

# Connections

Philanthropy by the numbers

## Rise in foundation giving tops all sources in 1993

The American Association of Fund Raising Counsel's annual "Giving USA" survey shows that foundation giving rose faster in 1993 than giving from all other sources. The survey shows giving to nonprofits by individuals, foundations and corporations reached \$126.2 billion last year.

By BARBARA SOLOW

Foundation giving to U.S. tax-exempt organizations rose dramatically last year while giving by corporations remained flat.

Those are among the key findings of the American Association of Fund Raising Counsel's annual "Giving USA" survey of philanthropy.

The survey, released last month, shows foundation giving reached \$9.21 billion last year - an increase of more than 6.5 percent over 1992 levels.

Foundation giving rose faster than giving by all other sources combined and a trend toward awarding of large, multi-year grants continued.

By contrast, giving by corporations stayed at \$5.92 billion in 1993. The amount that company foundations paid to charitable organizations exceeded the amount they received from their parent companies — a pat-

tern that has continued in nine of the past 10 years.

Charitable giving by individuals, foundations and corporations in the U.S. reached \$126.2 billion last year - an increase of 3.55 percent, which is about the level of inflation in the services sector.

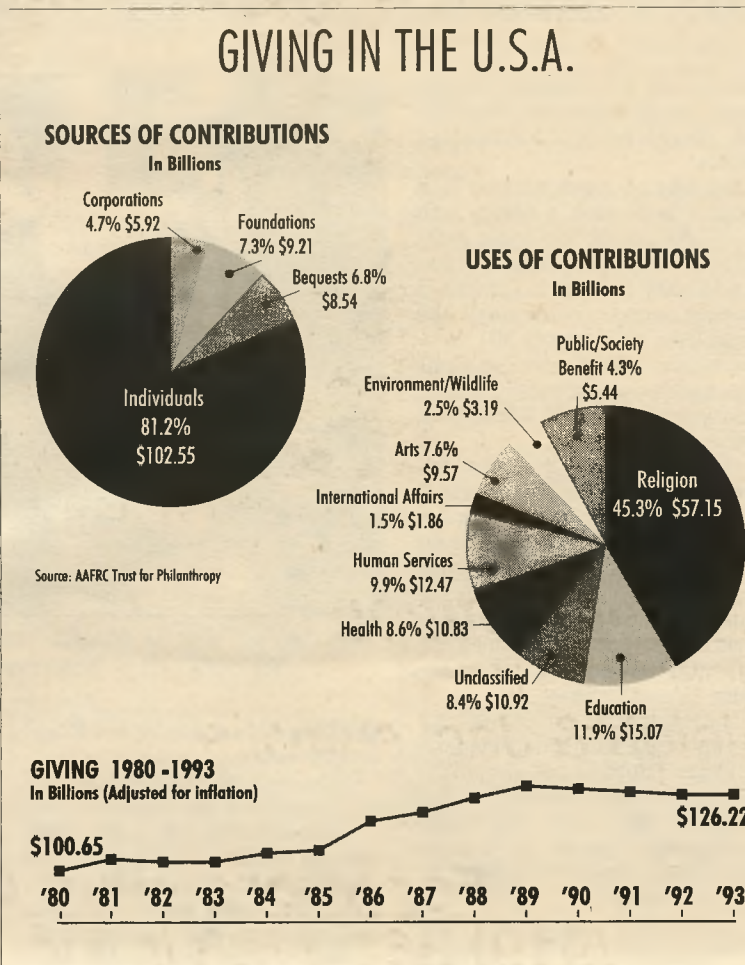
Arts, culture and humanities organizations saw modest gains in giving, while environmental and wildlife groups saw smaller increases, compared to 1992.

Giving to religion rose by about 4 percent to \$57.1 billion; education rose by 5.5 percent to \$15 billion; health by 5.7 percent to \$10.8 billion; and human services by 7.7 percent to \$12.47 billion, the survey showed.

After a slowdown in growth in 1992, giving to international programs rose by 8.45 percent to \$1.86 billion. While corporate giving was flat in the U.S., there was a rise in

giving to overseas organizations. Among the other key survey findings:

- Individuals gave 81 cents of every charitable dollar or \$102.5 billion. Overall, giving was higher where per capita income was high; where residents were classified as liberal rather than conservative; where population was less dense; and where distress levels were low.
- Charitable bequests rose by 4.87



percent in 1993 to about \$8.54 billion.

• Corporations continue to give most of their charitable dollars to education, followed by human services.

• Although they account for only 1 percent of U.S. foundations, community foundations are making an impact in helping nonprofits build endowments.

• There are now more than a million organizations classified as tax exempt by the Internal Revenue Service. Of those, 575,690 are in the 501(c)(3) category commonly known as "charities."

