

ESSAYS ON KOREAN NGO'S FINANCIAL
& HUMAN RESOURCES

By

Byung Ok Park

DISSERTATION

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

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ABSTRACT

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The three essays presented in this dissertation aim to investigate the state of Korean NGOs' financial and human resources and its change, and to research into some important issues relevant to it.

Chapter 1. NGO's Financing & The Effects of Government's Financial Support on Them.

The first essay investigates factors influencing on the amount of their private donation, and the effects of government's financial support to NGOs on the amount of their private donation, using the panel data of 120 Korean NGOs in 2002 and 81 in 2005. The results shows that the number of a NGO's membership and full-time workers have positive effects on the amount of its private donation, and their influence had increased during the period. What is noticeable is the effect of the number of media reports on a NGO, which had positive effects on the amount of its private donation in 2002 but didn't show significant effect any more in 2005. And, the government's financial support to NGOs was proved to have 'crowd-out' effects on the amount of their private donation, especially, membership fees.

Chapter 2. Wage Determinants of Korean NGO-Workers

The second essay examines what factors influence the wage level of

Korean NGO-workers, using the panel data of 120 Korean NGOs in 2002 and 81 in 2005 and the data of 344 workers in 2002 and 244 in 2005 who were working for the NGOs surveyed. The wage level of NGO-workers was just about 50% of that of for-profit workers, and the wage gap had not decreased during the investigation period. The results of regression analysis shows that wage determinants had been changed in the period. Variables of Marriage and Status that shows positive effect in 2002 doesn't show significant effect in 2005. A variable of Tenure that doesn't have significant in 2002 shows positive effect in 2005. Concerning organization-related variables, variables of a Service-provider NGO and a NGO in Seoul or metropolitan cities show positive effect in 2002, but doesn't show significant effect in 2005 in case of controlling a variable of a NGO's total annual revenue. Influence of a 'total annual' variable on workers' wage level almost doubled during the period. What is the most interesting is that the amount of a NGO's membership fees and its ratio to total annual revenue have positive effect on worker's wage level, while government's financial support to a NGO has no significant effect on it, in both years.

Chapter 3. Factors Influencing The Increasing Rate of NGO's Membership

The last essay investigates the state of NGO's human resources such as membership and full-time workers, and factors influencing their growth. In case of advocacy NGOs, as the size of city where a NGO is located is bigger and as it has more membership and as its annual revenue is smaller, the increasing rate of membership is shown to be lower. The increasing rate of a NGO's full-time workers shows similar figures. It is shown to be lower as the size of city where a NGO is located is bigger and as it has more workers. The result of analysis shows that the amount of annual revenue, especially, membership fees have positive effect on the increasing rate of membership while the amount of existing membership has negative effect on it.

To
My Beloved Wife and Daughters
and
My Parents
Who have been praying to God for me all their life

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I am thankful to NGO activists who answered the questionnaire. I really want this study to be useful to them. Finally, my deep thanks to my wife, Sunhee Ahn and daughters - Hyungjoo and Joonhoo - and my parents. This dissertation would not be possible without their support and prayer.

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CHAPTER 1

NGO'S FINANCING & THE EFFECTS OF GOVERNMENT'S FINANCIAL SUPPORT

I . INTRODUCTION

1. The Purpose of the Study and Background

In the early stage of citizens' movement, majority of revenue of NGOs came from private donations such as membership fee and fundraising.¹⁾ Since the mid-1990s, NGOs have made efforts to diversify their financial resources. Research project from companies and government (including local government) appeared as one of main funding sources, and various cause-related business programs have been started. However, the increasing projects had a limited number of human resources assigned and diluted the real purpose of NGOs. And Most of business programs had not brought revenue as much as they expected because of restricted business items, limited financial resource and personnel necessary to manage the programs.

Law on Supporting Non-profit organization, established and implemented in 2000, carried great significance in that it recognized publicity of NGOs' activities and based the legal justification of their need for support. Also the law was a very turning point because the law was initiated not by the government but by continuous efforts of NGOs. Afterwards, the law, however, lost its significance because of criticism against NGOs to be supported by government and political debate on the issue. The

1) Membership fee is the revenue that members registered with a NGO pay regularly, while fundraising revenue means the donation from individual or corporate donors who are not registered as members. private donation is composed of membership fee and fundraising revenue.

conservative political party and mass media took issues with NGOs that were financed by the government saying that they were "government-run NGOs." After having gone through this process, NGOs in Korea generally have three ways to finance themselves: from individual or corporate donations; from service provisions through research projects, business programs and advertising orders from companies, from government's financial support.

As Korea has seen the number of NGOs and their influences on society grow, the public has paid more attention to finance and operation of NGOs. However, compared to the level of the interest, it was hard to find theoretical and researches on the matter. So far, this social concern and debate over this matter has been focused only on "validity of government support and corporation support to NGOs." In particular, in line with political situation over the recent years, the government's support for NGOs has brought conflicting opinions: some argue the government has to financially support the groups because their activity is for the public benefit and the donation culture has not been established in Korean society yet; while others say the NGO's role of monitoring the government policy will be compromised due to the support. Every time this issue was brought up, the question, "what are desirable and feasible alternatives for NGO's financing?", arose, but always ended by emphasizing the importance of membership fee at a fundamental and abstract level.

A lack of the researches and social debates over the finance of NGOs are attributed to: first, objective data and scientific results of their finance is rare and; second, the objectivity lacks because of politically or ideologically motivated approaches.

The purpose of this research is to provide an objective data on financial state and its change and to draw useful policy implications to be necessary for NGO's sound and sustainable development through scientific analysis. To this end, I will try to find the answers to the following

questions based on this research.

First, how are the financial state and its change of NGOs? Secondly, what differences do NGOs show in terms of financial state and its change according to their characteristics? Thirdly, how does the government support affect the financial state and its change of NGOs? Fourth, assuming the society reached a conclusion that private donation coming from membership fee and fundraising is the best way for NGOs, what factors affect the amount of private donations? Fifth, What effect does the government support have on the amount of private donation? Is it crowd-out effect or crowd-in effect?

2. Research Method and Frame

This research first analyzed the existing theoretical and empirical literatures on private donation of and government subsidy to non-profit organization. As for domestic literatures, research outcomes conducted by Park, Tae-gyoo and Jung, Young-seok (2001) and by Kang, Sang-wook (2002) have been reviewed and articles published in international magazines as for overseas literatures. Through these surveys, I came to understand "who" and "why" donate to non-profit organizations and what affects the donating act and the level, and in particular how the government's financial support influences the private donation. Meanwhile, previous studies on private donation were all about the cause of donation and other factors that affect the donation and the level in terms of individual donor. Therefore, they were somewhat different from the topic that I intend to develop: what kind of characteristic of a NGO makes a donor contribute to a NGO? Furthermore, non-profit groups (NPOs), subject to previous researches and studies, take a form of service provider, i.e. commonly titled as social welfare organization or volunteer groups. As a consequence, I have failed to find a single study case on advocacy organization I planned to analyze in this study.

For an empirical analysis on NGOs' human resource management, the same nationwide field survey was conducted in 120 organizations and their workers twice. They belong to Solidarity Network, a representative network of Korea's NGOs.

The first survey on the state of NGOs and their workers in 2002 was conducted from March to April of 2003.²⁾ The survey on organizations was carried out through interviews with managers of the organizations. 120 organizations replied to the questionnaires. The second survey on the state of NGOs and their workers in 2005 conducted from June to July of 2006, was carried out through interviews, e-mails and telephones with managers of the organizations. Among 120 organizations, 81 organizations replied to the second questionnaires.

Even though there are many definitions and classification of NGO in the previous literatures, the concept of NGO varies depending on a country's history and social background. A rigid definition of NGO is not the subject I want to argue here, so I will just introduce two types of NGO that have qualitatively different characteristics, and are main objects of the study. NGOs subject to this study are generally divided into two: First, a group who is committed to advocating interest of the socially weak or any citizens who are underestimated in society; Second, a group whose primary job is to produce and provide services that citizens need and whose secondary commitment is to advocate about the service-related issues. Those who do not or rarely go for the first group are categorized as a welfare organization while those who go for the second group are labeled as civil society organization. This study will label the first group as an advocacy group and the latter as a service group for the sake of convenience. The difference between two groups is, also, shown in the way of their financing. Generally advocacy groups seek for revenues mainly in a form of donation while the service group primarily or exclusively are reliant

2) This survey was carried out by Yoon Soonchul(2003).

on sales of product and service. Hansmann³⁾ divided these two groups into "donative" group for the former and "commercial group" for the latter.

The content of the paper is as follows: In Chapter 2, introduces existing theories and empirical studies on private donation to NPOs and the effects of government's financial support on their amount of private donation. In Chapter 3, analyzes the state of NGO's finances, its characteristics in 2002 and 2005 and its change in this period. And I will try regression analysis on factors affecting the amount of NGO's private donation in Chapter 4, and on the effects of government's financial support on the amount of NGO's private donation in Chapter 5. The final chapter sums up the result of empirical analysis and draws policy implications for NGOs and the government.

3) Henry Hansmann, Economic Theories of Nonprofit Organization, The Nonprofit Sector: A Research Handbook, Yale University Press, 1987, pp.27-28.

II. LITERATURE REVIEW

Academic studies on donation to NPOs have been conducted in three-fold: First, why do donors - individual, corporation, and government included - contribute their money to the NPOs; Secondly all factors that affect such donation and its level and; thirdly the effects of government subsidy on private donation. However, Concerning the main topic of this study, "What organization do donors give their money to?", I could not find any results except the one titled as "preference of corporate donors" published by Useem(1987). Therefore, this chapter will review the existing theories on why each donating act to NPOs and based on which, it will discover grounds of deduction that what characteristics of NGO have an effect on the amount of donation from private sector. In addition, it will watch more about what the government's financial support would bring about to NPOs in the previous theories and empirical outcomes.

1. Individual Donation

Park, Tae-gyoo and Jung, Young-seok⁴⁾ mentioned above structured three economic models to explain voluntary donation of individuals: public goods model; private consumption model and; donation reward model.

