article/0,,id=137894,00.html>.
- <sup>3</sup> Guide to Funding Research, *Foundation Center*, <http://foundationcenter.org/getstarted/tutorials/gfr/glossary.html>.
- <sup>4</sup> The Foundation Center data was adjusted to reflect operating, community, and independent foundations. Corporate foundation grantmaking was excluded. Aggregate Financial Data for Foundations in Kansas City MSA, 2006, *Foundation Center*, 2008, [www.foundationcenter.org/findfunders/statistics/](http://www.foundationcenter.org/findfunders/statistics/).
- <sup>5</sup> Guide to Funding Research, *Foundation Center*, <http://foundationcenter.org/getstarted/tutorials/gfr/glossary.html>.
- <sup>6</sup> The Foundation Center data was adjusted to reflect operating, community, and independent foundations. Corporate foundation grantmaking was excluded. Aggregate Financial Data for Foundations in the State of Kansas City, 2006, *Foundation Center*, 2008, [www.foundationcenter.org/findfunders/statistics/](http://www.foundationcenter.org/findfunders/statistics/).
- <sup>7</sup> Definition of Private Operating Foundation, *Internal Revenue Service*, <http://www.irs.gov/charities/foundations/article/0,,id=136869,00.html>.
- <sup>8</sup> The Foundation Center data was adjusted to reflect operating, community, and independent foundations. Corporate foundation grantmaking was excluded. Aggregate Financial Data for Foundations in the Kansas City MSA, 2006, *Foundation Center*, 2008, [www.foundationcenter.org/findfunders/statistics/](http://www.foundationcenter.org/findfunders/statistics/).
- <sup>9</sup> Sources of contributions, *Giving USA 2007*, pg 15. This figure was adjusted by *Giving USA* to include only independent, operating, and community foundation grantmaking. Corporate foundation grantmaking was excluded.
- <sup>10</sup> Figure 2 shows Kansas City foundations' giving priorities by subsector. Subsector figures are created by categorizing grants by the recipient organization.
- <sup>11</sup> Some grants were reported as aggregated funding which may have affected these figures.
- <sup>12</sup> Kansas City data in the figure includes all grants in the *Giving in Kansas City* foundation study as coded by the type of recipient. National grants are coded by the purpose of the grant, not the type of organization. The Foundation Center figures include corporate foundation giving, *Giving in Kansas City* does not. In addition, the Foundation Center sample base for this figure consists of grants of \$10,000 or more, compared to the *Giving in Kansas City* sample base of grants of \$4,000 or more. These differences may have affected the subsector data in the graph. The Foundation Center calculates science and technology, and social sciences separately from public-society benefit, but they have been included in public-society benefit for this graph.
- <sup>13</sup> In Foundation Giving Trend, 2008 edition from *the Foundation Center*, the average grant to international organizations was the six largest out of ten major subject categories (p.6).

# *Giving in Kansas City*

## *Corporate Giving*

### ***Highlights***

- An estimated 45 percent of charities in Kansas City received at least one corporate gift or corporate foundation grant in 2007.
- Total estimated giving by corporations and their foundations to Kansas City Metropolitan Statistical Area (MSA) charities is approximately \$150 million. This chapter looks at outright gifts from corporations and grants by corporate foundations.
- Among surveyed nonprofit organizations, large nonprofit organizations received a much higher average amount in corporate gifts and grants (\$981,873) than did small organizations (\$1,356).
- Public-society benefit organizations (e.g., United Way, community foundations) received the largest share of corporate foundation grant dollars (32 percent).
- Nearly 65 percent of Kansas City corporate foundations' grants were less than \$5,000 and 14 percent were between \$5,000 and \$9,999. Just over 0.1 percent of grants were \$1,000,000 or more.
- Approximately 71 percent of corporate gifts and grants were annual gifts as opposed to sponsorships, in-kind gifts, capital gifts, or other types of gifts (as listed by nonprofits on their annual reports).
- Nearly 41 percent of the corporate gifts and grants reported by nonprofits in annual reports and on their Web sites were between \$2,500 and \$4,999.

***The Center on Philanthropy utilized three sources of information to assess corporate philanthropy in Kansas City.*** First, Kansas City nonprofit organizations were asked to report the contributions received from corporations (including grants from corporate foundations) in 2007. The Center received 352 completed responses, an 18 percent response rate. The Center supplemented these survey results with two other types of information: corporate gifts made to Kansas City nonprofits and captured in a unified database; and corporate foundation grants reported on IRS Forms 990 or 990-PF. The Center accessed the corporate gift data at NOZA, Inc (NozaSearch.com). The NOZA, Inc. data provided a list of 4,037 gifts or grants received by nonprofits in the Kansas City MSA by corporations as reported in the nonprofits' annual reports, newsletters, on their Web site, and so on. Access to the IRS Forms 990-PF was through FoundationSearch.com, the Foundation Center, and Guidestar.org. All three foundation grant databases were used to find corporate foundation grants made in 2006 (the most recent year available) to nonprofit organizations by Kansas City-based corporate foundations. Please see the methodology section of this report for more detail.

***Based on Kansas City nonprofit organization survey responses, companies gave an estimated \$150 million*** to charities in the Kansas City MSA. Nationally, corporations donated an estimated \$15.7 billion in 2007, accounting for 5 percent of total gifts made that year. Corporate funders in Kansas City donated 1 percent of all gifts made by U.S. companies in 2007, which is close to the percentage of total metropolitan area corporate profits from the nation (\$10.4 trillion) that come from Kansas City (\$83.9 million or 0.8 percent of \$10.4 trillion).

Nationally, corporate giving has grown by nearly \$11 billion (adjusted for 2007 dollars) in the past 40 years, representing a real growth of 206 percent.<sup>1</sup> Part of the growth in corporate giving in recent years in the U.S. has been attributed to better tracking and reporting of gifts in kind and to some increases in cash donations.

***Among Kansas City charities surveyed, 45 percent reported receiving contributions from corporations.*** At least 160 nonprofit organizations of 352 surveyed in the Kansas City MSA reported receiving grants from corporations or corporate foundations in 2007. Large nonprofit organizations were more likely than small organizations to receive corporate contributions. Nonprofit organizations with revenue of \$1,000,000 or more were coded as large organization, organizations with revenue from \$25,000 to \$999,999 were coded as medium organization, and organizations with revenue less than \$25,000 were coded as small organizations. Organizations that did not report their revenue were coded as unknown. Large organizations, on average, received more (\$981,873) compared to the average amount received by medium-size organizations (\$40,199).

Table 1 summarizes the survey results for corporate contributions received by the Kansas City charities who responded. In addition, the average percentage of corporate giving by size of organization is shown in Table 1. Large organizations received 21 percent of their total charitable donations from corporations in 2007. Corporate giving as a share of all donations by size of nonprofit organization was similar for each, except unknown (21 percent vs. 19 percent vs. 20 percent).<sup>2</sup> Nonprofits that did not report their revenue received only 7 percent of their total charitable receipts from corporations in 2007.

**Table 1: Corporate charitable donations received at Kansas City nonprofits, by size of charitable revenue**

	<b>Large</b>	<b>Medium</b>	<b>Small</b>	<b>Unknown</b>
Mean corporate gift amount received	\$981,873*	\$40,199	\$1,356**	\$3,763***
Median corporate gift amount received	\$52,500	\$1,600	\$0	\$0
Corporate giving as a share of all donations	21%	19%	20%	7%

Size categories and number of responses for 2007 charitable revenue:

Large = Total revenue of \$1,000,000 or more, N = 127

Medium = Total revenue from \$25,000 to \$999,999, N = 110

Small = Total revenue from \$1 to \$24,999, N = 77

Unknown = Total revenue not available. N = 38

\*One outlier was removed. If outlier is included mean = \$1,905,567, median = \$53,000

\*\*Five outliers were removed. If outliers are included mean = \$30,279, median = \$0

\*\*\* Two outliers were removed. If outliers are included mean = \$49,173, median = \$0

***There are similarities in giving priorities for Kansas City companies and all U.S. companies.***

The national data about types of charities supported by companies is from the Conference Board, based on its survey of Fortune 1000 firms, and reflects survey responses received about contributions made in 2006. The Kansas City results are based on a survey of charitable organizations in Kansas City about the corporate contributions they received in 2007.

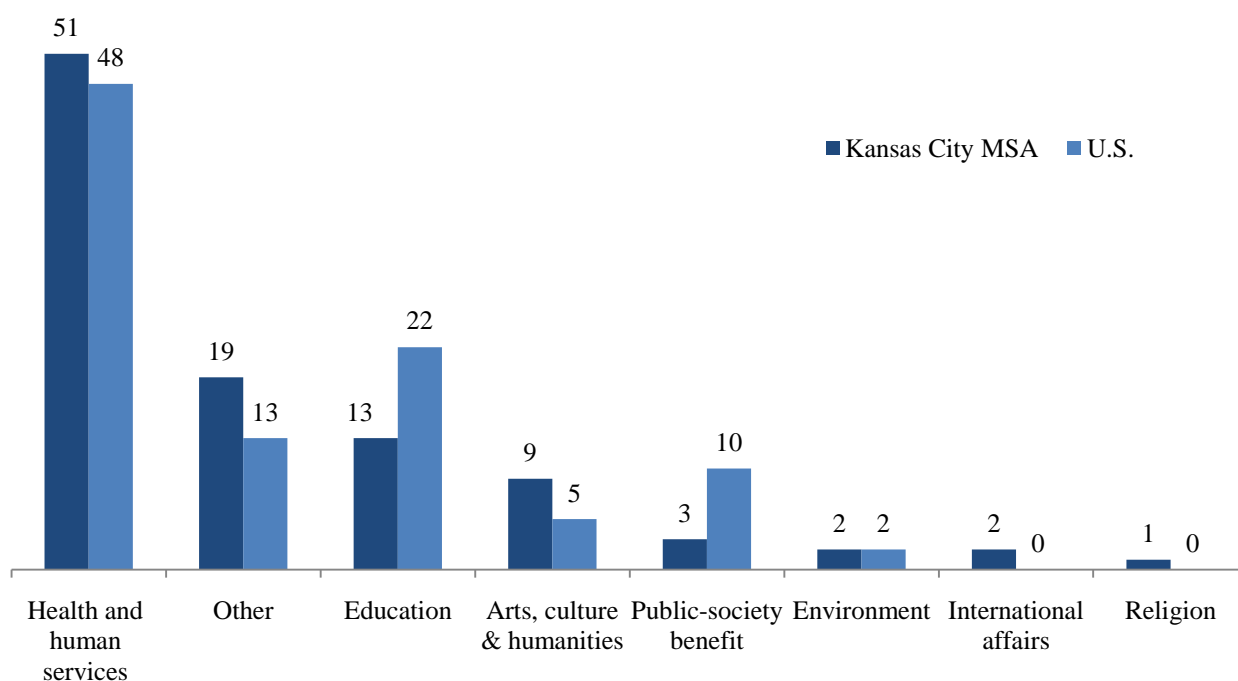
The results show some similarities, despite the different methods. Figure 1 illustrates the percentages by type of recipient. The combined category of health and human services received the largest share of corporate donations in both studies (51 percent in Kansas City and 48 percent in the U.S.). The share of corporate dollars reported in gifts to environment and animal organizations were the same (2 percent in Kansas City compared with 2 percent nationally).

Educational organizations in the Kansas City MSA received a lower portion of the total of corporate contributions (13 percent) compared with the national data (22 percent). Also, public-society benefit organizations in the Kansas City MSA were awarded a lower share of corporate contributions (3 percent) compared with the national data (10 percent).

In contrast, organizations with other purposes in the Kansas City MSA reported a higher share of corporate giving (19 percent) compared with the national data (13 percent). Also, arts and culture, international, and religious organizations in the Kansas City MSA reported receiving a higher share of estimated total regional corporate contributions compared with the national data. Figure 1 indicates the difference of the percentage by type of recipient between Kansas City MSA and the U.S.



