

## PORTRAIT OF PHILANTHROPY The Capacity For Individual Giving In Howard County

### EXECUTIVE SUMMARY

In the fall of 2003, the Board of Trustees of The Columbia Foundation set out to answer a series of questions related to Howard County's capacity for individual giving. Reasons for this endeavor were many. The Foundation wished to understand more clearly the rapidly changing environment of Howard County, provide valuable information to its nonprofit constituency, and identify its marketing needs.

Why concentrate on individual giving? Charitable giving is an important expression of our values, and as statistics show, Americans believe that we can create a better world through our personal philanthropy. Individuals account for the majority of charitable gifts in the U.S. – 74%. Individual giving is growing – up 36% in the five year period between 1999 and 2003. These same individuals are more likely to volunteer for charities, be active in their communities and also to give to a religious institution. They are also more likely to be highly educated and well-employed. *In fact, education attainment and higher income are the strongest and most consistent determinants of whether an individual gives.*<sup>1</sup>

### Profile of a Philanthropist in Howard County

Jean Moon & Associates researched data on philanthropy in the U.S. and Maryland, and undertook a more thorough environmental scan for Howard County which included detailed study of demographic changes in the past decade, interviews with leaders of community institutions, donor surveys, personal interviews and focus groups.

Howard County is, in many ways, the image of a philanthropic community. Its residents are among the most educated in the U.S., active, wealthy, and aging. Howard County is consistently ranked in the top five counties in the percentage of adults who have a Bachelor's degree (54.6%). It ranks first among Maryland counties, with 92.5% of its residents having graduated from high school. The latest Census data show that Howard County is the second most wealthy county in the U.S. Of the 94,078 households in Howard County, 5,750 earn \$200,000 or more, with an average annual charitable contribution of \$15,601.<sup>2</sup>

*The Howard County residents who participated in the project believe in philanthropy and “want to give back” to their community. Many volunteer for more than one nonprofit and exhibit broad understanding of issues in Howard County. Most attend fundraising events, but do not see that attendance as their only obligation to the host organization. Most belong and give to religious institutions, which, along with volunteering, is an indicator of philanthropy.*

When making decisions regarding philanthropy, participants in the study most often cited personal knowledge, personal involvement or personal interest, in addition to the reputation of the organization. When all the data were reviewed, a profile of a philanthropist in Howard County emerged.

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<sup>1</sup> AAFRC Trust for Philanthropy. Giving USA 2003

<sup>2</sup> US Census: 2003 American Community Survey Tabular Profile.

Nonprofits in Howard County are affected by a number of general factors and trends in philanthropy nationally and locally. A list of factors was developed by utilizing national statistics, local demographic data, and is supported by project survey, interview, and focus group results.

### **Opportunities in Howard County: The Willing Donor**

One of the most welcome findings to emerge in the course of the project was the general receptivity of donors to increase their philanthropy. Over and over, in personal interviews, people would volunteer that they were open to the fundraising requests of family members, friends, business associates and representatives of organizations with which they were already familiar. Clearly, the most likely donors are those that already give or who are already involved with an institution or organization.

#### ***A philanthropist in Howard County...***

- *Gives to causes to which he or she feels connected*
- *Has a college degree*
- *Has significant discretionary income*
- *Lives and works in Howard County or nearby*
- *Has a family history of giving and volunteering*
- *Currently volunteers for a nonprofit organization*
- *Is established*
- *Is currently working*
- *Is usually married*
- *Is not highly leveraged*

When queried about their motives, Foundation donors and donors to other community institutions spoke movingly of following the lead of their own parents' generosity and of their own desire to "give back." In speaking of their own philanthropy, most donors were specific in discussing people helped, services provided,

programs launched, and mission advanced. They understood philanthropy in the concrete, more than the abstract, and were appreciative of opportunities to make a difference in individual lives and the community they call home. Their philanthropy is very "personal."

This is good news for nonprofit institutions in Howard County: there is a committed donor base in Howard County that is active in the community, knowledgeable about community needs, open to requests for major contributions and without any limitations on what they are willing to give to make that personal difference.

#### ***Major factors that affect individual giving in Howard County***

- *Trust in nonprofit institutions*
- *Stock market performance and economic issues*
- *Giving based on income rather than assets*
- *High cost of living in Howard County – highly leveraged homeowners*
- *Very large commuting population*
- *Sense of permanence*
- *Awareness of need and of social issues*
- *Absence of political or community pressure regarding social issues*
- *Increasing diversity*
- *Family giving traditions*
- *High education levels*
- *Aging population*
- *High income levels*