First of all, the public goods model⁵⁾ can be explained in that donators see their voluntary donations used to increase the supply of public goods to promote society where they live and the overall welfare of members in society. In principle, under the condition where the government as supplier of public goods, has a lack of goods or fails to provide the goods that

4) Park, Tae-gyoo & Jung, Young-seok, Analysis on Economic Factors on Donating Act in Korea: focusing on Individual Donating Act, in Spring Conference of the Korean Association for NPO, 2001, pp.3-5

5) public goods model is asserted by Warr(1982), Bergstrom(1986), Roberts(1984), etc.

society needs, individuals have tendency to provide the rest of the public goods by themselves, thereby the private sector is likely to supply a lacking public goods and members of the society voluntarily donate. Under this model, donators are not satisfied with their donating act directly but are satisfied when they witness other members of the society donate together, provide a more number of public goods and consume those goods.

Secondly, private consumption model⁶⁾ that explains individuals' voluntary donating act is equivalent to consumers' consuming act. According to this model, donators are satisfied with their own donating act itself and the level of their satisfaction is proportionate to their contribution amount but are not affected by others' donating act, which shows a difference from the public goods model.

Thirdly, under donation reward model, donators contribute to groups because they feel rewarded for their donation. Here the reward is referred to direct and indirect compensation such as rights gained from the organizations they donate to or social reputation, not referred to as "psychological satisfaction out of donation" under the private consumption model. This third model may be included in the private consumption model.

2. Corporate Donation

Corporate donation to NPOs can be initiated by two motivations: "pure motivation" and "direct and indirect economic motivation." The latter has been increasingly emphasized these days. The core and long-time controversy over the latter is about "whether corporate donation as fulfillment of corporate social responsibility actually contributes to corporate profit." A variety of analysis reveals the correlation between corporate social performance and its economic benefits⁷⁾, but the causality of the

6) private consumption model is asserted by Menchik & Weisbrod(1987), Andreoni(1990), Brown & Lankford(1992), Smith et al(1995), etc. This model is called "Warm-glow" model by Andreoni(1990).

7) Lee E. Preston & Douglas P. O'Bannon(1997), Sandra Waddock & Samuel Graves(1997), etc.

correlation has not proved yet. Nevertheless, many entrepreneurs and scholars consider that corporate donation will positively contribute to the long-term profit of a company at the least.⁸⁾

Useem (1987) said corporations discriminate potential groups that they intend to donate to. He stated that: corporations favor NPOs that have high social reputation, are big and are located nearby the corporations' headquarters or nearby a factory with a bigger size of workers." Especially, an organization with a higher social reputation receives more donations from corporations regardless of size. If two groups have a similar level of reputation, a bigger group will be donated. In addition, corporations spend their donations on the community nearby the headquarters or nearby a big scale factory.⁹⁾ Also, the personal relationship between a corporation and a NPO is another factor for the corporation's donation.

3. Government's Financial Support

It has been believed that NPOs traditionally are financed from the private sector such as individuals and corporations, but many studies at home and abroad proved wrong. The U.S. government has been the biggest financial resource to non-profit service group and has been the single and biggest resource as twice as the private sector.¹⁰⁾ Salamon (1987) mentioned the government's support for NPOs saying that the government's expansive form of support to NPOs is a part of government activities called "the third government." He explained that under this third government model, while the government gives certain level of public authority and the

8) Louis W. Fry, Gerald D. Keim & Roger E. Meiners(1982) showed that corporate donation is motivated by corporate profit through analysis on the relation between the level of corporate donation and an outlay for advertisement. According to the survey conducted by the federation of Korean industries in 2002, 94% of entrepreneur replied that corporate's CSR activities contribute to its economic profit.

9) Michal Useem, Corporate Philanthropy, The Nonprofit Sector: A Research Handbook, Yale University Press, 1987, pp. 342-344.

10) Lester M. Salamon, Partners in Public Service: The Scope and Theory of Government-Nonprofit Relations, The Nonprofit Sector: A Research Handbook, Yale University Press, 1987, pp. 101-107.

power to use public fund to NGOs, it could avoid getting bigger in size and the public's sense that the government wants to increase its power thereby to achieve certain goals effectively. James (1987), adding to Salamon's argument, points out that NPOs can benefit from cost-effective mechanism such as use of volunteers. This is another benefit that NPOs can make use of financial and human resources in the private sector with the limited public fund. The third government theory is from the perspective of the government. James(1987) saw that NPO's production of public goods is to meet excessive demands for goods due to a limited supply of the government or differentiated taste to public goods that are consumed.¹¹⁾ When it comes to manufacturing public goods, NPOs can be more effective than the government; therefore a form of "private production of public goods and public financial support" will bring about increasing efficiency and cost-effectiveness.

At the center is "the effect of the government support on the private donation". Brooks¹²⁾ summaries the issue into three ways: first the government's financial support replaces or crowds out the private donation; secondly, the government support promotes or crowds in the private donation; lastly, the government support and the private donation are independent.

To explain the causes of crowd-out effect and its route, first, citizens' support and sponsor for social cause would decrease in case that the government take financial responsibility of it. When NPOs are dependent on the government in terms of their revenue, they are more likely to be recognized as quasi-public agency, which in turn would lead citizens to not voluntarily donating to such groups. (Friedman & Friedman 1980).

Secondly, the government support to NPOs will make individual donators

11) Estelle James, *The Nonprofit Sector in Comparative Perspective*, *The Nonprofit Sector: A Research Handbook*, Yale University Press, 1987, pp. 398-403.

12) Arthur C. Brooks, *Is There a Dark Side to Government Support for Nonprofits?*, *Public Administration Review*, May/June 2000, Vol.60, No.3, pp. 211-218.

feel they are not in the mainstream. Especially most of corporate donators are more attracted to a strong and independent NPO. As a result, such recognition will discourage these big donators to donate(Laurie, 1994).

Thirdly, some private donators tend to maintain their financial support for an NPO they donate to within their control over the NPO. That is why the government's intervention per se would weaken corporate control (Odendahl, 1990).

Fourth, the government support comes from taxpayers' money so a high public support would decrease the individual's disposable income, which will cause the decrease in individual donation (Lingle, 1992).

[Table 1.1] Research Outcomes on the Effects of Government's Subsidy to NPOs on Their Private Donation¹³⁾

Subsector studied	Crowding-in	No statistically significant relationship	Crowding-out
General	Schiff(1985)		Abrams & Schiff(1978) Schiff(1985) Lindsey & Steinberg(1990)
Social-human welfare)	Schiff(1985) Schiff(1990)	Reece(1979) Lindsey & Steinberg (1990) Khanna et al. (1995)	Amos(1982) Jones(1983) Abrams & Schmitz(1984) Schiff(1985) Steinberg(1985) Schiff(1990) Day & Devlin(1996) Payne(1998)
Education	Connolly(1997)		Day & Devlin(1996)
Health		Day & Devlin(1996)	Khanna et al.(1995)
Arts & Culture	Hughes & Luksetich(1997)	Brooks(1999)	Kingma(1989) Hughes & Luksetich(1997)

13) quoted from Brooks(2000)

Crowd-in effect is considered to take place when the government provides seed money with an NPO. First, some of the support is provided in a form of matching fund, which means the government matches its financial support with private donation thereby creates a bigger benefit to both donator and beneficiary.

Secondly, the government subsidy to an NPO that is not well-known have an effect to prove the quality and reputation of the NPO concerned.

Thirdly, the government intervention is recognized that it guarantees the qualification of the NPO because the public support is a reward for accountability of the NPO.

III. FINANCIAL STATE OF NGOs & ITS CHANGE

1. Financial State of NGOs and its Changes 14)

According to [Table 1.2], the average annual revenue of NGOs in 2002 was estimated at 358,455 thousand won. Of the revenue, business programs amounted to 108,819 thousand won accounting 30.2% of the total and becoming number one financial source and membership fee took 2nd place standing at 85,152 thousand won (23.7%), fundraising 56,713 thousand won (15.7%), research project 13.9%, other revenue (7.4%) and government's support 6.4% followed. When membership fee and fundraising are treated as private donation, and business program, research project and advertisement rates are treated as service-related revenue, then the service-related revenue came to 162,869 thousand won, taking up a share of 45.3% of the total revenue; private donation 141,866 thousand won, 39.4% and; the government's support 23,229 thousand won or 6.4%. To compare to statistics in 2005, 80 organizations who responded the survey above in 2002 and 2005 showed that their revenue size and size of revenue from each funding source has grown over all than the average of 119 organizations but revenue from each funding source was almost taking a similar share of the total revenue.

[Table 1.2] also indicates that their state of revenue in 2005 has considerably changed compared to that of 2002 (data A'). The average total revenue was 490,462 thousand won, up 11.1% from 2002. The most significant change was in the membership fee revenue increased by 11.4%, accounting 24.9% of the total revenue and becoming the biggest financial contributor. Fundraising increased to 61.2% compared to that of 2002 taking the 2nd place. So, private donation including membership fee and fundraising

14) statistics excluding an organization whose annual total revenue was over 10 billion won in 2005, So, analysis will be conducted based on the samples of 119 organizations in 2002 and 80 organizations in 2005

accounts for 48.1% of the total revenue. Secondly, business program and research project decreased by 27.3% and 14.2% respectively from the year of 2002 and accounted for 19.5% and 10.8% respectively; Advertisement rates increased by 188.0% from 2002. So the service-related revenue decreased from 45.4% in 2002 to 33.3% in 2005. However, the government support drastically increased by 155.7% to 12.2% of the total revenue and became major income contributor.

[Table 1.2] The Financial State of NGOs and Its Change (unit: thousand won)

		A 2002 (Total 119)	A' 2002 (80 replied in 2005)	B 2005 (80)
private donation	membership fee	85152.94 (23.7)	109618.75 (24.8)	122218.77 (24.9)
	fundraising	56486.55 (15.7)	70775.00 (16.0)	114098.32 (23.2)
service-related revenue	business program	108819.33 (30.2)	131747.50 (29.8)	95771.60 (19.5)
	research project	49831.09 (13.8)	61837.50 (14.0)	53012.99 (10.8)
	revenue from ad rates	4218.49 (1.1)	5125.00 (1.1)	14763.16 (3.0)
government's support		23229.91 (6.4)	23410.26 (5.3)	59880.74 (12.2)
others		26793.53 (7.4)	32185.00 (7.2)	25639.21 (5.2)
Total		359285.71	441146.25	490461.81

(), %.

The total revenue and the amount of revenue from each funding source in [Table 1.2] may make it difficult to understand the actual financial state of NGOs because a few organizations considerably affected the figures. [Appendix 1.3] is the outcome of quartile analysis on total revenue and the amount of revenue from each funding source according to their size.