**Figure 1: Share of corporate contributions dollars by type of recipient, Kansas City and U.S., 2007 (percentage of total grant dollars)**



U.S. data: The Conference Board, *Corporate Contributions Report* for 2006 giving

Charities in the public-society benefit category include United Way, economic development and community development organizations, leadership development programs, organizations working on civil rights issues, research institutes in the sciences and social sciences, and organizations providing services to members of the military and veterans and their families.

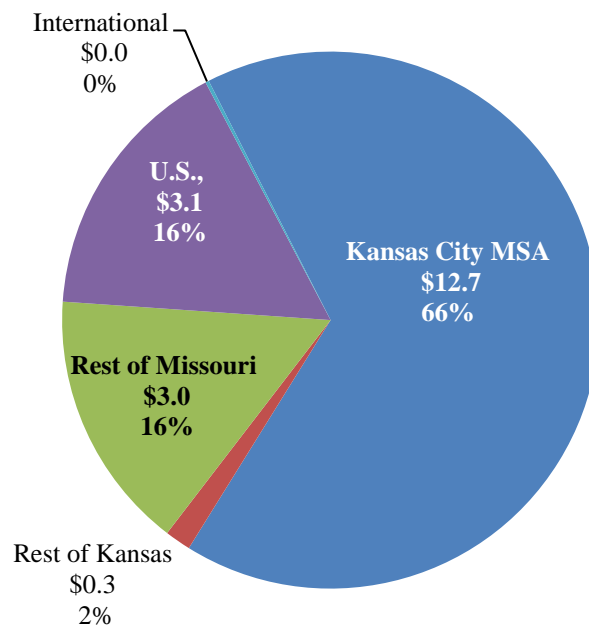
***Giving in Kansas City also examines Kansas City grants from corporate foundations to nonprofit organizations.*** The Center collected the Kansas City corporate foundation data from FoundationSearch.com, the Foundation Center, and Guidestar.org. Corporate foundations were based in the Kansas City metropolitan area and contributed to nonprofit organizations in the Kansas City MSA, the rest of the U.S., and internationally. There were a total of 22 Kansas City corporate foundations that awarded grants with approximately \$19.2 million to nonprofit organizations in 2006 (the latest year available). Please see the methodology for more information.

Corporate foundation grantmaking in the Kansas City area is approximately 13 percent of all regional corporate giving based on the survey responses from nonprofit organizations. Corporate foundations, like other types of foundations, file required documents with the IRS. This source of data permits a more detailed analysis of corporate foundation grantmaking than is possible for total corporate giving. There is no centralized, required, source of data for corporate gifts made other than through corporate foundations.

### ***A significant portion of Kansas City corporate foundation***

***grantmaking dollars stayed in the Kansas City MSA.*** From the total of \$19.2 million, 66 percent of all grant dollars (\$12.7 million) were awarded to nonprofit organizations in the Kansas City MSA. Also, 18 percent of all grant dollars went to organizations in either the rest of Kansas or in Missouri. About 16 percent of the total grant dollars went to national organizations. Figure 2 shows the distribution of grant dollars from Kansas City foundations by recipient location.

**Figure 2: Percentage distribution of total grant dollars from Kansas City foundations by recipient location, total estimated grants = \$19.2 million**  
(dollars in millions)

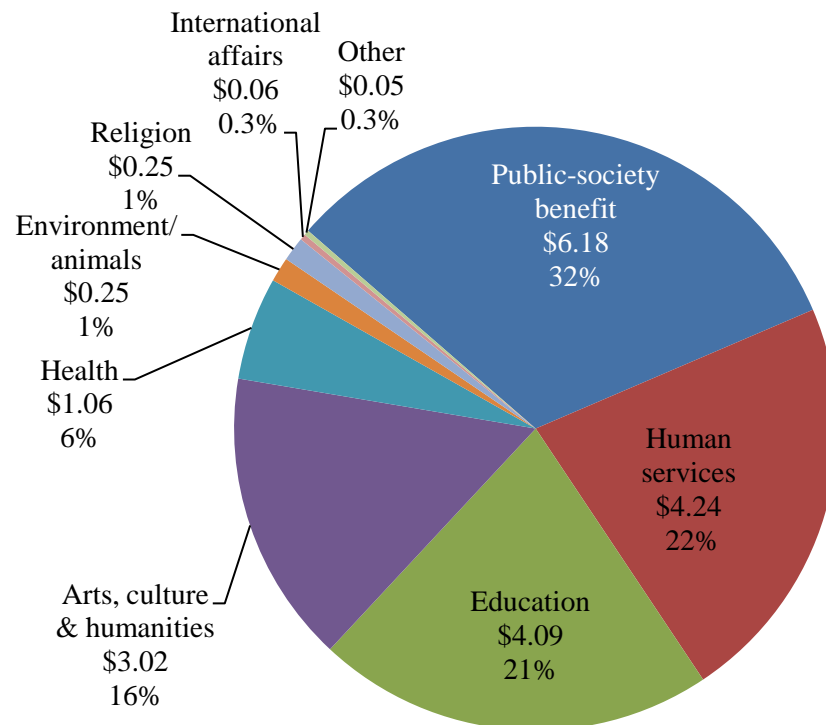


Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

### ***Kansas City corporate foundations donated the largest share to public-society benefit organizations in 2006.***

Kansas City corporate foundations made approximately \$19.2 million in grants to nonprofit organizations in 2006 (see Figure 3). Corporate foundations gave almost one-third of all grant dollars to public-society benefit organizations such as United Way, Jewish federations, and community foundations (32 percent). Human service organizations received the next largest share of grants in 2006 (22 percent). The third largest share, 21 percent of total giving, went to educational organizations, which included scholarships to individuals. Arts and culture organizations were awarded almost 16 percent of giving from corporate foundations in 2006. Corporate foundations in Kansas City donated only \$1.06 million (6 percent) to health organizations in 2006. Only 0.3 percent went to international aid or affairs organizations and only 1 percent of the total amount donated by corporate foundations in Kansas City was granted to religious organizations.

**Figure 3: Kansas City corporate foundations' giving priorities, 2006, total estimated grantmaking = \$19.2 million**  
(dollars in millions)



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

***Kansas City corporate foundation grantmaking in 2006 differs significantly from national grantmaking priorities.*** As shown in Figure 4, when compared with national grantmaking from *Foundation Center*, Kansas City corporate foundations granted:

A higher share to

- Public-society benefit (32 percent compared with 22 percent nationally)
- Art, culture & humanities (16 percent compared with 12 percent nationally)
- Religion (1 percent compared with 0.4 percent nationally)

About the same share to

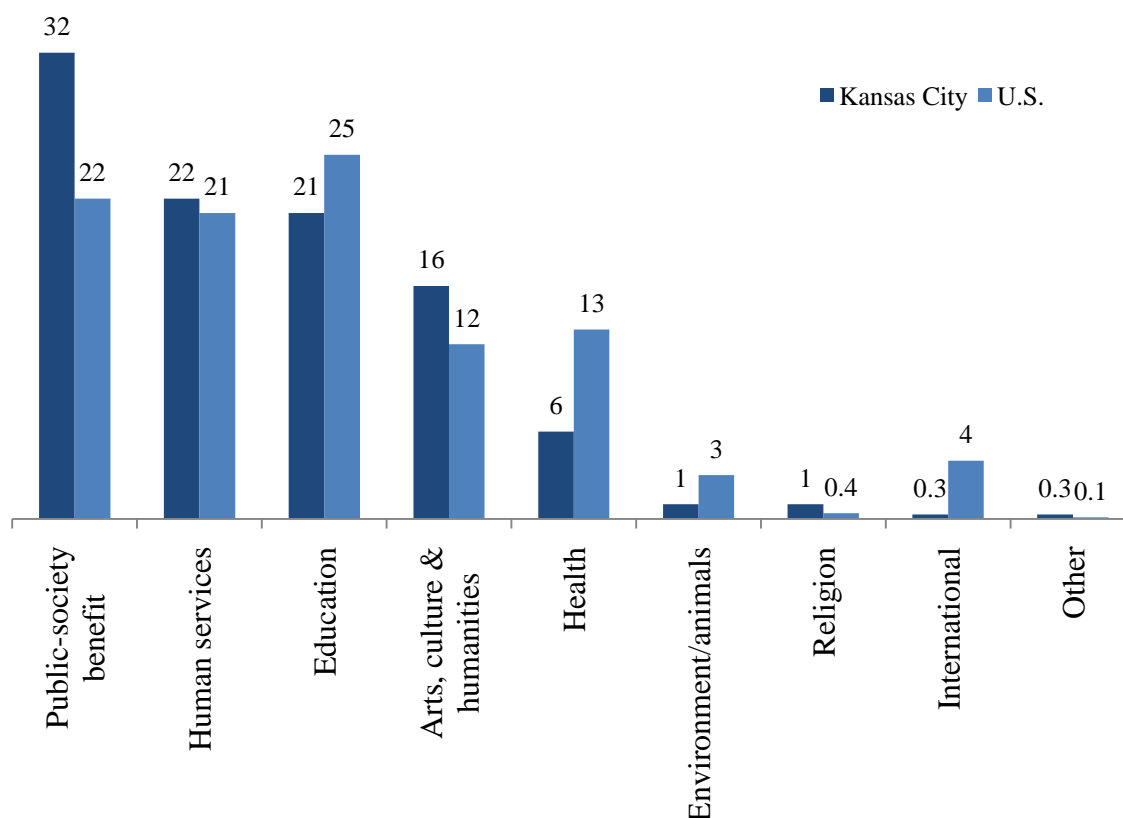
- Human services (22 percent compared with 21 percent nationally)

A lower share to

- Education (21 percent compared with 25 percent nationally)
- Health (6 percent compared with 13 percent nationally)
- Environmental and animal (1 percent compared with 3 percent nationally)
- International (0.3 percent compared with 4 percent nationally)

The biggest difference is in the health area, which received 6 percent of Kansas City corporate foundation grant dollars and 13 percent of national corporate foundation grant dollars.

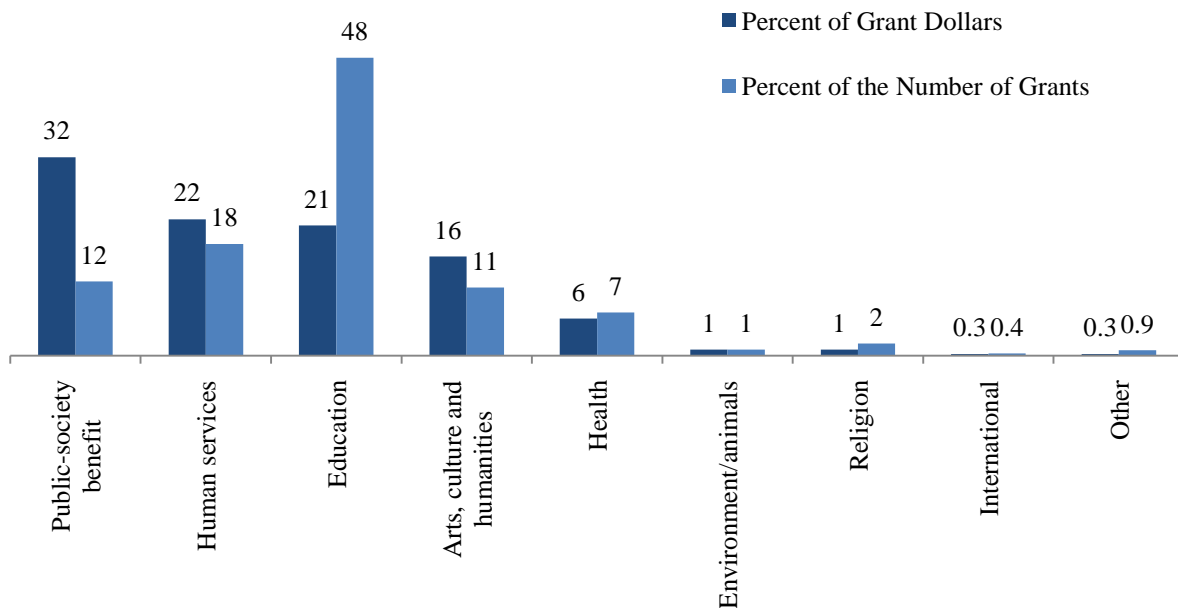
**Figure 4: Kansas City corporate foundation giving, 2006, compared with national corporate foundation giving, 2006**  
**Percentage distribution of total grant dollars by subsector**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*; Kansas City Data: FoundationSearch.com, Foundation Center, and Guidestar.org. National Data: Foundation Center, *Foundation Giving Trends 2008 Edition*. Kansas City data is categorized by type of organization whereas the Foundation Center categorizes by the subject of the grant.<sup>3</sup>

***Public-society benefit organizations received the largest amount of grant dollars, but not the largest number of grants from Kansas City corporate foundations in 2006.*** Among the estimated total number of grants (5,613) made by Kansas City corporate foundations, only 12 percent of the total number of grants went to public-society benefit organizations, even though they received the largest share of the total amount of grants from Kansas City corporate foundations (\$6.18 million, or 32 percent). In contrast, educational organizations received 21 percent of the total amount of grants but received the largest number of grants (48 percent). Human services organizations received 22 percent of the total amount of grants (\$4.24 million) and approximately 18 percent of the total number of grants. Health organizations received about the same percentage of grant dollars and of the total number of grants (6 percent versus 7 percent).

