

# Who gives?

*The Chronicle of Philanthropy* conducted an in-depth analysis of IRS tax-return data for 2008 (the most recent year available) and created a report, “How America Gives.” Rather than a simple compilation of dollar amounts of donations, the study explored how much discretionary income is being given to charity. “Discretionary income” is income after taxes, with additional subtractions for housing costs and living expenses. As the cost of living varies widely around the country, the adjustments for living costs were done on a zip code-by zip code basis. A final caveat: Only tax returns showing \$50,000 or more of adjusted gross income (AGI) were included. At lower income levels, far fewer taxpayers are itemizing their deductions, so the data for charitable contributions is less reliable.

With those caveats in mind, the report concluded:

- Lower-income families are more generous than richer ones. People with AGI of \$50,000 to \$75,000 gave 7.6% of their discretionary income to charity, and those who make \$100,000 or more gave just 4.2%.
- When all charitable gifts are tabulated, the Southeast region is the most generous, giving 5.2% of discretionary income, while the Northeast is the least, at 4.0%. However, religion plays a major role in charitable giving. When secular charitable gifts alone are counted, the Northeast comes in first.
- Residents in the most generous state, Utah, gave 10.6% of their discretionary income to charity. That is consistent with the Mormon practice of tithing 10% of income to the church.
- Californians gave nearly \$1 of every \$8 that went to charity in 2008. However, California is a very wealthy state, so as a percentage of discretionary income, Californian giving came in a bit below average.
- Total charitable gifts in the study came to \$135 billion. The typical American household gave 4.7% of its discretionary income to charity.

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