Looking at organization that is in the level of 50% of the total revenue and the amount of each revenue in 2002 compared with the average amount revealed that their total revenue stood at 36.2% of the average, membership fee 51.6%, fundraising 35.2%, and research project

32.1%. In particular, business program took up a mere 4.5% of the average and advertisement rates and government support did not incur. The quartile analysis on the same group who responded in 2005 showed a similar trend.

The quartile analysis outcome of the 2005 data shows a comparison to that of 2002. organization that reaches 50% level reveals that their total revenue increased by 8% to 42.0% of the average compared to 2002 (A') and membership fee increased 4.7% to 54.8%. Meanwhile, fundraising and project take up 25.4% (35.3% in 2002) and 0% (32.3% in 2002) of the average respectively. Unlike this outcome above, the government's support increased from 0% in 2002 to 15.8% in 2005 showing that the government support played a major funding source of NGOs.

I calculated ratio of organizations that generated more than one won from each funding source and the average amount of each revenue. The result is founded in [Table 1.3]

[Table 1.3] The Number of NGOs that Generate Revenue from Each Funding Source and Their Average Amount (unit: thousand won, %)

	2002 (total 119)		2002 (80 replied in 2005)		2005 (total 80)	
	No. of Obs.	Average amount	No. of Obs.	Average amount	No. of Obs.	Average amount
Membership fee	118 (99.1)	85,874.6	80 (100)	109,618.7	77 (100)	122,218.8
Fundraising	114 (95.7)	59,200.9	77 (96.2)	73,532.5	70 (89.7)	127,138.1
Business program	73 (61.3)	177,390.4	51 (63.7)	206,662.7	42 (54.5)	175,581.3
Project	79 (66.3)	75,062.0	56 (70.0)	88,339.3	28 (36.3)	145,785.7
Advertise- ment	23 (19.3)	21,826.1	18 (22.5)	22,777.8	19 (25.0)	59,052.6
Government support	41 (35.0)	66,290.2	23 (29.4)	79,391.3	47 (60.2)	99,376.6

(), %

A look at 119 organizations in 2002 revealed that most of them reaped membership fee and fundraising but only 61.3% of them carried out business program and 66.3% of them generated revenue from projects. 35% of them received government support and only 19.3% of the organizations made profits out of advertisement order. The outcome of 2005 analysis was different from that of 2002 (A'). Those who generated revenue out of fundraising decreased by 6.5% but their average amount increased 72.9%. Those who conduct business program decreased by 9.2% and their average revenue decreased 15.0%. The number of organizations that conducted projects decreased by 33.7% but the average amount increased 65.0%. The number of organizations that made advertisement profit increased slightly but the average profit increased by 159.2%. The number of organizations subject to government support drastically increased from 29.4% in 2002 to 60.2% in 2005. Also, the average support increased by 25.1% from 2002. In a nutshell, less NGOs generated revenue out of fundraising, business programs and projects, and more NGOs received government's support in 2005, compared the number of NGOs did in 2002.

2. Financial State of Advocacy NGOs and its Changes

[Section 1] has reviewed the revenue state and changes of the overall NGOs. This section intends to especially focus on financial state and changes of a advocacy group. Before going in detail, I would like to compare revenue states between a service group and an advocacy group. Looking at the financial statements and changes listed in the Appendix shows difference between a service group and an advocacy group. The ratio of business revenue related to production and sales of service, membership fee and fundraising that make up of private donation shows a big difference in 2002. As for business revenue ratio, an advocacy group took up merely 9.6% while a service group 52.5%. On the contrary, as for private donation (membership fee and donation combined), an advocacy group accounted for 54.1% while a service group 23.4%. This trend is also seen in that of 2005

although there have been some changes.

[Table 1.4] shows that average annual revenue of a advocacy group posted 228,663 thousand won in 2002. Of the revenue, membership fee accounted for 32.4% becoming number one financial source, fundraising took 2nd place accounting for 21.7%, project 18.1%, business program 9.6%, other revenue 7.5% and government's support 6.8% followed. When comparing the outcome of all NGOs that responded in 2002(A) with that of NGOs that responded in 2002 and 2005(A'), those responded in 2005 as well have seen their total revenue and revenue from each funding source increased overall, but the ratio of each revenue to total revenue showed a similar level. Analysis of 2002 (A') and analysis of 2005 (B) indicates that: an advocacy group did not have changes in their total revenue. In a nominal term, the total revenue increased from 0.7% in 2002 to 2,129 thousand won. However, when inflation rate was 10.27% throughout the years, the total revenue actually decreased 8.7% to 25,483 thousand won in terms of 2002 price.¹⁵⁾ In addition, except government's support, total revenue from the private sector decreased 3.2% to 8.914 thousand won in the nominal term. However, when the inflation was accounted, it decreased 12.3% to 33,872 thousand won.

Secondly, ratio of each revenue has considerably changed. Ratios of business and project revenue as well as the amount have decreased. Meanwhile, advertisement revenue, government support and membership fee have slightly increased. By size of each revenue, membership fee, fundraising and project revenue still took 1st, 2nd, and 3rd places. However, government subsidy took 4th from 6th place, advertisement upgraded to 6th from 7th place while business revenue nosedived to the bottom to 7th from 4th place.

15) National Statistical Office, According to the Main Economic Indices, consumer's price increased by 3.5% in 2003, 3.6% in 2004 and 2.8% in 2005, compared to the price in the previous year.

[Table 1.4] Financial State of Advocacy NGOs and Its Change

(unit: thousand won, %)

		A 2002 (total 97)	A' 2002 (66 replied in 2005)	B 2005 (66)
Private Donation	Membership fee	74290.72 (32.4)	93083.33 (31.9)	103092.78 (35.0)
		141822.11	166855.39	153165.48
	Fundraising	49632.99 (21.7)	64628.79 (22.1)	63588.58 (21.6)
		95964.94	112995.85	92372.81
Service-related Revenue	Business program	22087.63 (9.6)	29406.06 (10.0)	14292.27 (4.8)
		93232.97	111938.88	26993.36
	Research Project	41426.80 (18.1)	53189.39 (18.2)	39984.13 (13.6)
		92304.39	108840.74	100047.81
	Revenue from Ad rates	3175.26 (1.3)	3272.73 (1.1)	15968.25 (5.4)
		11953.04	12863.24	59750.01
Government's Support	15672.63 (6.8)	17187.50 (5.8)	28229.66 (9.6)	
	43599.56	48584.04	50926.19	
Others	17298.25 (7.5)	21716.67 (7.4)	20495.54 (6.9)	
	52732.90	60787.60	45922.45	
Total	228662.89 (100)	291606.06 (100)	293734.70	
	372084.58	433488.88	344838.71	

Average amount of total and each revenue in [Table 1.4] is shown to be affected by figures of a few organizations as they were in [Table 1.2]. [Appendix 1.4] is outcome of quartile analysis on total and each revenue of an advocacy group according to the size. The quartile analysis outcome of the 2002 indicates that: an organization that reached 50% level revealed that its total revenue remained at 47.4% of the average and membership fee accounted for 53.8%. Meanwhile, fundraising and project took up 40.0% and 26.5% of the average respectively. Business program accounted for a mere 9.0% of the average and advertisement revenue and government support did not occur. The quartile analysis on a group that responded in 2005 as well shows a similar feature.

Quartile analysis on data in 2005 took a different shape, however. an

organization that reached 50% level revealed that its total revenue increased 8.4% to 55.8% of the average compared to that of 2002 (A') and membership fee increased 9.2% to 63.0% and fundraising slightly increased 2.3% to 42.3%. Meanwhile, business and project revenue did not incur in 2005. But government support increased from 0% in 2002 to 15.9% becoming a big financial source of advocacy NGOs.

I calculated ratio of groups that created more than one won by type of income and the average of their income type by fraction. The result is founded in [Table 1.5].

Looking at 97 organizations in 2002 revealed that most of them reaped membership fee and fundraising but only 63.9% and 55.6% of them conducted project and business program respectively. 29.4% of them received government's support and only 16.4% of them made profits out of advertisement order. The outcome of 2005 analysis (B) was different from that of 2002 (A'). Organizations that generated revenue out of fundraising decreased by 4.8% while their average amount of fundraising increased merely 3.5%. The 72.9% increase in [Table 1.3] were confirmed to be mainly because of a service group. Those who conducted business program decreased by 13.1% and their average revenue decreased by 36.9% as well. The number of organizations that conduct project decreased by 33.2% but the average amount increased 46.7%. The number of organizations that made advertisement profit increased 7.2% and their average revenue increased by 241.5%. The number of organizations subject to government support drastically increased from 26.5% in 2002 to 54.6% in 2005, however, the average amount of support decreased by 20.2%.

In a nutshell, each revenue from project, business program, and fundraising was observed in less organizations and that from government's support and advertisement rates was observed in more organization compared to that of 2002.

[Table 1.5] The Number of Advocacy NGOs that Generate Revenue from Each Funding Source and Their Average Amount

(unit: thousand won, %)

	2002 (total 119)		2002 (80 replied in 2005)		2005 (total 80)	
	No. of Obs.	Average amount	No. of Obs.	Average amount	No. of Obs.	Average amount
Membership fee	97 (100)	74,290.7	66 (100)	93,083.3	63 (100)	103,092.8
Fundraising	94 (96.9)	51,504.3	64 (96.9)	66,648.4	59 (92.1)	68,977.4
Business program	54 (55.6)	39,675.9	38 (57.5)	51,073.7	28 (44.4)	32,157.6
Project	62 (63.9)	64,812.9	45 (68.1)	78,011.1	22 (34.9)	114,500.0
Advertise- ment	16 (16.4)	19,250.0	11 (16.6)	19,636.4	15 (23.8)	67,066.7
Government support	28 (29.4)	53,175.0	17 (26.5)	64,705.9	35 (54.6)	51,619.9

(), %

2.1. According to the size of city where a NGO Located

By the size of city where a NGO located, financial state and changes of an advocacy group were analyzed and listed on [Appendix 1.5]. Looking at the 2002 data showed that total revenue of an advocacy group located in Seoul and other six metropolitan cities reaped as much as 4.56 times as that of a group located in small-medium sized cities. This group in big cities shows higher ratio of fundraising and project revenue while lower ratio of membership fee and government support compared to those in small cities. Private donation including membership fee and fundraising accounted for 54.5% for big cities and 52.1% for small cities respectively which indicates a similar share of the total revenue.