**Figure 5: Percent of grant dollars vs. percent of the number of grants by subsectors**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

***On average, the largest grants from Kansas City corporate foundations were made to public-society benefit organizations,*** as shown in Table 2. Grants to public-society benefit organizations were the largest on average, at \$9,284 (median = \$500). Arts and culture organizations received the second largest average grant size at \$4,584 (median = \$500). Other or unknown grants had the smallest average grant size at \$1,028 (median = \$1,500).

**Table 2: Average and Median Grant Amounts, Kansas City Corporate Foundations, 2006**

Subsectors	Average	Median
Public-society benefit	\$9,284	\$500
Arts, culture & humanities	\$4,584	\$500
Human services	\$4,046	\$750
Environment/animals	\$3,777	\$750
Health	\$2,802	\$500
International	\$2,465	\$1,800
Religion	\$1,838	\$300
Education	\$1,483	\$250
Other	\$1,028	\$1,500
	\$3,318	\$480

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

***Sprint Foundation was the largest corporate grantmaker in Kansas City in 2006,*** as shown in Table 3. Sprint Foundation donated \$8.1 million to charity in 2006, which was 44.3 percent of the total amount of grants given by the top 10 Kansas City corporate foundations. This amount does not include other donations made by the company from corporate revenue, only donations from the foundation. The second largest corporate grantmaker, the Hallmark Corporate Foundation, awarded \$2.8 million in 2006, a third of what the Sprint Foundation granted in 2006. Total grants awarded by the top 10 Kansas City corporate foundations were 95.2 percent of the total amount granted by all Kansas City corporate foundations in 2006.

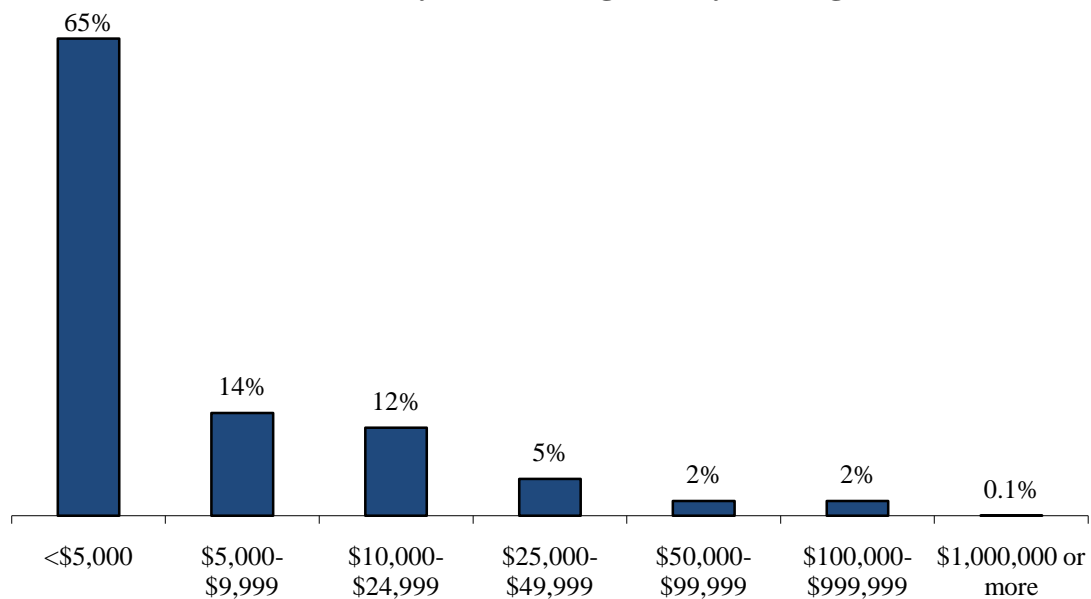
**Table 3: Ranking of the Top 10 Corporate Foundations by Amount Awarded, 2006**

1	Sprint Foundation	\$8,109,143
2	Hallmark Corporate Foundation	\$2,773,406
3	H & R Block Foundation	\$2,656,225
4	American Century Companies Foundation	\$1,758,428
5	The Commerce Bancshares Foundation	\$1,348,365
6	Butler Manufacturing Company Foundation	\$411,245
7	First Hand Foundation	\$357,597
8	Burns and McDonnell Foundation	\$310,085
9	Ash Grove Charitable Foundation	\$286,202
10	Tension Envelope Foundation	\$278,430
Total Grantmaking by Top 10 Corporate Foundations		\$18,289,126
Top 10 as a Percentage of Total Grantmaking in Kansas City		95.2%
Sprint Foundation as Percentage of Grantmaking by the Top 10 Corporate Foundations		44.3%

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

***A significant portion of Kansas City corporate foundation grants awarded, 65 percent, were \$5,000 or less in 2006,*** as shown in Figure 6. Approximately 14 percent of the Kansas City corporate foundation grants were between \$5,000 and \$9,999. Only 0.1 percent of all grants awarded by Kansas City corporate foundations were \$1,000,000 or more.

**Figure 6: Distribution of Kansas City foundation grants by size of grant, 2006**



\*All percentages were rounded to the nearest whole percentage point.

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: FoundationSearch.com, Foundation Center, and Guidestar.org

***Giving in Kansas City also examines corporate gifts made to nonprofits in the Kansas City MSA as made available by NOZA, Inc.***

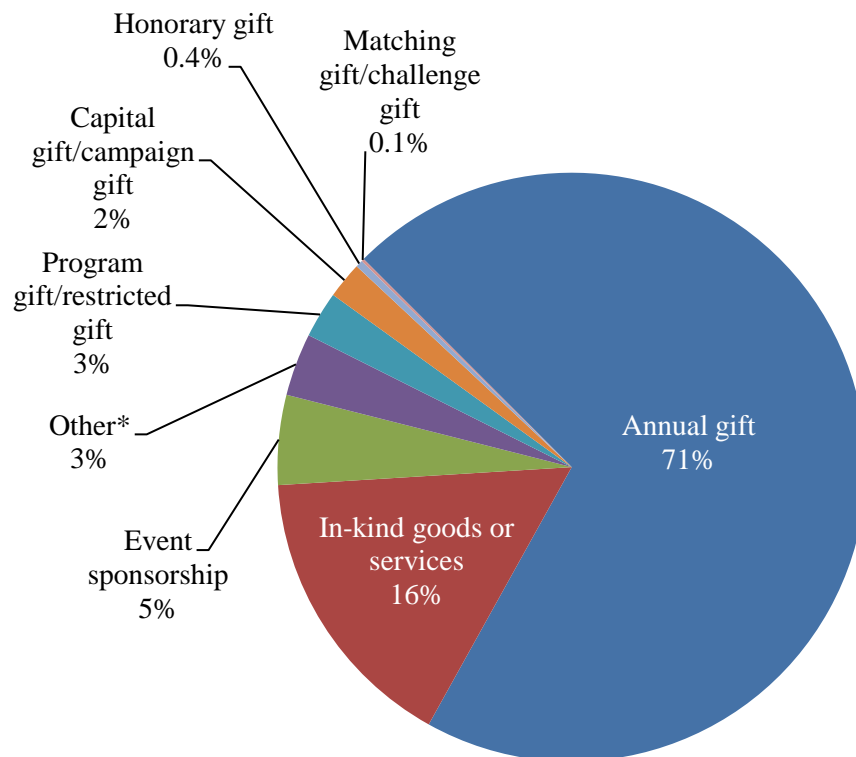
According to NOZA, Inc., its detailed charitable gift information has been collected from publicly available Internet locations, all of which are accessible on the open web (or were once available but have since been removed or updated). Data comes from Internet-based annual reports, newsletters, campaign honor rolls, press releases, event sponsor lists, etc. The NOZA data provided a list of more than 4,000 gifts or grants received by nonprofits in Kansas City by corporations as reported in or on the nonprofits' annual reports, newsletters, Web site, etc. Please see the methodology section of this report for more detail.

Nonprofits in the Kansas City MSA reported gifts by corporations. Those companies are nationwide, but the vast majority of corporations were Kansas City MSA-based. This structure means that information from NOZA, Inc. data does not represent all corporate giving to Kansas City nonprofits, because not all nonprofit organizations post information about their corporate gifts to Web sites. The information suggests what corporate giving might be like, but it should be viewed with this limitation in mind, as it is neither a random sample nor exhaustive of all corporate gifts to nonprofits in the Kansas City MSA.

***Nearly three-quarters of corporate gifts were recorded as annual gifts (71 percent) to nonprofit organizations in the Kansas City MSA in 2007.***

*Giving in Kansas City* investigated the type of donations made by firms that contributed to nonprofit organizations in the Kansas City MSA using NOZA, Inc.'s database. As shown in Figure 8, the most frequent method donor companies used to contribute to Kansas City nonprofit organizations was through annual gift donations. Annual gifts were 71 percent of the total number of corporate gifts (2,849 corporate gifts in the file). In-kind donations formed the second most frequent category, accounting for approximately 16 percent of the gifts made by donor firms in the file for 2007.

**Figure 8: Types of corporate giving from corporations to nonprofit organizations in the Kansas City MSA, 2007**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: NOZA, Inc. ([www.nozasearch.com](http://www.nozasearch.com)).