In addition to studying giving patterns, the survey also highlighted important developments in the nonprofit sector.

Among the issues mentioned were the need for self-regulation through such vehicles as the "Donor's Bill of Rights" written by a consortium of nonprofit fundraising groups; the growth in the number of "alternative funds" that raise money for environmental, health and arts organizations; and a rising interest in the giving patterns of women.

In future issues, the *Philanthropy Journal* will analyze the results of the survey by giving area and impact on North Carolina nonprofits.

For copies of "Giving USA" call AAFRC at (212) 354-5799.

Growing gaps

## Poverty rates widen for North Carolina minorities

Two recent reports on the economic status of North Carolinians underscore the growing gap between poverty rates among whites and non-whites.

A report released last month by the Z. Smith Reynolds Foundation in Winston-Salem concludes that "poverty in North Carolina is exacerbated by ongoing institutionalized racism - the systematic exclusion of individuals based on race."

A new study by the North Carolina Institute of Minority Economic Development in Durham

also shows growing disparities in pay, education and health of African Americans and Native Americans compared with whites in the state.

While the study, *A Profile of North Carolina's African American and Native American Populations* does not make specific recommendations, its authors hope the results will spark policy makers to devote more attention to the needs of minority communities.

"We want people to use this document as evidence that yes, race is an issue," says Andrea Harris, the

Institute's president. "When people look at race and economics they tend to see it in terms of leveling the playing field instead of building the infrastructure. We need a new strategy."

- Among the study's findings:
- The poverty rate for African Americans was three times higher than the rate for whites
  - The unemployment rate for African Americans and Native Americans was twice the rate of whites
  - Minorities made up 40 percent of the population of the state's five

poorest counties but only 27 percent of the population of the five wealthiest counties.

The report by the Reynolds Foundation concludes that while poverty rates have dropped in recent years, there are still reasons for concern.

Among the trends identified in *Beyond Poverty in North Carolina*:

- An increasing number of families in the state are headed by single women, and poverty is becoming concentrated in female-headed households.

• More than a quarter of all families in North Carolina have incomes that are below federal poverty levels even though they have at least one family member working full-time.

• The gap is widening between poverty rates among minorities and the rest of the population.

On the hopeful side, the report contains lessons learned from the Reynolds Foundation's Opportunities for Families Fund Initiative, which is

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Investing in culture

## Conference to focus on support for arts

United arts funds raise money for individual arts programs through workplace giving, corporate contributions, individual donations and more. With 10 united arts funds, North Carolina has more funds than any other state, and this year's national conference in Raleigh is in part a celebration of the state's arts fundraising success.

By KATHERINE NOBLE

Raising money for operating expenses is no easy task. Just ask one of the more than 200 representatives of united arts funds who will gather in Raleigh next month for the National Coalition of United Arts Funds annual conference.

Issues slated for discussion at the conference, scheduled for July 22-25,

include the future of united arts funds, expanded partnerships between government and the arts, and making the arts more accessible.

Another issue to be on everyone's mind is the decline in corporate support for the arts.

"All of us bemoan the fact that corporate giving is sliding, and that continues to impact the fundraising that we do in the community," says Linda Wilkerson, executive director of Asheville's Arts Alliance. "We're at one of those crossroads periods in fundraising in general."

That's bad news for arts fundraisers because corporate dollars are the mainstay of many united arts campaigns. Corporate support accounted for 48.3 percent of the \$87.4 million united arts campaigns raised in 1992, according to United Arts Fundraising, a publication of the

American Council for the Arts in New York City. That's down from 1991, when corporate dollars made up 50.9 percent of arts fundraising.

On the positive side, corporate giving was the only area of support for the arts that declined in 1992, the most recent year for which statistics are available. Contributions from private foundations, individuals and government donations increased in 1992, with government funding rising more than 25 percent.

The conference will give representatives from successful arts funds - several of which are in North Carolina - a chance to share fundraising tips.

The Arts and Science Council of Charlotte/Mecklenburg raised 31 percent more funds in 1992 than it did in 1991 - boasting the largest increase

### ECONOMIC IMPACT OF NON PROFIT ARTS INDUSTRY IN U.S.

Total 1990, 1991, 1992	
Expenditures of nonprofit arts organizations	\$36.8 Billion
Full-time jobs supported	1.3 Million
Personal income paid	\$25.2 Billion
Local government revenue	\$790 Million
State Government revenue	\$1.2 Billion
Federal income tax revenue	\$3.4 Billion

Source: National Assembly of Local Arts Agencies, "Arts in the Local Economy," 1994

of any fund in the U.S.

Charlotte and Winston-Salem raised \$6.31 per capita and \$5.88 per capita, respectively, in 1992, more than every other fund in the U.S. except for Allied Arts of Greater Chattanooga in Tennessee.

"There's a general feeling that

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