Looking at the 2005 data revealed that revenue from business and project took up a less share of the total revenue compared to in 2002 regardless of city size. However, the data clearly shows that project

revenue of those in small cities has significantly decreased, on the other hand business revenue decreased more sharply in big cities. Both groups have seen their share of government's support and advertisement revenue increased: however, a group in small cities has a higher increase. While it has a slightly lower share of membership fee, a group in big cities has a 4% higher than in 2002. Private donation including membership fee and fundraising increased to 57.7% for a group in big cities and decreased to 51.8% for one in small cities respectively which is a stark contrast.

2.2. According to the size of annual total revenue

In order to analyze what differences do NGO's financial state and trend of its change show as the total revenue size grows, I classified into four groups according to the size of total revenue and analyzed average amount of each revenue and their ratio to total revenue. [Appendix 1.6] indicates that as the size of total revenue increases the amount of membership fee increase, but its ratio decreases. This trend is found in both 2002 and 2005. In 2002, ratios of business, project and government's support showed a increasing trend as total revenue increased, but it was not the case in 2005. Especially a group with the biggest revenue size show this trend significantly. Ratio of business revenue decreased by 8.5% which took up the least share of financial resources. On the other hand, ratio of advertisement revenue and government support increased by 6.2% and 3.6% respectively. Meanwhile, organizations with smaller-sized total revenue have a lesser ratio of project revenue and a relatively higher ratio of government's support.

2.3. According to the number of media reports

In order to analyze what differences do NGO's financial state and trend of its change show as the level of media exposure goes up, I classified into four groups according to the number of media reports and analyzed their average amount of each revenue and their ratio to total revenue. The

outcome is found in [Appendix 1.7]. The result shows a different pattern from one that was analyzed according to total revenue size. In 2002, as organizations were more exposed to the press, they were more likely to collect bigger fundraising while their government support tends to decrease. And the ratio of membership fee was stable overall. However, the 2005 data shows that: as the number of media reports increase, the ratio of project revenue goes drastically up, the ratio of fundraising increases steadily. But the ratio of business revenue has decreased. The ratio of membership fee was not affected by the level of press exposure as in 2002 and the ratio of government's support was on a steady decrease overall.

3. Financial State of Advocacy NGOs and Its Change according to Their Attitude to Government's Support¹⁶⁾

[Table 1.6] categorized advocacy NGOs into four: group 1 that did not receive government support both in 2002 and 2005; group 2 that did not receive it in 2002 but received in 2005; group 3 that received it in 2002 but did not receive in 2005; and group 4 that did receive it both in 2002 and 2005. And I analyzed the amount of each revenue and their ratio to total revenue in 2002. [Table 1.7] is the analysis outcome of the 2005-data.

Looking at financial state and changes by group indicates that group 1 has seen ratio of private donation that includes membership fee and fundraising increase to 2.70%; fundraising, business and project revenue decrease and; advertisement revenue drastically increase. Group 2 witnessed private donation decrease by 3.4%; business revenue decrease significantly and; fundraising and project decrease as well. Group 4 has seen its ratio of private donation increase by nearly 10%; business and project revenue decrease and; advertisement revenue increase. This group's total revenue

16) Statistics excluding 4 organizations that didn't answer on the amount government's support, from 66 advocacy organizations that replied in both 2002 and 2005.

decreased by 35,231 thousand won on average. Looking at the change in the amount of each revenue reveals that: total amount of decrease in business, project and government's support was almost similar to total amount of increase in membership fee, fundraising and advertisement revenue. This is because decrease in other revenue was 31,414 thousand won and accounted for 89.1% of the decrease in the total revenue. Unfortunately, the details regarding other income have not been surveyed and therefore were not analyzed.

[Table 1.6] Financial State of Advocacy NGOs according to Their Attitude to Government's Support, 2002 (unit: thousand won, %)

		Total revenue	Member -ship fee	Fundrais -ing	Business program	Project	Advertise -ment	Gov't support
Group 1	Mean	319913.04	134739.13	71704.35	22500.00	58130.43	2478.26	.00
(No in both)	%		42.1	22.4	7.0	18.1	0.7	
Group 2	Mean	254047.62	82880.95	58061.90	47633.33	43809.52	428.57	.00
(Yes only in 2005)	%		32.6	22.8	18.7	17.2	0.1	
Group 3	Mean	228200.00	61200.00	60000.00	6800.00	56200.00	2000.00	28800.00
(Yes only in 2002)	%							
Group 4	Mean	383615.38	61769.23	80538.46	25615.38	69346.15	10384.62	75000.00
(Yes in both)	%		16.1	20.9	6.6	18.0	2.7	19.5

The Data includes only organizations replied in both 2002 and 2005
No. of Obs. of group 1, 2, 3, 4, are 23, 21, 5, 13 respectively.

[Table 1.7] Financial State of Advocacy NGOs according to Their Attitude to Government's Support, 2005 (unit: thousand won, %)

		Total revenue	Member -ship fee	Fundrais -ing	Business program	Project	Advertise -ment	Gov't support
Group 1	Mean	317347.83	151817.39	61826.09	13695.65	35608.70	31130.43	.00
(No in both)	%		47.8	19.4	4.3	11.2	9.8	
Group 2	Mean	261436.48	81442.38	54892.10	19107.76	36333.33	952.38	42033.24
(Yes only in 2005)	%		31.1	20.9	7.3	13.8	0.3	16.0
Group 3	Mean	275463.75	71438.75	44483.75	13587.50	50000.00	1250.00	.00
(Yes only in 2002)	%							
Group 4	Mean	348384.62	70416.67	92076.92	10233.33	61416.67	21750.00	66846.15
(Yes in both)	%		20.2	26.4	2.9	17.6	6.2	19.1

No. of Obs. of group 1, 2, 3, 4, are 23, 21, 4, 13 respectively.

[Tables 1.6] and [Table 1.7] show, first, that advocacy NGOs suffered more financial difficulties in 2005 compared to 2002. Except group 3 that was excluded from the analysis due to little number of samples, group 1

and group 4 have seen their total revenue decrease. Group 2's total revenue appeared to have increased by 7,389 thousand but actually this group decreased by 34,644 thousand won (down 13.6% from 2002), except government's support because the group did not receive it in 2002. Therefore, group 2 suffered most from financial difficulties. When inflation (10.27%) is counted, the actual decrease is higher.

Secondly, decreasing amount and its ratio of total revenue of group 1 was much lower than other groups. Group 1 witnessed total revenue decrease by 2,565 thousand won (down 0.8% from 2002) on average; but group 4 saw the total revenue decrease by 35,231 thousand won (down 9.1% from 2002). Group 2 indicates that its total revenue decreased by 34,644 thousand won (down 13.6% from 2002) when government support that the group did not receive in 2002 is excluded.

Thirdly, as for membership fee out of total revenue, group 1 came in first (42.1%: 2002 47.8%: 2005), followed by group 2 (2002: 32.6%, 2005: 31.1%), and group 4 (2002: 16.1%, 2005: 20.2%). Such order is replicated in private donation consisting of membership fee and fundraising.

Fourthly, aggravated financial trouble mainly resulted from declining business, projects and fundraising revenue in that order except group 4 whose private donation increased. Declining revenue from business program took the most part followed by decline in revenue from project and fundraising.

Explaining in detail, group 1 with no government financial support experienced fall in revenue from fundraising, business and projects while rise from membership fee and advertisement. Group 2 saw revenue decline in most fields except advertisement taking negligible portion while offsetting the increase in government support in 2005. Group 4 witnessed revenue decline in business, projects, and government's support while increase in membership fee, fundraising and advertisement revenue. Although revenue

coming from membership fee increased, its ratio out of the total revenue accounted for 20.2%, much lower than 47.5% of group 1 that didn't receive in both 2002 and 2005 and 31.3% of group 2 that received only in 2005. Analysis on group 3 which received government's support only in 2002 hasn't been conducted due to little number of samples available.

To sum up these analysis results, first of all, revenue from business program and projects declined in all groups, and the amount of fundraising declined in all except group 4. Secondly, the group 1 without government support showed increase in membership fee and advertisement. Thirdly, Change in amount of government support and membership fee/advertisement took the opposite directions in group 4 with the support in two years and group 2 with the support in just 2005. Of course, group 2 saw advertisement revenue grow despite increase in government support, but the amount or its ratio of the total revenue is very negligible. It can be interpreted as the same phenomenon that group 1 that didn't receive government's support in both 2002 and 2005 shows increase in the amount of membership fee and advertisement revenue. This phenomenon is observed in a service group as well. [Table 1.8] indicates comparison of financial state on service organizations. Service NGOs and advocacy NGOs have homogeneity as non-profit organization while having differences in many aspects. [Table 1.9] shows that government's support significantly expanded while revenue from membership and advertisement order decreased.

[Table 1.8] Financial State of Service NGOs in 2002 and 2005¹⁷⁾

(unit: thousand won, %)

		Total revenue	Member-ship fee	Fundrais-ing	Business program	Project	Advertis-ement	Gov't support	Others
2002	Mean	1029818.18	164272.73	78590.91	542636.36	92954.55	17545.45	59636.36	85500.00
(11)	%		15.9	7.6	52.6	9.0	1.7	5.7	8.3
2005	Mean	1062363.64	92363.64	82000.00	501181.82	131181.82	1600.00	232909.09	20272.73
(11)	%		9.0	7.7	47.1	12.3	0.1	21.9	1.9

(), No. of Obs.

On the assumption that the amount of revenue from business and project are dependent of the amount of government support, there can be three assumptions on the phenomenon that change in amount of government support and membership fee/advertisement take opposite directions.

The first is the possibility that the number of samples was not enough to reflect reality. As such, these phenomena could happen independently each other or the third factor that has not been discovered yet caused the effect. Or these phenomena themselves have possibly not taken place in practice.

Secondly, it can be the results due to the 'Crowd-out' effect of government's support on the amount of membership fee and advertisement revenue. In general, analysis on the effect of government's financial support takes the amount of private donation including membership fee and fundraising as a dependent variable, not advertisement revenue. But, here is the catch: the uniqueness of Korean society. The publicity effect of NGOs' periodicals is less than that of other entities' periodicals whose purpose is to make profit. Therefore, advertising order to NGOs can be regarded as a type of corporate donation. It is a well-known fact that corporations' advertising order is easier than donating in cash to NGOs, from the

17) statistics excluding 3 organizations whose fundraising volume in 2002 extremely increased by 738.8% compared to that in 2002. Their average revenue from fundraising is 1,309,333 thousand won in 2005 and 177,333 thousand won in 2002. In case of including these three organizations, average fundraising revenue of overall NGOs is shown to increase by 61.2%, while that is shown to decrease by 0.5% in case of excluding them.

corporate perspective. As for NGOs, especially an advocacy group has less burdens when they receive advertising order rather than cash. This is because the society is not receptive to corporate donation and because many NGOs, recognizing this social perception, set the cap (maximum amount) they can get from a corporation a year. Considering these aspects, related three tables shows that government's support clearly goes opposite from (membership fee + advertisement revenue). Whether there is crowd-out effect of government support on private donation or not, will be investigated through cross-section regression analysis and panel analysis in Chapter 5.