\*Other: Endowment gift, funding donor/charter donor, memorial gift, monthly gifts, bequest, estate gift, and scholarship gift, or unknown coded as other

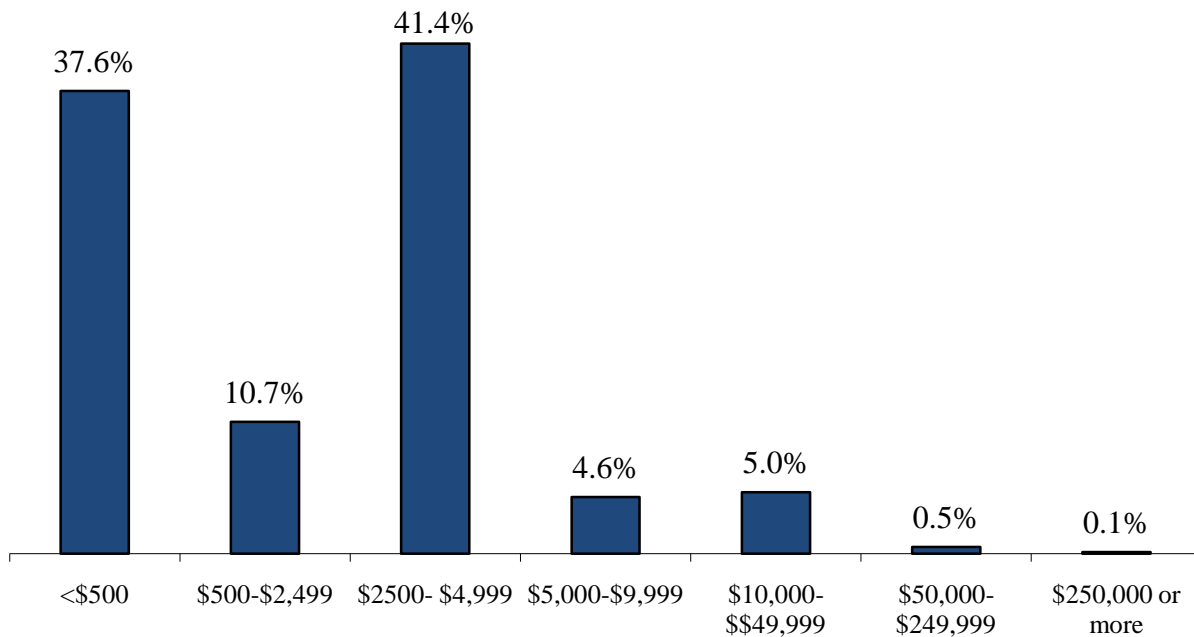


## ***The size of contributions made to charitable organizations in Kansas***

***City varied.*** The *Giving in Kansas City* study investigated the range of gift sizes made by corporate donor firms to Kansas City nonprofit organizations in 2007 using the NOZA, Inc. database. Approximately 38 percent of the gifts located in the database included the gift amounts which were reported by nonprofits as a range (the minimum and maximum dollar amount; for example, between \$2,000 and \$5,000). Figure 9 was generated by taking the midpoint of the minimum and maximum dollar amount (for example, \$3,500 was recorded when the gift range was \$2,000 and \$5,000) of each charitable gift within the NOZA, Inc. database.

As Figure 9 shows, the most frequent size of a corporate gift was \$2,500-\$4,999 with 1,672 gifts in that range, or 41 percent of the total number of gifts. The second most common giving range was less than \$500, with 38 percent of the gifts. Only 0.1 percent of gifts were \$250,000 or more (6 gifts).

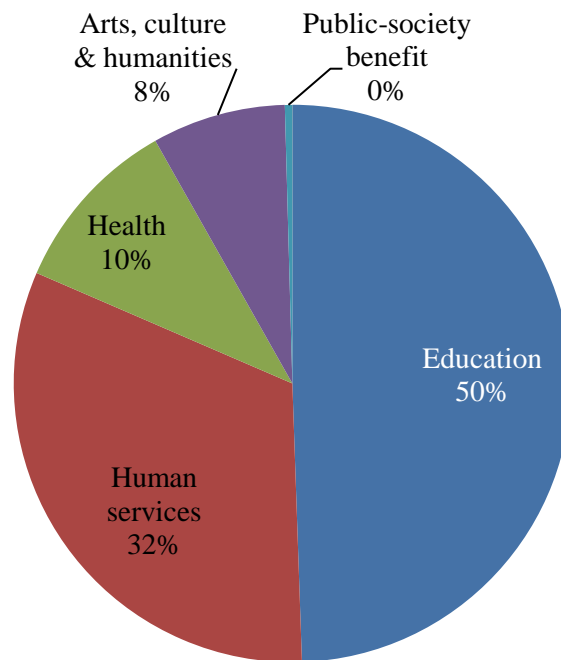
**Figure 9: Gift range of corporate donations from donor firms which made contributions to Kansas City nonprofit organizations, 2007**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: NOZA, Inc. ([www.nozasearch.com](http://www.nozasearch.com)).

***Donor companies gave to a variety of causes in 2007.*** The *Giving in Kansas City* study gathered information about the causes that were supported by the corporate gifts. As shown in Figure 10, for 2007 the largest share, approximately 50 percent of the total gifts reported in the NOZA file were to educational organizations in the Kansas City MSA such as Metropolitan Community College, University of Missouri-Kansas City, School of Dentistry, and Garden City Community College Endowment Association. The share of gifts to human service organizations was the second largest (32 percent). Only 10 percent of all the corporate gifts in the NOZA, Inc. file went to health organizations in the Kansas City MSA. In addition, arts and culture organizations in the Kansas City MSA received only 8 percent of the total grants in the NOZA, Inc. file of gifts from corporations in 2007.

**Figure 10: Distribution of corporate gifts by donor firms that made contributions to the Kansas City MSA by subsectors, 2007, total estimated grantmaking**

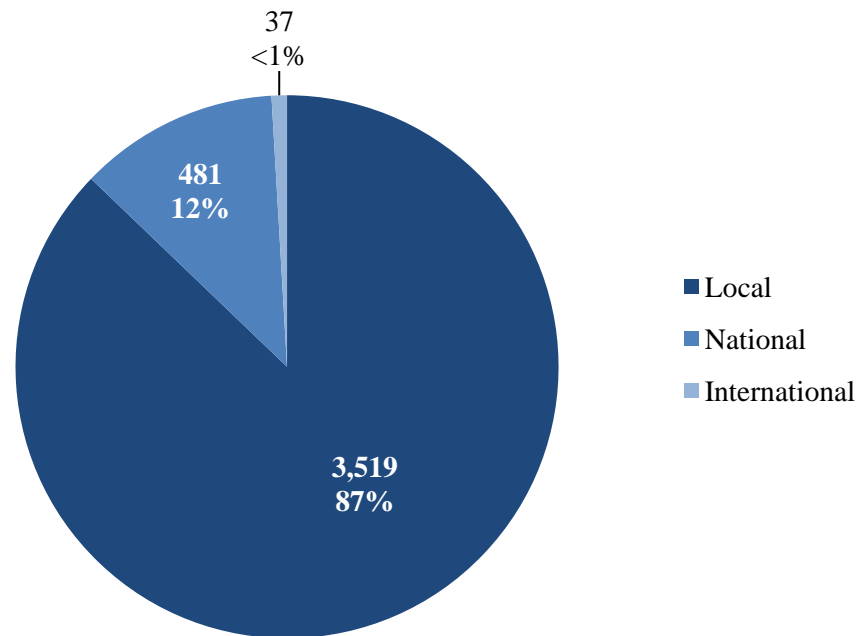


All percentages were rounded to the nearest whole percentage point.

Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: NOZA, Inc. See methodology for more information.

***Donor companies are more likely to contribute to local Kansas City nonprofit organizations in 2007 than those located in other regions.*** As shown in Figure 11, almost 87 percent of the total gifts reported in the NOZA file made by donor firms went to local Kansas City nonprofit organizations (3,519 of the grants). Approximately 12 percent of the gifts went to national nonprofit organizations that are located in the Kansas City MSA in 2007 (481 of the grants). Only 0.9 percent of the gifts went to international nonprofit organizations that make their home in the Kansas City MSA.

**Figure 11: Scope of the Kansas City MSA recipient nonprofit organizations from donor firms, 2007 (total number of grants)**



Source: The Center on Philanthropy at Indiana University, *Giving in Kansas City*. Data: NOZA, Inc.

<sup>1</sup> Sources of contributions, *Giving USA 2008*. This figure was adjusted by *Giving USA*.

<sup>2</sup> The different percentages of corporate giving by size of charity revenue are not statistically significantly different.

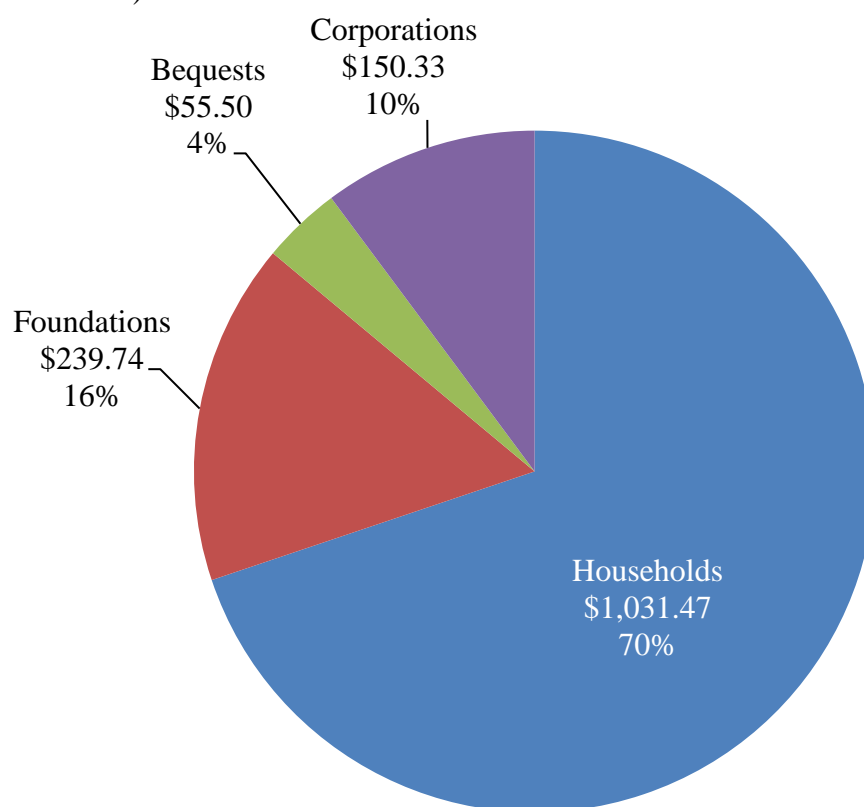
<sup>3</sup> Kansas City data in the figure includes all grants in the *Giving in Kansas City* foundation study as coded by the type of recipient. National grants are coded by the purpose of the grant, not the type of organization. The Foundation Center figures include corporate foundation giving, *Giving in Kansas City* does not. In addition, Foundation Center sample base for this figure consists of grants of \$10,000 or more, compared to the *Giving in Kansas City* sample base of grants of \$4,000 or more. These differences may have affected the subsector data in the graph. Foundation Center calculates science and technology and social sciences separately from public-society benefit, but they have been included in public-society benefit for this graph.

# *Giving in Kansas City*

## *Giving by Type of Recipient*

An estimated \$1.47 billion of total giving of \$2.15 billion remained in the Kansas City Metropolitan Statistical Area (MSA). This is 69 percent of total estimated charitable giving by Kansas City area donors.

**Figure 1: Kansas City area donations to Kansas City area nonprofit organizations, total = \$1.47 billion**  
(dollars in millions)



Values are shown rounded to the nearest whole percentage point.

Household or individual contributions were an estimated \$1.03 billion, or 70 percent of the total amount remaining in the Kansas City area. Overall, an estimated 69 percent of household donations remained in the region.

Foundation contributions were an estimated \$239.74 million, or 16 percent of the total amount of donations staying in the region. Sixty-one percent of foundation dollars paid remained in the Kansas City MSA.

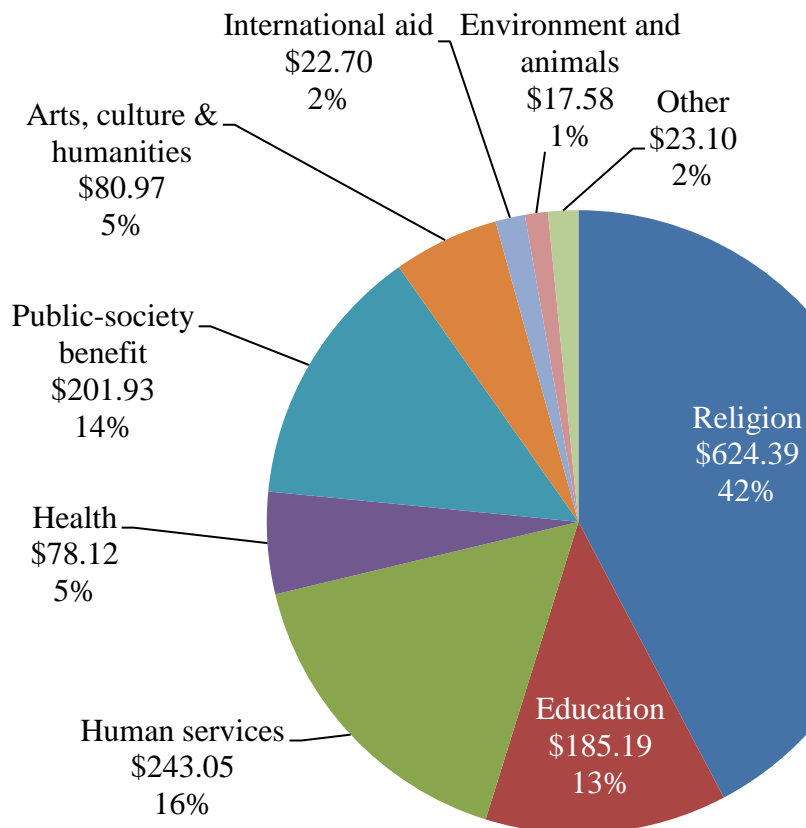
The bequest estimate for the Kansas City region is based on responses received from charities located in the Kansas City MSA. At \$55.5 million, it forms 4 percent of the total amount estimated to remain in the region and is 49 percent of total estimated bequests based on an estimate developed using national findings for bequest contributions applied to Kansas City.

The corporate estimate is based on responses received from charities located in the Kansas City MSA. It totaled \$150.3 million, or 10 percent of the estimated amount of contributed dollars remaining in the region.

**Figure 2: Kansas City-area charitable recipients of Kansas City-area donations, 2007**

Total = \$1.47 billion

(dollars in millions)



Values are shown rounded to the nearest whole percentage point.

As with donations throughout the nation, giving to religious organizations receives the largest share of contributed dollars from Kansas City-area donors giving to charities in the Kansas City MSA. Religious organizations received an estimated \$624.39 million, which is 42 percent of the total estimated to remain in the Kansas City MSA.

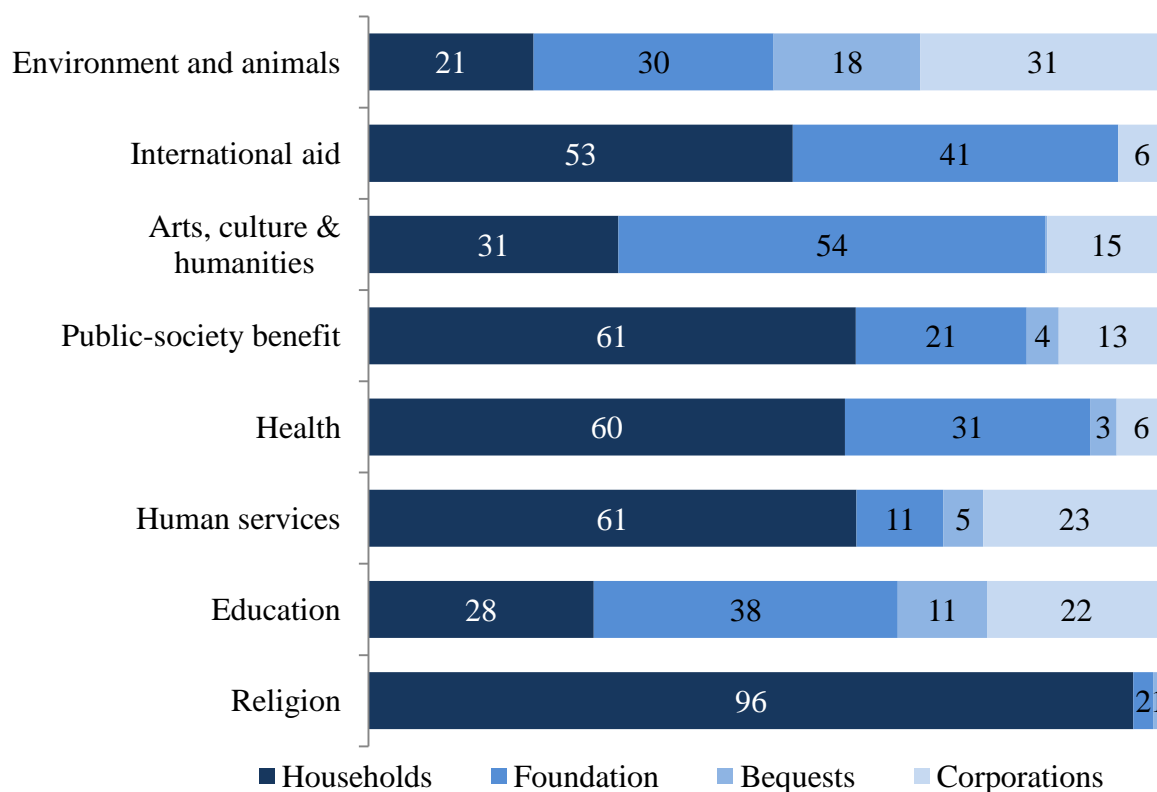
Human services organizations received an estimated \$243.05 million, or 16 percent of the total in the region.

Public-society benefit organizations received an estimated \$201.93 million, or 14 percent. These were followed by gifts to education of \$185.19 million or 13 percent.

Gifts to other types of recipients each received less than 10 percent of the total: Health at \$78.12 million (5 percent); Arts at \$80.97 million (5 percent); International aid at \$22.7 million (2 percent) and Environment and animals at \$17.58 million (1 percent). Other types of recipients, including new organizations and organizations that could not be classified, received \$23.1 million (2 percent).

Using data in this study, one can estimate the share of contributions by type of recipient based on the different donor types from Kansas City. This is an estimate that compiles the amounts reported by Kansas City-area donors to Kansas City-based organizations. It is not the result of surveying the charities and determining what share of their contributions comes from each source. It does not include contributions or grant payments from funders located elsewhere.

**Figure 3: Source of Giving by Type of Recipient to only Kansas City-based organizations, 2007**



Note: All figures are rounded. Total may not be 100%.

Religious organizations received 96 percent of their contributions from individual or household donors, far higher than the percentage of household giving to other types of recipient organizations. Four other types of recipients received more than half of donations from individual or household donors: public-society benefit (61 percent), human services (61 percent), health (60 percent), and international aid organizations (53 percent).

For arts, culture and humanities organizations, charitable contributions primarily came from foundations, representing 54 percent of the total amount, followed by donations from households at 31 percent and those from corporations at 15 percent.

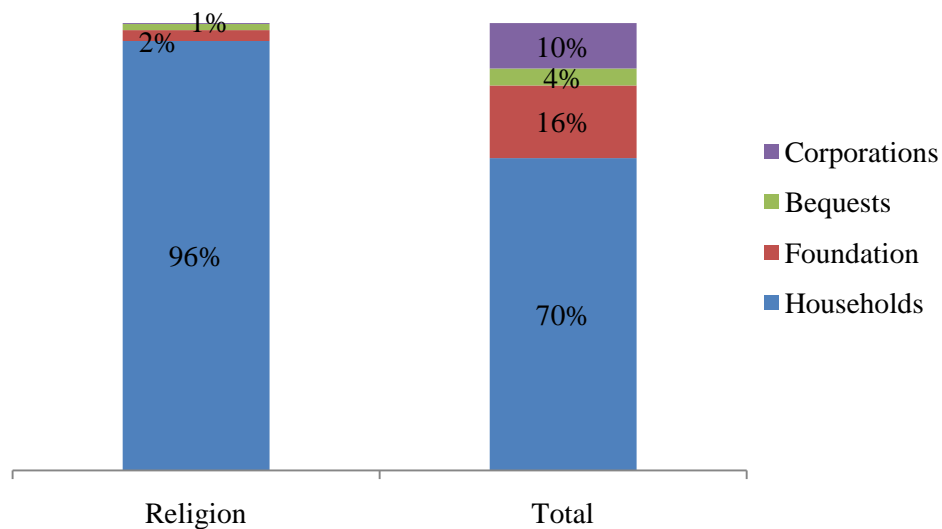
For education and environment/animals organizations, institutional funders (corporations and foundations) provided a larger share of the support than household donors did. About 60 percent of the total giving to these two types of organizations came from foundations and corporations.

Moreover, environment/animals and educational organizations received a much higher percentage of donations from bequests than all other types of recipient organizations did, accounting for 18 percent of total giving to environment/animals organizations, and 11 percent of giving to education.

# Giving to Religion

Kansas City donors from all sources (individuals, bequests, foundations, and corporations) gave an estimated \$910.95 million to religious organizations in 2007. Nationally, contributions to religion are just over one-third of giving by all sources and 42 percent of all giving in Kansas City.

**Figure 4: Source of Giving to Religion, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations  
Very few dollars from corporations were reported by religion organizations responding to the survey.

About 71 percent of all religious giving by Kansas City donors (\$649.28 million) was given directly to Kansas City-based organizations. These local religious organizations received the largest share of their contributions from individual donors (96 percent), followed by foundations (2 percent). Only 1 percent of all contributions came from charitable bequests.

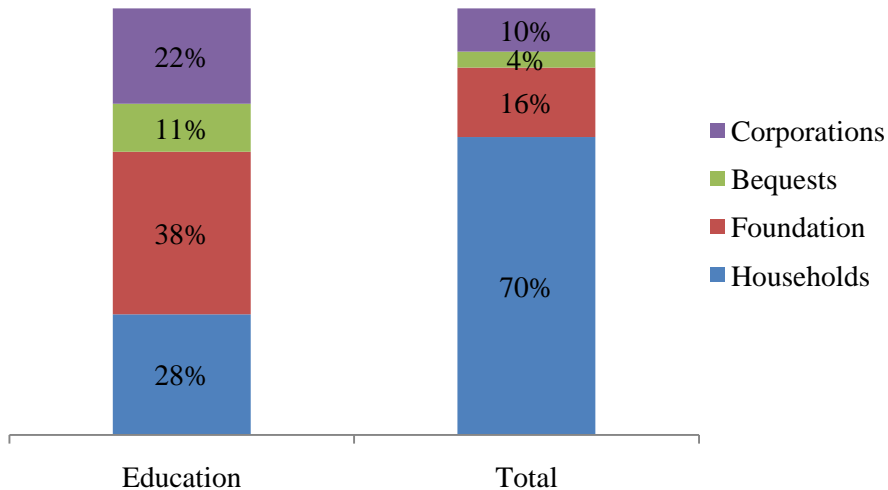
The average gift by individual or household donors to all religious charities (this includes those located elsewhere in the U.S. and abroad) was \$2,282 and the median gift is \$1,000 in 2007. The average grant size by foundations to all religious organizations was \$15,265, which is below the average grant size for all types of recipients taken together (\$28,010).



## Giving to Education

Kansas City donors from all sources gave an estimated \$275.34 million to educational organizations in 2007. Nationally, contributions to education are about 14 percent of giving by all sources and 13 percent of all giving in Kansas City.