IV. ANALYSIS ON FACTORS INFLUENCING PRIVATE DONATION

In this Chapter, I will try regression analysis on factors influencing the amount of private donation to NGO based on the surveyed data, by using cross-section OLS and panel fixed-effect model.

1. Modeling

According to economic theories on voluntary donating act explained in Chapter 2, donors contribute to NPOs to satisfy themselves. Private consumption model shows that donation itself can bring about utility while public goods model indicates that one's donation and others' combine to produce and supply the goods that will be consumed. According to these theories that voluntary donation, like other consuming acts, is another act to gain utility, donation can be assumed that their act will maximize utility. Therefore, it can be presumed that donors select NGOs that they can gain maximum utility.

I have failed to find any researches that explain which groups individual donors favor. However, Useem (1987)'s founding that corporations favor NPOs that "have high social reputation, bigger size and are located nearby the corporations' headquarters or nearby a factory with a bigger size of workers" may apply to donation pattern of individual donors. In addition, he said that the personal relationship between a corporation and a NPO is another factor for the corporation's donation toward a certain organization.

First of all, donors are expected to have much more utility by donating to NGOs in a community that they are belonging to than to organizations in other areas. Even under the public goods model, as NGOs' activities are done mainly or partly to meet demands of the community concerned,

individual donors believe that they will have higher utility when they donate to organizations in their community than they do to other communities. Even under private consumption model and donation reward model, they will enjoy a higher psychological satisfaction and social reputation through donating to organizations in their community.

Secondly, social reputation and size of a organization are assumed to have an positive effect on donor's donating act through two routines: One, generally as the organization has a higher social reputation and bigger size, it would be recognized as one to create much public goods, social benefits with higher quality. Donors are expected to contribute more to an organization which produces more social benefits with higher quality. The other is: the size and reputation may have an positive effect on the trust from donors and thereby will attract more donation.

Thirdly, a bigger NGO is expected to have more human and financial resources and to have a wider network with potential donors in the community. This means a bigger organization is in a better position for attracting private donation than a smaller organization is. Thus, we can make a hypothesis on donor's donating act in private sector as follows.

Hypothesis. All other things equal, donors contribute to a NGO with a higher social reputation, a bigger size and located in their community. From the perspective of NGO, their social reputation, size, and the number of community members have an positive effect on the amount of private donation.

In addition, whether a NGO is a service or an advocacy NGO may impact private donation. According to the result of descriptive analysis on NGO's financial state, a service group shows more amount of private donation than an advocacy group does.

As variables to indicate social reputation and recognition level, I

choose the number of media reports and active years. A longer activity period and the more number of media reports are expected to enhance social reputation under the same condition. As size variables, I select the number of members and the number of workers. As for the number of community members, I will use dummy variables for Seoul and six other metropolitan cities and the service NGO dummy variable will be used to tell service groups from advocacy groups. Through this review, the amount of private donation can be expressed as a function:

$$\text{Private Donation} = f(\text{Member, Worker, News, Actyr, Seoul/Metro, SVC})$$

where, Member = number of members

Worker = number of workers

News = number of media reports

Actyr = number of years of activities

Seoul/Metro = a NGO in Seoul or 6 metropolitan cities

SVC = a service NGO

The number of media reports is calculated from January 1 to December 31 for a certain year based on news reports of KINDS by group featured on national daily newspapers including Donga Daily, Gyeonghang Daily, Munhwa ilbo, Hangeyora Daily, Hankook Ilbo, and Kookmin Daily. The active period is the months which was subtracted from their foundation date based on June 2002 and June 2005 respectively.

2. Result of Cross-Section Regression Analysis

[Table 1.9] shows that the coefficient estimates of the number of member, workers and media reports have positive values, at least, at .05 significance level in the 1st, 2nd, 3rd and fourth equations. According to [Table 1.9], as the number of members, workers and media reports increase by 10%, the amount of private donation is shown to increase by

2.95%, 2.92% and 1.5% respectively.

[Table 1.9] Results of OLS Regression Analysis on Private Donation¹⁸⁾

	A 2002 (total)		A' 2002 (replied in 2005)		B 2005	
	1	2	3	4	5	6
SVC	.116 (.501)	.057 (.278)	.277 (.934)	.144 (.541)	-.603* (-1.823)	-.753*** (-2.731)
Seoul/Metro	.179 (1.248)	.187 (1.321)	.114 (.660)	.130 (.756)	.038 (.203)	.055 (.296)
ln(Member)	.295*** (4.199)	.288*** (4.180)	.298*** (3.683)	.277*** (3.543)	.473*** (4.413)	.447*** (4.373)
ln(Worker)	.292*** (3.176)	.286*** (3.142)	.293*** (2.707)	.291*** (2.690)	.436*** (3.440)	.436*** (3.446)
ln(News)	.152*** (3.027)	.148*** (2.989)	.157** (2.493)	.150** (2.402)	-.049 (-.782)	-.055 (-.869)
ln(Actyr)	-.049 (-.568)		-.100 (-1.007)		-.134 (-.827)	
Constant	8.428*** (20.266)	8.285*** (25.062)	8.652*** (18.535)	8.385*** (21.824)	8.452*** (11.142)	7.996*** (15.414)
Adj R ²	.679	.682	.712	.712	.680	.682
Obs.	116	116	77	77	77	77

Dependent Variable: ln(amount of membership fee and fundraising)

(), t-value, ***: p<.01, **: p<.05, *: p<.1

The fifth and sixth equation based on the data of 2005 have different features from those of the 1st to fourth equation based on the data of 2002. It means that there had been some change in factors influencing on NGO's private donation. First, the values of coefficient estimates of the number of members and workers are shown to increase considerably. Increase in the number of members by 10% is shown to cause the amount of private donation to increase by 4.47 to 4.73% in 2005, while it cause increase in private donation by 2.77-2.98% in 2002. And Increase in the number of workers by 10% is shown to cause the amount of private donation to increase by 4.36% in 2005, while it cause increase in private donation by 2.86-2.93% in 2002. This means that the influence of these variables on the amount of private donation had increased in this period.

18) I excluded 3 organizations mentioned in footnote 13. It is because including these 3 organization into regression analysis may cause distorted result.

Second, the coefficient estimate of the number of media reports variable don't show significant value. It means that the frequency of news reports hasn't an effect on the amount of private donation any more.

Thirdly, the coefficient estimate of service NGO variable shows negative value, at least, at .1 significance level. The result of the fifth and sixth equation show that the amount of private donation decrease by 60.3 to 75.3% in case that a NGO is a service organization compared to the case of advocacy one.

3. Result of Panel Fixed-Effect Regression Analysis

In this section, I tried panel analysis on factors influencing the amount of NGO's private donation by using fixed-effect model. Compared to cross-section data, panel data have advantages; the problem of degree of freedom get smaller relatively because of more number of observations compared to cross-section analysis or time-series analysis and the efficiency of estimates; We can consider the trend of change in cross-section estimates due to the passage of time.

According to [Table 1.10], the coefficient estimates of variables of the number of members and workers have significant values at .05 significance level in both the 1st and 2nd equation. The table shows that increase by 10% in the number of members and workers caused the amount of private donation to increase by 2.54 to 2.63% and 4.3 to 4.5% respectively. On the other hand, the coefficient estimate of the number of news reports variable has negative value at .01 significance level in the 2nd equation and .1 in the 1st equation. It means that increase by 10% in the number of press exposure caused decrease by 1.2% in the amount of private donation.

[Table 1.10] Results of Panel Fixed-effect Regression Analysis on NGO's Private Donation

	1	2
SVC	(dropped)	
Seoul/Metro	(dropped)	
ln(Member)	.254** (2.32)	.263** (2.47)
ln(Worker)	.430** (2.16)	.454** (2.39)
ln(News)	-.122* (-1.88)	-.139*** (-2.72)
ln(Actyr)	.079 (.43)	
Constant	8.994*** (8.40)	9.308*** (12.06)
R ² within	.232	.229
between	.556	.553
overall	.545	.544
Number of Obs.	130	130
Number of groups	74	74
sigma_u	.647	.651
sigma_e	.446	.443
rho	.678	.684

Dependent Variable: ln(amount of membership fee and fundraising)

4. Conclusion on Factors Influencing Private Donation

By analyzing outcome of statistics in Section 2 and 3, we can reach the conclusion that variables of member and workers have significant positive effects on the amount of private donation. However, variables of workers and variables of private donation may raise a causality issue. As employees increase, it can be interpreted that more members and donors can subscribe to a civic group. But at the same time, increase in total revenue due to increase of private donation may have brought about employment of more employees.

Variable of media reports affected greatly in 2002 but did not in 2005. According to [Table 1.10], This change resulted from the fact NGOs with

higher growth rate of the number of media reports, showed lower increasing rate of the amount of private donation between 2002 and 2005. This change gives very important implications to NGOs. Except grass-root organization that took hold in small communities, the media is the only means to let citizens know NGOs' activities. As the number of media reports of a NGO is thought to reflect the amount of its activities, such a change can be interpreted that increasing social activities of NGOs do not have significant positive effects on the volume of private donation. My other researches, also, show that the number of media reports did not have significant effects on growth rate of membership in this period.

There would be some reasons for this change. First, a growing number of negative news reports on NGOs by the so-called "conservative" media. I did not check statistics, but it is a well-known fact that the conservative media have criticized NGOs' activities negatively from the early stage of current government; campaign for introduction of some reformative laws, grand-scale street demonstration with candles to protest against impeachment of President Roh in 2004, etc. During the process, it is true that the so-called 'progressive" media sympathized with positions of NGOs. However in the media-market where conservative media have overwhelmed, there is no doubt that the public got negative image of NGOs through those negative reports of conservative media.

Secondly, since 2002 when the current government took power, Korea's civil society further have engaged itself in political and ideological conflicts. The existing conservative organizations started act proactively, and the so-called "new right" group appeared in 2005 and drew more attention from the conservative media. Criticism against from the conservative media and conservative political party to NGOs' activities have been continued. As this situation was going on, some of the existing members and the base of NGO's support shifted to conservative groups or withdrew their support. Under this condition, it is possible to conclude that; while the rest of members and the base of support consolidated within

them, they did not grow any further. It is difficult to expect that increased number of press exposures would result in increasing private donation under this condition.

Thirdly, while the first and second is about short-term reason, the following reasons can be the long-term one: diluted critical mind of the public to society or social issues due to political democratization; continued economic difficulties, routine restructuring processes and high rate of unemployment, spread mammonism due to real-estate speculation, etc. We can infer that these changes could cause citizens' apathy to NGOs' activities, or allowed citizens not to participate in or financially support NGOs even though they sympathize themselves with NGOs.

These three explanations I presumed are not exclusive one another. In other words, all of them may have interacted one another. There may be other explanations, too. But one thing is clear: as mentioned above, the more activities haven't an positive effect on private donation unless this social situation surrounding NGOs will change. In this environment, therefore, the private donation volume would be more greatly affected by internal capacity that means the number of membership and workers. [Table 1.9] supports my conclusion: the value of coefficient estimates of membership and workers variables grew more than 50%.

V. REGRESSION ANALYSIS ON THE EFFECTS OF GOVERNMENT'S SUPPORT TO PRIVATE DONATION

1. Modeling

To know how the government's financial support affects the private donation of NGOs, I conducted cross-section regression analysis, including the amount of government support and its ratio to total revenue as explanatory variables into the model in Chapter 4.

2. Results

According to [Table 1.11], the coefficient estimates of variables of the amount of government's support and its ratio don't show significant value in any equation.

[Table 1.11] Results of OLS Regression Analysis on Private Donation

	2002 (total)		2002 (replied in 2005)		2005	
	1	2	3	4	5	6
SVC	.152 (.438)	.071 (.346)	.222 (.426)	.097 (.354)	-.783** (-2.264)	-.749** (-2.681)
Seoul/Metro	.230 (.814)	.240 (1.627)	-.034 (-.095)	.141 (.774)	-.100 (-.355)	.057 (.305)
ln(Member)	.517*** (3.576)	.284*** (4.003)	.475** (2.760)	.291*** (3.547)	.591*** (4.140)	.450*** (4.320)
ln(Worker)	.309 (1.154)	.313*** (3.368)	.201 (.550)	.312** (2.668)	.223 (1.195)	.434*** (3.396)
ln(News)	.044 (.349)	.110** (2.006)	.181 (1.238)	.122 (1.610)	-.127 (-1.342)	-.057 (-.883)
ln(Gov't support)	-.143 (-.785)		.097 (.439)		.048 (.463)	
Ratio of Gov't support		-.007 (-1.591)		-.004 (-.633)		-.001 (-.193)
Constant	8.413*** (4.666)	8.402*** (23.784)	6.143** (2.728)	8.370*** (20.340)	7.117*** (7.127)	7.997*** (15.275)
Adj R ²	.623	.690	.689	.712	.585	.676
Obs.	38	114	22	75	45	75

Dependent Variable: ln(amount of membership fee and fundraising)

(), t-value, ***: p<.01, **: p<.05, *: p<.1

I tried panel fixed-effect regression analysis based on panel data integrating data surveyed in 2002 and 2005, in order to analyze change between observed values in cross-section due to passage of time. [Table 1.12] reports that the coefficient estimates of variables of the amount of government's support and its ratio don't have significant values.

[Table 1.12] Results of Panel Fixed-effect Regression Analysis on Private Donation

	1	2
SVC	(dropped)	
Seoul/Metro	(dropped)	
ln(Member)	.532 (1.39)	.340*** (2.92)
ln(Worker)	.533 (1.73)	.445** (2.34)
ln(News)	.044 (.40)	-.124** (-2.10)
ln(Gov't support)	.237 (1.86)	
Ratio of Gov't support		.009 (1.20)
Constant	4.203 (1.33)	8.672*** (10.23)
R ² within	.645	.275
between	.543	.544
overall	.579	.547
Number of Obs.	55	128
Number of groups	45	73
sigma_u	.866	.653
sigma_e	.231	.437
rho	.933	.690

Dependent Variable: ln(amount of membership fee and fundraising)

Next time, I tried cross-section regression analysis again, replacing dependent variable of private donation(membership fee + fundraising) with membership fee or (membership fee + advertisement revenue) that show significant relation with government's support in Chapter 3, and replacing explanatory variable of the amount of government's support with dummy variable of government's support, 'NGO receiving government's support = 1, NGO not to receive = 0'. The [Table 1.13], the result of this regression

analysis, shows considerably different feature from that of [Table 1.11] and [Table 1.12].

[Table 1.13] Resultss of OLS Regression Analysis on Membership fee and Revenue from (Membership fee and Advertisement Order) 1.

	D.Variable=ln(membership fee)			D.Variable = ln(membership fee + advertisement revenue)		
	1	2	3	1	2	3
	2002 (total)	2002 (replied in 2005)	2005	2002 (total)	2002 (replied in 2005)	2005
SVC	.090 (.366)	.247 (.908)	-.289 (-1.082)	.086 (.348)	.272 (1.015)	-.574* (-1.955)
Seoul/Metro	.151 (.885)	.098 (.540)	.111 (.634)	.109 (.642)	.072 (.403)	-.082 (-.453)
ln(Member)	.293*** (3.552)	.242*** (2.909)	.259** (2.667)	.285*** (3.446)	.243*** (2.967)	.237** (2.312)
ln(Worker)	.254** (2.359)	.209* (1.875)	.376*** (3.113)	.253** (2.350)	.211* (1.919)	.511*** (4.102)
ln(News)	.138** (2.285)	.168** (2.436)	.033 (.544)	.160** (2.645)	.184*** (2.709)	.047 (.759)
Gov't support	-.270* (-1.711)	-.138 (-.853)	-.374** (-2.617)	-.195 (-1.234)	-.071 (-.444)	-.338** (-2.276)
Constant	7.958*** (19.612)	8.330*** (20.399)	8.825*** (18.080)	7.989*** (19.682)	8.288*** (20.609)	8.906*** (17.180)
Adj R ²	.593	.653	.644	.593	.671	.650
Obs.	99	68	58	99	68	57

(), t-value, ***: p<.01, **: p<.05, *: p<.1

In case of replacing dependent variable of private donation, (membership fee + fundraising), with variable of the amount of membership fee, the coefficient estimate of government's support dummy variable show negative value at .1 significance level in the 1st equation and at .05 in the 3rd equation. It can be interpreted that the government's support have 'crowd-out' effect on the amount of NGO's membership fee.

In case of replacing dependent variable of private donation with (membership fee + advertisement revenue), the coefficient estimate of government's support dummy variable show negative value at .05 significance level in the 3rd equation while didn't show significance value in

the 1st and 2nd equation. It means that government's support had no significant effect on the amount of membership fee and advertisement revenue in 2002, but came to have significant 'crowd-out' effect on it in 2005.

According to [Table 1.13], a NGO receiving government's support, its amount of membership fee and (membership fee + advertisement revenue) decrease by 37.4% and 33.8% respectively compared to those of a NGO not to receive. This result is interpreted to back up the result of descriptive analysis in Section 3.

3. Conclusion on The Effect of Government's Support on Private Donation

we witnessed that change in the volume of government support occurred in the opposite direction with change in the volume of private donation in Section 3, and that government's support has negative effect on the amount of membership fee and (membership fee + advertisement revenue) in this Section.

But, this result is not enough to conclude that government's support have a 'crowd-out' effect on the amount of membership fee and of (membership fee and advertisement revenue). It is because there can be causality issue between government's support and membership fee. We can't know from this result whether government's support crowded out membership fee or the opposite is the case. I failed to find a proper instrumental variable to be able to verify the causality issue. So, I will try to verify, based on the data, that the assumptions are not true that change in the amount of membership fee and advertisement revenue could affect on the amount of government's support.

The first assumption can be that the government could give some more

money to NGOs with smaller amount of membership fee for the cause of helping NGOs with financial difficulty. But according to 'the screening criteria for selecting government's support project' of the plan of non-profit organizations support program published by the Ministry of Government Administration and Home Affairs, the financial state of subscribed organizations isn't included into the criteria.¹⁹⁾

The second assumption is that organizations, which faced decrease in membership fee and/or advertisement revenue, started to get government's support that they didn't before, or made efforts to increase it. It seems plausible, but NGOs' financial difficulty was not caused from decrease in membership fee and advertisement revenue, at least, in the data shown in [Table 1.6] and [Table 1.7].

In case of group 1 that didn't receive government's support in both 2002 and 2005, increase in membership fee and advertisement revenue didn't affect the amount of government's support because they didn't receive it in 2005. Group 2 that didn't receive government's support in 2002 but received in 2005, showed decrease by 1,438 thousand won in membership fee but increase by 524 thousand won in advertisement revenue. 1,438 thousand won accounted for 1.7% of total membership fee and 4.2% of total amount of decrease in total revenue except government's support that they didn't receive in 2002. Meanwhile government's support went up from zero to 42,033 thousand won. So, it seems to be difficult to say that the amount of decrease in membership fee caused such a high increase in government's support.

Group 4 that received government's support in both 2002 and 2005, showed decrease in government's support by 8,154 thousand won while increase in membership fee and advertisement revenue by 8,647 thousand

19) The screening criteria contains screening points as follows; responsibility and specialty, recent record of performance of applicants, creativity, efficiency, appropriateness, feasibility and a ripple effect of the project, appropriateness of budget plan and matching-fund, performance evaluation of project in previous year.

won and 11,366 thousand won respectively. In this case, it seems to be difficult to assert that increase in membership fee and advertisement revenue caused decrease in government's support. This group can be regarded as a group that had received government's support continuously. So, it seems to be irrational to assume that they reduced voluntarily the amount of request for government's support as their membership fee increased, and that the government reduced the amount of support to the NGOs for the reason of increase in their membership fee as we can know in the screening criteria for selecting government's support project mentioned above.

[Table 1.8] that analyze a service group shows considerably different feature from other groups of advocacy NGOs. This group shows decrease in membership fee and advertisement revenue by 71,909 thousand won and 15,945 thousand won respectively while increase in government's support by 173,273 thousand won. In this case, the assumption is possible that considerable decrease in membership fee and advertisement revenue could cause increase in government's support. But the opposite assumption can be possible, too.