**Figure 5: Source of Giving to Education, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations

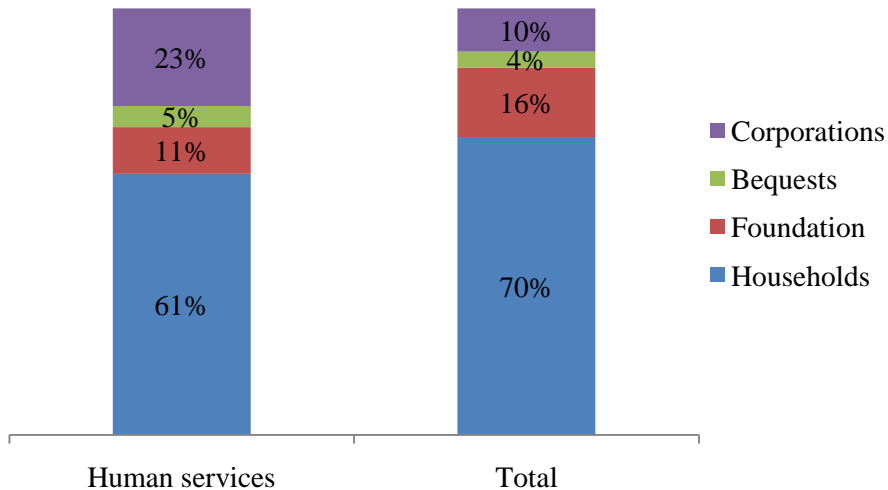
About 62 percent of all educational giving by all Kansas City donors (\$171.79 million) was given directly to Kansas City-based organizations in 2007. Compared to the national estimates of voluntary support of higher education from the Council for Aid to Education's annual survey, Voluntary Support for Education (VSE), Kansas City-based educational organizations receive a larger share of their contributions from foundations (38 percent for Kansas City compared with 29 percent for the country), and a smaller share from individual or household donors (28 percent for Kansas City compared with 47 percent for the country)<sup>1</sup>. Locally-based educational organizations also received a large share of their contributions from corporations (22 percent).

The average gift by individual or household donors to all educational charities (this includes those located elsewhere in the U.S. and abroad) is \$346 and the median gift is \$100 in 2007. The average grant size by foundations to all educational organizations was \$30,957, which is 11 percent more than the average grant size for all types of recipients taken together (\$28,010).

## Giving to Human Services

Kansas City donors from all sources gave an estimated \$339.16 million to human service organizations in 2007. Nationally, contributions to organizations that meet basic needs are about 10 percent of giving by all sources and 16 percent of all giving in Kansas City.

**Figure 6: Source of Giving to Human Services, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations

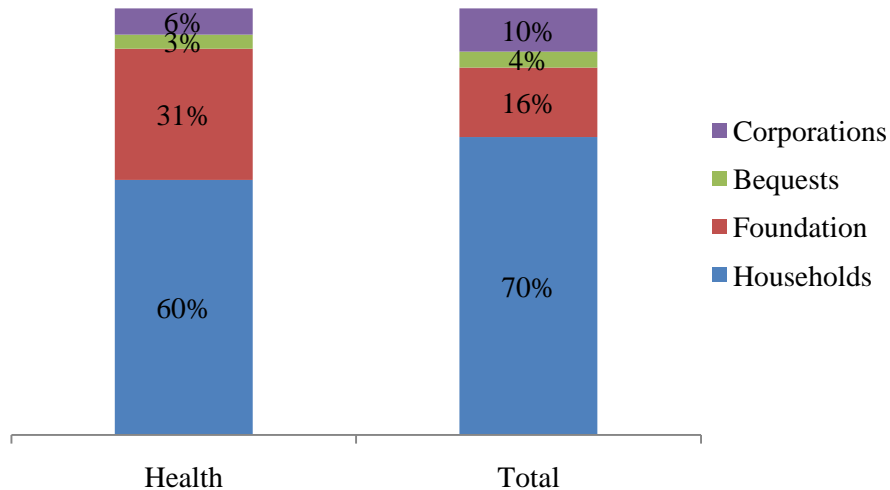
Nearly 80 percent of all giving to human services (\$270.63 million) remained in the Kansas City area in 2007. Kansas City-based human service organizations receive a larger share of their contributions from individual and household donors (61 percent). Kansas City-based organizations that meet basic needs also receive a large share of their contributions from corporations (23 percent) and foundations (11 percent).

The average gift by individual or household donors to all charities that meet basic needs (this includes those located elsewhere in the U.S. and abroad) is \$475 and the median gift is \$200 in 2007. The average grant size by foundations to all human service organizations was \$14,489, about half the average grant size for all types of recipients taken together (\$28,010).

# Giving to Health

Kansas City donors from all sources gave an estimated \$117.05 million to health organizations in 2007. Nationally, contributions to health are about 7 percent of giving by all sources (includes gifts to grantmaking foundations) and 5 percent of all giving in Kansas City.

**Figure 7: Source of Giving to Health, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations

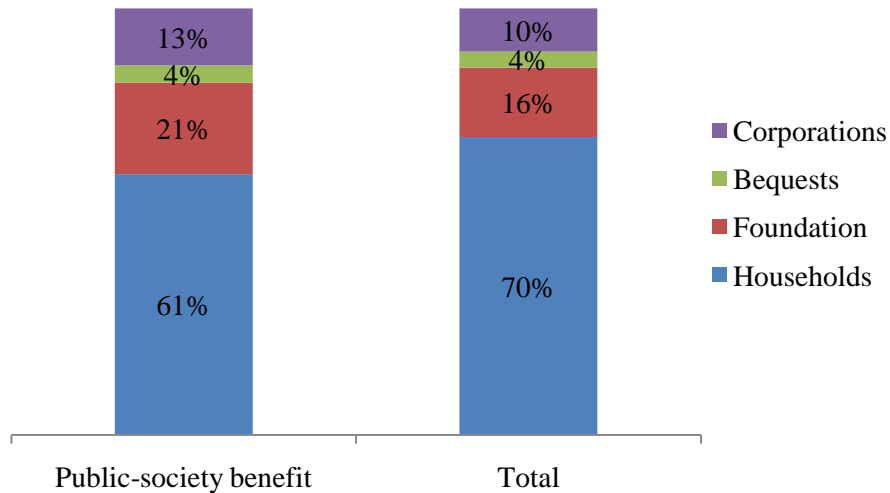
Giving by all Kansas City donors to Kansas City-based health organizations was estimated to be \$90.1 million in 2007. About 75 percent of all giving to health remained in the Kansas City area. Kansas City-based health organizations receive a larger share of their contributions from two sources: individual and household donors (60 percent) and foundations (31 percent).

The average gift by individual or household donors to all health organizations (this includes those located elsewhere in the U.S. and abroad) is \$266 and the median gift is \$100 in 2007. The average grant size by foundations to all health organizations was \$26,224, about seven percent less than the grant size for all types of recipients taken together (\$28,010).

## *Giving to Public-Society Benefit*

Kansas City donors from all sources gave an estimated \$293.28 million to public-society benefit organizations in 2007. Nationally, contributions to public-society benefit are about 7 percent of giving by all sources and 14 percent of all giving in Kansas City.

**Figure 8: Source of Giving to Public-Society Benefit, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations

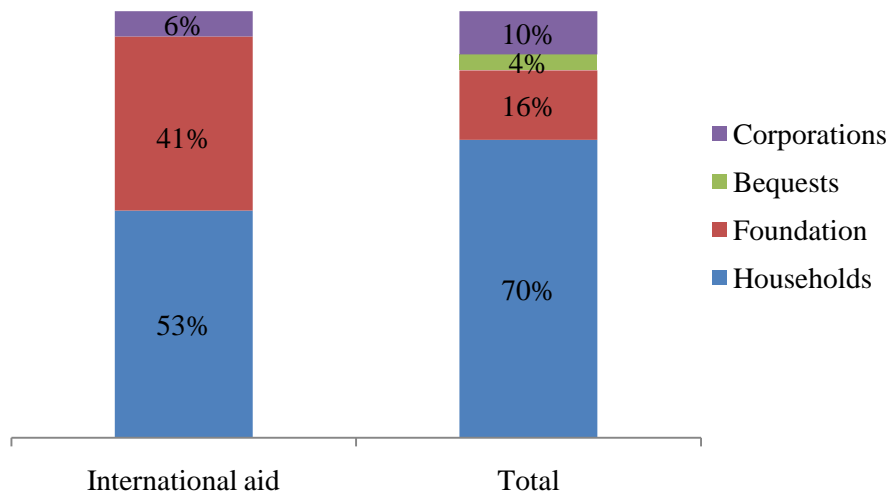
In 2007, giving to Kansas City-based public-society benefit organizations by all donors was an estimated \$186.82 million. About 64 percent of all giving to public-society benefit remained in the Kansas City area. Kansas City-based public-society benefit organizations receive their contributions from: individual and household donors (61 percent), foundations (21 percent) and corporations (13 percent). This closely parallels giving by all sources to all Kansas City charities.

The average gift by individual or household donors to all public-society benefit organizations (this includes those located elsewhere in the U.S. and abroad) is \$581 and the median gift is \$201 in 2007. The average grant size by foundations to all public-society benefit organizations was \$39,679, about 29 percent more than the grant size for all types of recipients taken together (\$28,010).

## *Giving to International Affairs*

Kansas City donors from all sources gave an estimated \$34.03 million to international affairs organizations in 2007. Nationally, contributions to international affairs are about 4 percent of giving by all sources and 2 percent of all giving in Kansas City.

**Figure 9: Source of Giving to International Affairs, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations  
No bequests were reported by international affairs organizations responding to the survey.

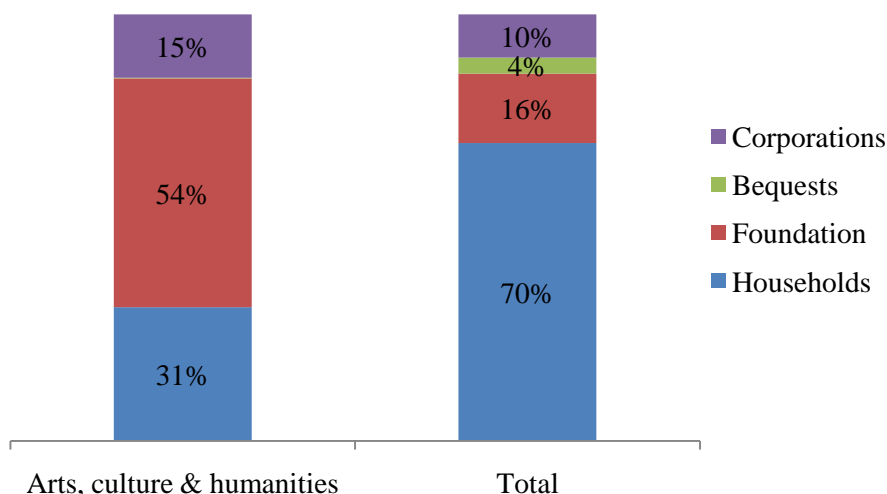
In 2007, giving to Kansas City-based international affairs organizations by all donors was an estimated \$13.66 million. About 40 percent of all giving to international affairs remained in the Kansas City area. Kansas City-based international affairs organizations receive their contributions from: individual and household donors (53 percent), foundations (41 percent), and corporations (6 percent).

The average gift by individual or household donors to all international affairs organizations (this includes those located elsewhere in the U.S. and abroad) is \$215 and the median gift is \$100 in 2007. The average grant size by foundations to all international affairs organizations was \$40,702 (median grant \$3,750) compared to the average grant size for all types of recipients taken together, \$28,010 (median grant \$2,000). This includes a \$6.8 million gift that the Greater Kansas City Community Foundation awarded to an international organization in 2006. Once the grant was excluded, the average grant size for international organizations was \$23,671 (median \$3,750).

## *Giving to Arts, Culture, & Humanities*

Kansas City donors from all sources gave an estimated \$120.23 million to arts and culture organizations in 2007. Nationally, contributions to arts and culture are about 4 percent of giving by all sources and 6 percent of all giving in Kansas City.

**Figure 10: Source of Giving to Arts, Culture and Humanities, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations  
Very few bequests were reported by arts, culture and humanities organizations responding to the survey.

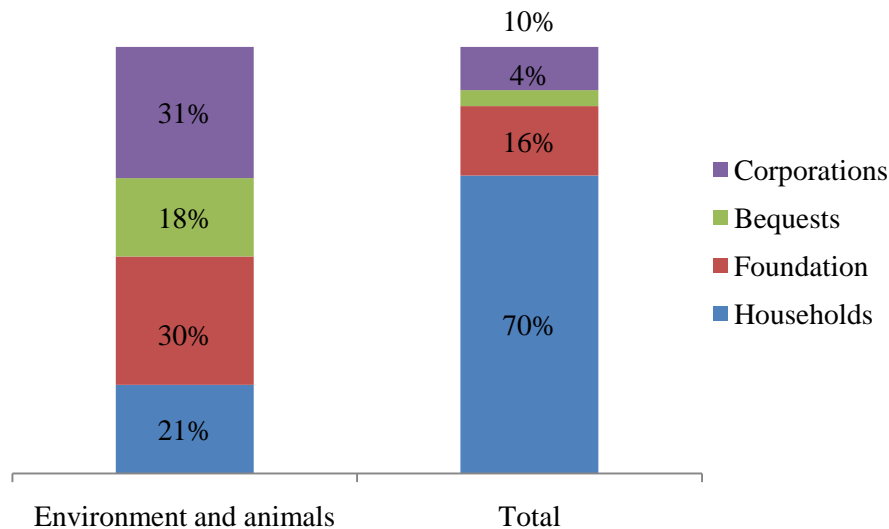
In 2007, giving to Kansas City-based arts, culture, and humanities organizations by all donors was an estimated \$62.55 million. About 52 percent of all giving to arts, culture, and humanities remained in the Kansas City area. Kansas City-based arts, culture, and humanities organizations receive the largest share of their contributions from foundations (54 percent). The next largest share came from individual and household donors (31 percent), while 15 percent of donations were given by corporations.

The average gift by individual or household donors to all arts, culture, and humanities organizations (this includes those located elsewhere in the U.S. and abroad) is \$312 and the median gift is \$100 in 2007. The average grant size by foundations to all arts, culture, and humanities organizations was \$40,672 (median grant \$2,000) compared to the average grant size for all types of recipients taken together, \$28,010 (median grant \$2,000).

# Giving to Environment and Animals

Kansas City donors from all sources gave an estimated \$25.95 million to environment and animals organizations in 2007. Nationally, contributions to environment and animals charities are about 2 percent of giving by all sources and 1 percent of all giving in Kansas City.

**Figure 11: Source of Giving to Environment and Animals, 2007**



Note: Giving by Kansas City-area donors to Kansas City-based organizations

Giving by all Kansas City donors to Kansas City-based environment and animals organizations was estimated to be \$14.2 million in 2007. About 55 percent of all giving to environment and animals remained in the Kansas City area. Kansas City-based environment and animals organizations receive their contributions from: corporations (31 percent), foundations (30 percent), individual and household donors (21 percent), and bequests (18 percent).

The average gift by individual or household donors to all environment and animals organizations (this includes those located elsewhere in the U.S. and abroad) is \$97 and the median gift is \$50 in 2007. The average grant size by foundations to all environment and animals organizations was \$26,434, about 6 percent less than the grant size for all types of recipients taken together (\$28,010).

<sup>1</sup> Council for Aid to Education, 2008

# Epilogue

## *Giving during Economic Downturns and Recessions*

Research at the Center on Philanthropy at Indiana University has linked changes in giving to changes in the overall economy.<sup>1</sup> During good economic times, giving tends to grow robustly. On the other hand, when the economy grows at a moderate or slow rate, philanthropy continues, but at a slower rate of growth. During economic downturns, giving generally tends to decline, after adjusting for inflation.

Based on several indicators, the National Bureau of Economic Research, which monitors the economic cycle, announced on November 28, 2008 that by its measures, the U.S. economy has been in a recession that began in December 2007. In the first quarter of 2009, economic output contracted at an annual rate of 5.7 percent.<sup>2</sup> Certain segments of the economy, particularly those associated with giving such as stock market values and corporate profits, have declined to levels last seen in 2002 (Standard & Poor's 500 Index) or 2005 (corporate profits).

### ***Overall Giving During Times of Recession***

Giving USA Foundation's *Spotlight* newsletter for Fall 2008 analyzed trends over the last 40 years. It shows that giving decreased an average of 1 percent, adjusted for inflation, in recession years. In years with eight months or more of recession, giving declined at an average rate of 2.7 percent per year (adjusted for inflation). With the most recent recession at least 18 months in duration, the steeper drop is a more likely result for 2008 giving.

Taking all recession years on record from 1967 through 2006 into account, the average results for recession giving by sectors are:

- Arts, culture & humanities – up 1.9%
- Religion – down 0.1%
- Education – down 1.1%
- Foundations – up 5.9% (due to a single year of extraordinary growth)
- Human services – up 0.7%
- Health – up 0.5%
- Public-society benefit – up 3.9%
- International affairs – up 9.0% (from 1987 to 2006)
- Environment and animals – up 6.2% (from 1987 to 2006)

During long recessions, the inflation-adjusted average rates of change are:

- Arts, culture, humanities – up 2.3%
- Religion – up 1.4%
- Education – down 1.9%
- Foundations – up 29.3% (due to a single year of extraordinary growth)
- Human services – up 5.0%
- Health – up 1.9%
- Public-society benefit – up 4.8%
- International affairs – up 12.0% (from 1987 to 2006)
- Environment and animals – up 8.2% (from 1987 to 2006)



## ***Individual Giving and the Stock Market***

There is a connection between year-end stock market values and itemized deductions claimed for charitable contributions by individuals, as shown in the research of Deb et al.<sup>3</sup> In 2006, individuals claimed more than \$180 billion in itemized charitable deductions. (Data for 2006 is the most current available.) The Standard & Poor's 500 Index, as of December 31, 2008, was about 560 points below its level of December 31, 2007. The historical relationship between individual itemized deductions for giving and the stock market suggests that we would see a decrease of almost \$1.7 billion (current dollars). This represents a drop in current dollars of less than 1 percent in itemized deductions claimed on tax returns from last year's base of an estimated \$188 billion. This estimate is a decrease of more than 5 percent adjusted for inflation. This estimate is only for itemized deductions from individuals. A similar estimating procedure for foundation giving has not been developed. Recessions also affect corporate giving and bequest giving, but the precise impacts have not been evaluated in a way that would allow an estimate of the change in total giving during 2008 to be developed.

## ***Giving continues during recessions, although at a lower level***

Most households that donate in good times will continue to give during times of financial insecurity, although some give less compared to periods of economic prosperity and some donors become non-donors, especially those earning less than \$50,000 per year. The Center on Philanthropy Panel Study for example, found that average household giving in 2002 declined by 6.3 percent, after adjusting for inflation, compared with average giving in 2000. Total giving from households does not drop as fast as average giving per donor household, because there are more households, and a higher percentage of households gave in recent years than did in 2000.

## ***Bequest giving***

Five to 8 percent of estates contribute by bequest in a given year.<sup>4</sup> The major factor influencing whether or not charitable bequests will fluctuate in a recession is the type of assets held by the decedents. If assets to be given to charities are in publicly traded shares, then declines in the stock market will affect the total donations. On the other hand, many estates make gifts of other types of assets. There is currently no tested model for predicting to what extent the recession now underway affected bequests in 2008.

## ***Foundation Giving***

The Foundation Center released a research advisory in October 2008 that reported,

...just after the most recent recession [in 2001], foundation giving did decline from \$30.5 billion in 2001 to \$30.4 billion in 2002 to \$30.3 billion in 2003 — the first consecutive years of decreased foundation giving tracked by the Center. **Yet this marginal 0.6 percent reduction (4.4 percent after inflation) was quite modest compared to the inflation-adjusted 16 percent drop in foundation assets we recorded between 2000 and 2002.** [emphasis added]

Foundation assets grew faster than inflation between 2003 and 2007, which enabled grantmakers to replenish their endowments after the downturn of the early 2000s. For foundations that determine their annual grants budgets based on a rolling average of their asset values, this growth should help to mediate the impact of possible asset losses in

2008 on their giving in 2009. Some foundations will also benefit from new gifts and bequests, and the sector as a whole will benefit from the continued establishment of new and sometimes quite large foundations. The Foundation Center cautions that grantmaking is closely tied to asset values. While there has been recent growth in the number of foundations and gifts to foundations, a prolonged period of low stock market values will affect grantmaking.

Some foundations have reported that they intend to maintain their giving in 2008 and 2009. This is consistent with what they did in 2002. The Foundation Center found an inflation-adjusted drop in grantmaking of 4.4 percent from 2001 through 2003, during a period of recession and slow economic recovery which saw gradual increases in foundation assets as values on the stock market slowly rose and as more donors funded foundations.

### ***Corporate Giving***

There has been little research on corporate giving and times of economic uncertainty. There are some indicators, however, that suggest a decrease or at least a slowdown in corporate giving may occur during times of recession or slowdowns. According to *Giving USA 2008*, corporate giving for 2007 increased a modest 1.9 percent, but declined 0.9 percent after adjusting for inflation.

The Center on Philanthropy's research indicates that corporate giving is associated with changes in gross domestic product (GDP) and corporate income for the current as well as the previous year. Corporate profits have declined to levels not seen since 2005.<sup>5</sup> With corporate profits down, corporate giving will also likely be lower. When GDP declines, corporate giving falls because corporate giving is associated with changes in GDP. There is currently no estimate on the predicted change in corporate giving for 2008 based on current economic conditions.

### ***Study of giving in 2007 and implications for 2008 and 2009 giving***

This study was conducted in 2008 and most of the data cover charitable contributions made in 2007 or for foundations, 2006. Because charitable giving reflects large economic trends in the United States, it is certain that contributions in 2008 and 2009 will differ from the results found for earlier years.

Charities have survived many recessions, and even during the Great Depression donors continued to contribute. Timing and amount vary, but few donors stop altogether. *Giving USA*, the yearbook of philanthropy, shows that over the past 40 years:

- Total giving increased, on average, 2.8 percent per year (adjusted for inflation). However, in recessions, giving dropped, on average, 1 percent per year. In long recessions, the decline averages 2.7 percent a year (all figures adjusted for inflation).
- Giving averaged about 2 percent of GDP, moving from a low of 1.7 percent in the 1980s to a high of 2.4 percent in 2005.
- Individuals accounted for three-quarters of total giving. More than half of individual giving supported religious organizations such as houses of worship, the governing bodies of faith groups, and ministries.

- When looking at secular donations only (gifts to charities that are not religious, even if they are faith-based), individuals account for about 60 percent of total giving.

To gauge how giving in the Kansas City area may differ in this economy, consider the following:

- A 100-point year-end change in Standard & Poor's 500 Index is associated with about 0.5 percent change in total household giving. In Kansas City, that translates to a \$7.47 million dollar increase (if the market rises) or decrease (when the market falls) for every annual change of 100 points in the Standard & Poor's 500 Index.
- Stock market changes other than from December 31 to December 31 may affect the timing of gifts but are not indicators of the total amount of giving for the year.
- Large corporations, which account for a significant portion of total corporate giving, typically give 1 percent of profits. Some have policies of giving 2.5 percent or even 5 percent of profits.
- Private foundations, such as the Arvin Gottlieb Charitable Foundation or the Hall Family Foundation, are required by law to expend 5 percent of their year-end assets in charitable grants and the costs to make grants. They can average asset values over a five-year period. The giving in 2008 and 2009 might be bolstered somewhat by the comparatively higher asset values from 2006 and 2007 that are averaged with 2008. Foundations may also elect to give more than 5 percent, and some have recently announced plans to do that for 2009.
- The Greater Kansas City Community Foundation is not subject to the same 5 percent rule that applies to private foundations. That being said, historically Community Foundation donors have given more than 5 percent. The majority of giving from the Greater Kansas City Community Foundation is directed by donors with funds administered by the foundation.