So, because feature in [Table 1.13] can be the results distorted by service organizations belonging to this group, I will try another regression analysis based only on advocacy NGOs. [Table 1.14] is the result. The coefficient estimate of government's support dummy variable shows negative value as before, at .05 significance level in the 1st equation and at .1 in the 2nd. I, also, tried panel fixed-effect regression analysis by the same method, but I failed to find significant result.

These analysis results can be thought as the proof that it is difficult to assert that change in membership fee and advertisement revenue caused change in government's support, at least, in advocacy NGOs. Accordingly, it seems to be rational to conclude that change in government's support resulted in change in membership fee and advertisement revenue, in other

word, government's support showed an 'crowd-out' effect on NGOs' membership fee and advertisement revenue, which can be regarded as a form of corporate donation.

[Table 1.14] Results of OLS Regression Analysis on Membership fee and Revenue from (Membership fee and Advertisement Order) 2.

	1	2
Seoul/Metro	.161 (.988)	-.031 (-.182)
ln(Member)	.356*** (3.069)	.262** (2.137)
ln(Worker)	.220 (1.355)	.483*** (2.806)
ln(News)	.001** (2.120)	.001* (1.853)
Gov't support	-.303** (-2.275)	-.246* (-1.751)
Constant	8.353*** (14.549)	8.709*** (14.332)
Adj R ²	.692	.690
Obs.	59	59

Based on the data of advocacy NGOs, 2005

Dependent Variable: ln(amount of membership fee) in the 1st equation & ln(amount of membership fee and advertisement revenue) in the 2nd equation (), t-value, ***: p<.01, **: p<.05, *: p<.1

At this point, what I want to point out is about what the route did government's support have an effect on NGOs' membership fee through. Related to this, almost all existing theories and empirical studies have focused on change in donor's donating act as we know from Chapter 2. But this study didn't take approach like that because of characteristics of the data. This study focuses on change in NGO members' act. From this point of view, this study is experimental trial with limitation to some degree.

I think that 'crowd-out' effect of government's support shown in this study can be explained by using 'cost-benefit analysis' model. To focus on advocacy NGOs, their financial difficulty came mainly from decrease in revenue from business program and project. There were only two alternatives to overcome these financial difficulty for them; first, to increase

membership fee and advertisement revenue; second, to receive more government' support.

In general, NGOs are thought to prefer increase in membership fee to government's support. It is because membership fee can be used to carry out their own mission and goals with their self-determination, and to pay wage or operating costs, while money from the government is strictly controlled in using them; NGOs can't use the money to pay wage and operating costs, and have to report on the details of the expenses and be audited by governmental officials. In addition, membership fee can be generated from members until they will leave, while government's support are unstable because it can be stopped when they are eliminated from competition for support. Furthermore, there have been negative public opinion on government's support. These mean that benefits from membership fee is larger than those from government's support. On the other hand, Costs for increasing government's support is thought to be much lower than those for increasing membership fee. So, we can think that increasing membership fee is an alternative with high costs and high benefits while increasing government's support is an alternative with low costs and low benefits.

We can think, NGOs that could endure this financial difficulty and/or laid stress on long-run financial performance would choose to increase membership fee, while NGOs that couldn't endure and/or attached importance to short-run performance would choose to increase government's support. In order to find what factor would have an influence on their choice, let's compare two groups; group 1 that didn't receive government's support and group 2 that didn't receive in 2002 but received in 2005. To exclude the amount of government's support, membership fee and advertisement revenue, total amount of decrease in revenue of the 1st and 2nd group are 41,205 thousand won and 39,171 thousand won which accounted for 12.8% and 15.4% of total revenue in 2002, respectively. So, two groups were expected to face a similar level of financial difficulty. This

implies that their choice would be more influenced by other factors than by the level of financial difficulty they faced. Concerning this, the fact that 73.9% of group 1 have a principle not to receive government's support can be accepted to imply the importance of organizational principle or growth strategy to deal with financial difficulty.²⁰⁾

In case of the NGOs to adopt the strategy to increase government's support, decrease in membership fee can be explained as follows: government support was given at a cost of carrying out campaign or research project contracted with the government. It doesn't contain wage and operating expense, so NGOs can't employ new workers to be necessary for carrying out the project. NGOs have to put their managerial capacity and human resource into the project. It caused shortage of managerial capacity and human resource to attract and manage members, which, subsequently, resulted membership fee to have decreased. It, also, might result in weakening of incentive for increasing membership fee.

20) According to the 2nd survey conducted in 2006, 17 of 23 organizations belonging to the group answered "We don't receive any form of government support including local governments." on the question, "Does your organization have position of government's support?" 4 of remaining 6, replied 'yes', but 2 of 6 replied 'No' on the question, "Did your organization request the government to support in 2005?". Of the 81 organizations replied in the 2nd survey, 20(24.4%) organizations answered "we don't receive any government's support.", 57(69.5%) answered "We receive government's support in accord with our mission." , and 4(4.9%) said "We have no position about government's support." This question was not included in the 1st survey.

VI. CONCLUSION

We can draw some useful policy implications to NGOs and the government based on these findings.

First, to overcome financial difficulties and enhance financial healthiness and stability, NGOs need to come up with fiscal plan with private donation, especially membership fee on focus. [Tables 1.6] and [Table 1.7] of Chapter 3 showed decrease both in business and project revenue. The government's financial support generally increased in [Tables 1.3] and [Table 1.5] but it would not be stable due to possible changes in political environment and policies. For instance, budget that the Ministry of Government Affairs and Home Affairs allocated to NGOs based on Law on Supporting NPOs has considerably decreased for the last three to four years by efforts of the National Grand Party. Also, under the government's direct support system through projects, society will continue to debate over the financial support to NGOs, which, in turn, will have a negative effect on NGOs

Secondly, as the press reports did not affect the volume of private donation, NGOs should have change their ways to communicate with citizens directly and continuously. This means they have to come up with a strategy to expand private donation based on strengthened internal capacity. Thus, special programs that enable NGOs to directly and continuously communicate with citizens should be developed.

Thirdly, as mentioned in Section 4, alternative growth strategy to overcome negative image on NGOs, to motivate citizens' participation and support, and to expand the base of support should be developed. Enhancing NGOs' social responsibility through inner innovation is the most important keyword in developing alternative growth strategies, I think.

As for the government, the current support policy is needed to be

replaced with a policy that promote citizens' donation and make them choose the NGO to support. The side effects of current system are mentioned above. Therefore, the government should end wasteful social controversy over the government support, improve citizens' trust to NGOs while nurture donation culture and encourage NGOs to increase their private donation through introducing alternative support policy. The best policy would be tax-credit of donation within certain limit. Next, current tax deduction system is needed to be further expanded and criteria should loosen. These measures are expected to lead NGOs to become more responsive to citizens' needs and demands thereby enhancing NGOs' responsibility and helping NGOs to grow in the right way.

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Appendix 1

1.1 Financial State of NGOs (unit: thousand won)

1.1.1 2002(119 replied in 2002)

Location		Total revenue	Member-ship fee	Fundraising	Business Program	Project	Advertisement	Gov't support	Others	
ADVO	Seoul	Mean	633500.00	188204.55	148000.00	72977.27	133636.36	10590.91	37681.82	43772.73
		N	22	22	22	22	22	22	22	22
		S.D	615178.855	266836.701	158208.422	188684.069	162067.753	23331.277	74568.209	100818.522
	metro politan cities	Mean	154046.67	56673.33	34450.00	5066.67	20010.00	666.67	10350.00	7684.33
		N	30	30	30	30	30	30	30	30
		S.D	118320.648	36093.193	49491.265	9808.277	23820.946	2202.402	24833.636	11185.168
	other cities	Mean	78264.44	30344.44	12264.44	8555.56	10624.44	1222.22	8125.58	10764.44
		N	45	45	45	45	45	45	43	45
		S.D	57821.926	19186.756	10455.059	15178.971	12037.690	3611.150	26760.526	26006.618
	Total	Mean	227631.96	74290.72	49911.34	22087.63	41426.80	3175.26	15672.63	17298.25
		N	97	97	97	97	97	97	95	97
		S.D	372084.582	141822.711	95964.935	93232.966	92304.389	11953.042	43599.559	52732.895
SVC	Seoul	Mean	1650666.67	390333.33	182000.00	793333.33	159000.00	57666.67	23333.33	29000.00
		N	3	3	3	3	3	3	3	3
		S.D	1234158.148	245907.164	74645.830	971665.237	153795.319	99016.834	40414.519	34394.767
	metro politan cities	Mean	1372783.33	120000.00	123166.67	823833.33	157833.33	1000.00	46666.67	81500.00
		N	6	6	6	6	6	6	6	6
		S.D	1203321.554	141370.435	109073.217	899573.325	199289.153	2449.490	69761.498	111476.903
	other cities	Mean	568153.85	79692.31	47884.62	268000.00	37500.00	1153.85	67615.38	71884.62
		N	13	13	13	13	13	13	13	13
		S.D	315092.009	93170.439	71410.828	329116.747	32914.029	2794.225	89522.379	149456.816
	Total	Mean	935213.64	133045.45	86704.55	491227.27	86886.36	8818.18	55863.64	68659.09
		N	22	22	22	22	22	22	22	22
		S.D	870510.312	163540.435	94272.737	648059.443	126565.617	36528.705	78451.863	126940.686
Total	Seoul	Mean	755560.00	212460.00	152080.00	159420.00	136680.00	16240.00	35960.00	42000.00
		N	25	25	25	25	25	25	25	25
		S.D	756225.720	268020.441	149975.531	408545.787	158191.529	39205.952	70881.051	94954.814
	metro politan cities	Mean	357169.44	67227.78	49236.11	141527.78	42980.56	722.22	16402.78	19986.94
		N	36	36	36	36	36	36	36	36
		S.D	656233.900	67136.997	69666.603	459839.878	94114.349	2211.801	37344.883	51549.531
	other cities	Mean	188067.24	41405.17	20248.28	66706.90	16648.28	1206.90	21935.71	24463.79
		N	58	58	58	58	58	58	56	58
		S.D	256805.934	50424.272	37181.627	186795.157	21627.259	3422.109	54200.894	76718.443
	Total	Mean	358445.38	85152.94	56713.45	108819.33	49831.09	4218.49	23229.91	26793.53
		N	119	119	119	119	119	119	117	119
		S.D	568844.297	147132.894	96331.016	339502.763	100481.255	18935.287	53882.857	74370.294