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<sup>1</sup>See, among other work, Deb et al., 2003, Charitable giving in the United States, *Nonprofit and Voluntary Sector Quarterly*, December 2003; Giving USA Spotlight #3, 2008, Giving during economic recessions and slowdowns, Fall 2008.

<sup>2</sup> Bureau of Economic Analysis, National Economic Accounts news release, Gross Domestic Product and Corporate Profits, November 25, 2008, <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>.

<sup>3</sup> Same as Note 1.

<sup>4</sup> 5.3 percent per work of Russell N. James, forthcoming, and eight percent, National Center for Planned Giving, 2001, based on a household survey that asked people if they had a charitable bequest in a will.

<sup>5</sup> Bureau of Economic Analysis, National Economic Accounts table "Net Effects of the Tax Acts of 2002, 2003, and 2008 on Selected Measures of Corporate Profit," accessed December 5, 2008 at [http://www.bea.gov/national/xls/technote\\_tax\\_acts.xls](http://www.bea.gov/national/xls/technote_tax_acts.xls).

# *Giving in Kansas City*

## *Methodology*

This section presents a review of the methods used to gather information for this report. For more information about the specific statistical techniques used in the estimating models, please contact the Research Department at The Center on Philanthropy (COP) at Indiana University.

The geographic area covered in this study of philanthropy is the Kansas City Metropolitan Statistical Area (MSA). This study involved research on the sources of charitable contributions in Kansas City and their uses.

The Metro Chicago Information Center (MCIC) in Chicago, Ill. conducted fielding of the household survey and data processing. The construction of the sample weight was also conducted by MCIC. Data on foundation grants made by all Kansas City foundations came from FoundationSearch.com, Foundation Center, and GuideStar. Data on corporate gifts made to Kansas City nonprofits came from NOZA, Inc.

### **Sources of Contributions**

This study involved research on three forms of charitable giving to nonprofit organizations: individual giving, foundation gifts, and corporate donations. Each of these types of contribution is covered in the following sections.

#### ***Individual Giving***

The primary source of information for the estimate of individual giving consisted of a telephone survey of household philanthropic activity. The questionnaire was based on a household survey used in the Center on Philanthropy Panel Study (COPPS), which is a national study done in conjunction with the Institute for Social Research at the University of Michigan. The use of a field-tested survey is important because it allows for the comparison of results for Kansas City to the United States as a whole.

Earlier research (e.g., Rooney, Steinberg, & Schervish, 2001; Rooney, Steinberg, & Schervish, 2004; and Wilhelm, 2006) found that longer, more detailed prompts were significantly associated with less missing data because respondents recalled greater incidences of giving and they tended to report larger levels of giving. Therefore, the COPPS core questions and survey protocol include numerous memory prompts with specific examples of what should and should not be included in giving to the various subsectors included in the survey.

All surveys conducted in Kansas City originated from random digit dialing. To ensure the final disposition of the study was representative of the Kansas City populations, a weight was constructed. The weight takes into account the population's age, income, race, education, and geographic distribution as reported on the American Community Survey conducted by the Census.

The survey instrument consisted of 89 questions relating to donations of money and assets in the year 2007 and 18 questions on demographic characteristics such as household income, race, gender, and education. The survey also asked questions about motivations and impediments to giving. A total of 1,200 households in Kansas City were surveyed about their philanthropic behavior. Survey production began in June 2008 and was completed in August 2008.

### ***Corporate Giving***

Three methods were used to assess corporate giving in Kansas City: a mail survey of nonprofit organizations, analysis of a database containing corporate gifts made to Kansas City nonprofits, and an analysis of a database of corporate foundation grants.

### **Nonprofit Organization Mail Survey**

MCIC of Chicago, IL fielded the mail survey of nonprofit organizations. A list was generated using IRS Forms 990 from registered 501(c)(3) nonprofit organizations of any size, not just those that are required to fill out an IRS Form 990. The mail survey was sent to a stratified random sample based on the size of the overall population of all nonprofit organizations in Kansas City.

The mailings of the questionnaire packets began in May 2008 and were completed by July 2008. Three mailings were sent to nonprofit organizations, with each including the survey instrument and a cover letter to explain the purpose of the study, and instructions for either faxing their completed survey or filling out the online version. The questionnaire itself was developed by the Center on Philanthropy.

The first mailing included a one-page survey instrument and was sent via Priority Mail. The second mailing included a postcard reminder. The final mailing included another copy of the one-page survey instrument, but it was sent using USPS First Class instead of Priority Mail.

The sampling frame consisted of 1,989 nonprofit organizations, which were randomly selected to represent small, medium, and large nonprofit organizations in Kansas City as well as those organizations that did not report any income. For the sampling, large nonprofit organizations were defined as those that had an income greater than \$1 million. Medium nonprofit organizations were defined as those that reported \$25,000 to \$999,999 in income, and small organizations were defined as those that reported less than \$25,000 in income.

Of the organizations included in the sample of 1,989, only 352 responded to the survey. After adjusting for undeliverable addresses, the sample size was 1,818. Using this adjusted sample size, the effective response rate, or the number of surveys completed divided by the sample size, was 19 percent (see Table 1 for a final disposition summary).

**Table 1: Disposition of cases for the nonprofit organization sample**

<b>Disposition</b>	<b># of Organizations</b>
Completed	352
Bad address/not deliverable	171
Refused	0
<b>Total in Sample</b>	<b>1,989</b>
<b>Adjusted sample size after removing undeliverables</b>	<b>1,818</b>
<b>Effective Response Rate (Completed/Adjusted sample)</b>	<b>19%</b>

#### Corporate Gifts made by Kansas City Nonprofits

The Center also utilized a database of corporate gifts made to Kansas City nonprofits in 2007 as made available by NOZA, Inc. According to NOZA, the database is comprised of detailed charitable gift information that has been collected from publicly available Internet locations, all of which are accessible on the open web (or were once available but have since been removed or updated). Data comes from Internet-based annual reports, newsletters, campaign honor rolls, press releases, event sponsor lists, etc. NOZA uses technology to locate and convert the information from the open Web into a searchable, relational database. The list was filtered by NOZA using a combination of IRS Publication 78, GuideStar, and the donors' personal websites (located using standard search engines such as Google and Yahoo.). In addition, the Center staff also filtered the list to ensure only corporations were included in the study. The list is composed of all donations made to nonprofit organizations within the 2007 calendar year or the 2006-2007 fiscal year.

There are more than 4,000 gifts or grants in the NOZA database. Donor corporations are nation-wide, but the vast majority of corporations were Kansas City-based. The structure of the NOZA database means that information from the NOZA data is not representative of all corporate giving to Kansas City nonprofits. Therefore, the information is suggestive, but it should be viewed critically.

#### Kansas City Corporate Foundations

The third source of information was a database of corporate foundation grants. The data came from FoundationSearch.com and the Foundation Center and was supplemented with some grant information from IRS Forms 990-PF as made available on GuideStar. The list is composed of all grantmaking made by Kansas City-based corporate foundations within the 2006 calendar year or the 2005-2006 fiscal year.

An estimated 22 corporate foundations in Kansas City were listed, and 21 foundations were selected in the sample of the study. Each corporate foundation that awarded \$30,000 or more in grants was included in the sample of foundations (19 foundations). For corporate foundations making less than \$30,000, a random sample of 20 percent was identified using a random number generator. Two foundations were included in the sample.

The study consisted of all grant information for grants \$4,000 or more. The sample included a sample of one-third of those grants below \$4,000. These grants were then entered into the database and given a weight of three.

An estimated 5,793 unduplicated grants were recorded. Of these, 683 were \$4,000 or more and 5,110 were less than \$4,000. Among the estimated total number of grants less than \$4,000, 986 grants were selected in the sample. The grants \$4,000 or more totaled \$16.00 million and those less than \$4,000 came to \$3.22 million.

The type of organization coding followed the subsector definitions used throughout the report. Analysis used descriptive statistics available in Excel and SPSS. Weighting was used to estimate mean and median grant amounts by type of recipient and to estimate the share of grantmaking for each type of recipient.

### ***Foundation Giving***

The data in this study represents grant information that was reported by independent, operating, and community foundations in Kansas City. The study consisted of grant information that was obtained from the FoundationSearch.com database, IRS Forms 990 or Forms 990-PF, annual reports, or electronic lists from the foundations themselves. If the grantmaker filed a form for a fiscal year, 2006-2007 was used if available; if not, the prior year (2005-2006) was used.

The list of all foundations in Kansas City was reviewed by colleagues at the Center on Philanthropy at Indiana University to update information about foundations that may have relocated, changed their name, or operated less than 3 years through their IRS Form 990 or website.

Using the list of all Kansas City foundations, every foundation that made grants of \$30,000 or more was selected in the sample. For foundations making less than \$30,000, a random sample of 20 percent was identified using a random number generator. An estimated 453 Kansas City foundations (excluding corporate foundations) were listed, and 309 foundations were selected to be in the study sample. Of those, 273 foundations made \$30,000 or more in grants in 2006, and were selected for the sample. Only 36 foundations that made less than \$30,000 in grants in 2006 of a possible 180 foundations were selected for the sample.

Based on the list of sampled foundations in Kansas City, all grants of \$4,000 and above were listed. Grants below \$4,000 were numbered and a random selection of 20 percent identified using a random number generator. Those grants were then entered into the database and given a weight of five.

An estimated 14,828 unduplicated grants were recorded. Of these, 5,833 grants were \$4,000 or more, and 8,995 grants were less than \$4,000. Only 1,619 of the grants less than \$4,000 were included in the study. The sampled grants \$4,000 or more were estimated to be \$383.03 million and those less than \$4,000 came to \$9.98 million.

The type of organization coding followed the subsector definitions used throughout the report. Analysis used descriptive statistics available in Excel and SPSS. Weighting was used to estimate mean and median grant amounts by type of recipient and to estimate the share of grantmaking for each type of recipient.

In order to create figures that account for all grants, not just the ones that were coded, redistribution is performed to account for entire figures of data. For example, the distribution of coded grants by each subsector from all sampled grants are redistributed across all grants to get a dollar figure for each subsector that would account for all grant dollars.

Some grants were excluded from the study. Grants were removed from the list because of redundancy in search results, because the donor had voided the grants, because the grants were non-outgoing funding, because the grants were classified as “single organization support” to its primary recipient, or because the grants funded for-profit organizations. Grants that were made by a foundation to another foundation were included in the study.

Since data represents what the foundations report, figures approximate what grantmaking was in 2006. How a foundation reports its grantmaking will affect figures. Pass-through grants are not considered a part of a foundation’s grantmaking priorities, but are sometimes reported and may be included in this study. In addition, “double counting” may be included in the study. Double counting happens when funding from one foundation to another foundation is redistributed by the recipient foundation to a third party. Finally, some grants were reported as having various recipients or were for multiple scholarships. These aggregate grants may have affected the data.

### **Types of Recipient Organizations**

The Center on Philanthropy combined results from the individual, foundation, and corporate datasets to draw conclusions about the distribution of charitable gifts to nonprofit organizations in Kansas City. As with *Giving USA*, nonprofit organizations were classified into nine different subsectors, based on the National Taxonomy of Exempt Entities. These subsectors include: Arts, Culture, and Humanities; Education; Environment; Human Services; Health; International Affairs; Public-Society Benefit; Religion; and Foundations. Please see <http://nccsdataweb.urban.org/FAQ/index.php?category=65#327> for more details.

### **Accuracy of Estimates**

Every precaution was taken to make the findings in this study as accurate as possible. For example, we used the best possible state-of-the art sampling, weighting, and survey techniques. However, all surveys are subject to a small amount of error. The estimates contained in this report are extrapolated from our survey data. They should be viewed as the best possible estimates that could be obtained, providing as complete a picture as possible of philanthropy in the Kansas City metropolitan area.