1.1.2 2002 (80 replied in both 2002 and 2005)

Location		Total revenue	Member-ship fee	Fundraising	Business Program	Project	Advertisement	Gov't support	Others
ADVO	Mean	736666.67	210972.22	173888.89	86972.22	158222.22	10055.56	43666.67	53222.22
	Seoul N	18	18	18	18	18	18	18	18
	S.D	633191.078	289058.028	164184.935	206802.724	168975.305	23483.341	81108.497	109706.858
	Mean	162125.00	61375.00	36083.33	5875.00	14750.00	833.33	10000.00	8416.67
	metro N	24	24	24	24	24	24	24	24
	politan S.D	129562.244	37414.032	54003.959	10694.625	17818.530	2443.566	26365.326	11732.218
	Mean	87291.67	36375.00	11229.17	9762.50	12854.17	625.00	3363.64	11387.50
	other N	24	24	24	24	24	24	22	24
	cities S.D	43114.084	15539.046	8622.190	10621.832	13561.037	2122.601	11582.193	18344.394
	Total Mean	291606.06	93083.33	64628.79	29406.06	53189.39	3272.73	17187.50	21716.67
N	66	66	66	66	66	66	64	66	
S.D	433488.883	166855.386	112995.850	111938.875	108840.736	12863.240	48584.038	60787.599	
SVC	Mean	1650666.67	390333.33	182000.00	793333.33	159000.00	57666.67	23333.33	29000.00
	Seoul N	3	3	3	3	3	3	3	3
	S.D	1234158.148	245907.164	74645.830	971665.237	153795.319	99016.834	40414.519	34394.767
	Mean	1759233.33	226666.67	118666.67	1126666.67	202333.33	2000.00	16666.67	65333.33
	metro N	3	3	3	3	3	3	3	3
	politan S.D	1157780.533	125288.999	70889.586	966247.035	263279.952	3464.102	28867.513	67062.160
	Mean	727000.00	96875.00	61812.50	354875.00	44062.50	1875.00	75750.00	107312.50
	other N	8	8	8	8	8	8	8	8
	cities S.D	271936.967	105830.643	87547.513	395458.301	39232.309	3440.826	104123.210	184836.016
	Total Mean	1146121.43	187571.43	99750.00	614214.29	102607.14	13857.14	51857.14	81535.71
N	14	14	14	14	14	14	14	14	
S.D	856718.726	180696.394	91032.274	694615.132	142372.504	45610.149	83917.411	142746.206	
Total	Mean	867238.10	236595.24	175047.62	187880.95	158333.33	16857.14	40761.90	49761.90
	Seoul N	21	21	21	21	21	21	21	21
	S.D	774928.378	284964.192	153228.090	441492.693	163202.737	41720.841	76212.141	102097.946
	Mean	339581.48	79740.74	45259.26	130407.41	35592.59	962.96	10740.74	14740.74
	metro N	27	27	27	27	27	27	27	27
	politan S.D	616098.505	72442.865	60547.243	448059.685	96030.548	2518.875	26145.440	28283.717
	Mean	247218.75	51500.00	23875.00	96040.63	20656.25	937.50	22666.67	35368.75
	other N	32	32	32	32	32	32	30	32
	cities S.D	311901.632	58452.076	47760.788	241762.456	25932.741	2513.672	61433.639	98717.582
	Total Mean	441146.25	109618.75	70775.00	131747.50	61837.50	5125.00	23410.26	32185.00
N	80	80	80	80	80	80	78	80	
S.D	618180.877	172003.482	109769.628	373775.642	115929.124	22245.110	57441.203	83165.795	

1.1.3 2005 (80 replied in 2005)

Location		Total revenue	Member-ship fee	Fundraising	Business Program	Project	Advertisement	Gov't support	Others
ADVO	Mean	651072.61	202879.50	160426.06	22053.50	113000.00	41444.44	57333.33	51252.39
	Seoul N	18	18	18	18	18	18	18	18
	S.D	475858.012	257126.114	125923.389	35591.909	163362.462	101760.516	81445.037	77010.262
	metro Mean	185121.46	79304.13	34671.04	10960.87	17652.17	2086.96	18000.00	7291.30
	politan N	24	23	24	23	23	23	24	23
	cities S.D	106433.205	48880.974	31734.969	18374.012	35300.797	5775.442	23466.905	9892.004
	other Mean	119854.50	46319.05	15904.32	11425.00	3590.91	9636.36	15577.18	9135.27
	cities N	22	22	22	22	22	22	22	22
	S.D	80125.014	26581.268	16828.643	26450.987	11794.507	36236.716	28180.755	13628.351
	Total Mean	293734.70	103092.78	63588.58	14292.27	39984.13	15968.25	28229.66	20495.54
SVC	Total N	64	63	64	63	63	63	64	63
	S.D	344838.713	153165.478	92372.806	26993.356	100047.810	59750.008	50926.193	45922.445
	Mean	2167333.33	148000.00	1034000.00	374333.33	266333.33	35000.00	209666.67	100000.00
	Seoul N	3	3	3	3	3	3	3	3
	S.D	799390.601	131730.786	983112.913	326184.508	461302.865	56347.138	113694.034	173205.081
	Mean	1748333.33	645666.67	447666.67	315666.67	142666.67	3333.33	140000.00	53333.33
	metro N	3	3	3	3	3	3	3	3
	politan S.D	1445616.939	765463.476	469372.276	223236.048	137409.364	5773.503	150996.689	92376.043
	cities Mean	963750.00	66875.00	48125.00	550500.00	42000.00	142.86	226875.00	27875.00
	other N	8	8	8	8	8	7	8	8
cities S.D	465865.324	48976.489	101334.577	386780.115	108669.880	377.964	328098.608	26781.857	
Total	Mean	1389785.71	208285.71	345000.00	462428.57	111642.86	8923.08	204571.43	48785.71
	Total N	14	14	14	14	14	13	14	14
	S.D	904192.898	389096.672	595262.450	340768.975	225235.469	27524.115	254431.407	84814.892
	Mean	867681.29	195039.57	285222.33	72379.19	134904.76	40523.81	79095.24	58216.33
	Seoul N	21	21	21	21	21	21	21	21
	S.D	742946.133	241493.870	456339.998	166349.791	216765.058	95523.620	99571.534	91359.299
	metro Mean	358811.67	144653.65	80559.44	46119.23	32076.92	2230.77	31555.56	12603.85
	politan N	27	26	27	26	26	26	27	26
	cities S.D	649156.601	288145.752	187967.385	118910.716	65315.801	5673.149	61380.486	31524.727
	other Mean	344893.30	51800.63	24496.50	155178.33	13833.33	7344.83	71923.27	14132.53
Total	other N	30	30	30	30	30	29	30	30
	cities S.D	448447.012	34294.696	53793.588	308877.220	57005.797	31653.567	188656.396	19459.495
	Mean	490461.81	122218.77	114098.32	95771.60	53012.99	14763.16	59880.74	25639.21
	Total N	78	77	78	77	77	76	78	77
S.D	643849.786	216107.944	280390.394	225223.672	132730.187	55494.112	133005.158	55421.094	

1.2 Financial State of NGOs excluding 3 organizations

(unit: thousand won)

1.2.1 2002 (116 replied in 2002)

Location		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support	Others
ADVO	Mean	633500.00	188204.55	148000.00	72977.27	133636.36	10590.91	37681.82	43772.73
	Seoul N	22	22	22	22	22	22	22	22
	S. D	615178.855	266836.701	158208.422	188684.069	162067.753	23331.277	74568.209	100818.522
	metro Mean	154046.67	56673.33	34450.00	5066.67	20010.00	666.67	10350.00	7684.33
	politan N	30	30	30	30	30	30	30	30
	cities S. D	118320.648	36093.193	49491.265	9808.277	23820.946	2202.402	24833.636	11185.168
	other Mean	80486.67	30344.44	11664.44	8555.56	10624.44	1222.22	8125.58	10764.44
	cities N	45	45	45	45	45	45	43	45
	S. D	58183.368	19186.756	10185.376	15178.971	12037.690	3611.150	26760.526	26006.618
	Total Mean	228662.89	74290.72	49632.99	22087.63	41426.80	3175.26	15672.63	17298.25
N	97	97	97	97	97	97	95	97	
S. D	371693.708	141822.711	96062.398	93232.966	92304.389	11953.042	43599.559	52732.895	
SVC	Mean	3012000.00	650000.00	100000.00	1900000.00	170000.00	172000.00	.00	20000.00
	Seoul N	1	1	1	1	1	1	1	1
	S. D	.	.	.	.	.	.	.	.
	metro Mean	1091800.00	84400.00	130600.00	558600.00	168000.00	1200.00	56000.00	71000.00
	politan N	5	5	5	5	5	5	5	5
	cities S. D	1103558.426	124405.788	120236.434	695647.037	221065.601	2683.282	73688.534	121272.421
	other Mean	568153.85	79692.31	47884.62	268000.00	37500.00	1153.85	67615.38	71884.62
	cities N	13	13	13	13	13	13	13	13
	S. D	315092.009	93170.439	71410.828	329116.747	32914.029	2794.225	89522.379	149456.816
	Total Mean	834578.95	110947.37	72394.74	430368.42	78815.79	10157.89	61000.00	68921.05
N	19	19	19	19	19	19	19	19	
S. D	818450.658	162083.132	89607.877	568637.378	124444.232	39278.582	82430.442	135278.546	
Total	Mean	736913.04	208282.61	145913.04	152413.04	135217.39	17608.70	36043.48	42739.13
	Seoul N	23	23	23	23	23	23	23	23
	S. D	779237.384	277916.061	154894.660	423219.067	158523.000	40648.984	73276.238	98625.194
	metro Mean	288011.43	60634.29	48185.71	84142.86	41151.43	742.86	16871.43	16729.43
	politan N	35	35	35	35	35	35	35	35
	cities S. D	515812.761	55034.951	70393.859	309250.911	94836.901	2240.573	37782.532	48396.955
	other Mean	189791.38	41405.17	19782.76	66706.90	16648.28	1206.90	21935.71	24463.79
	cities N	58	58	58	58	58	58	56	58
	S. D	256119.610	50424.272	37226.387	186795.157	21627.259	3422.109	54200.894	76718.443
	Total Mean	327907.76	80294.83	53361.21	88961.21	47550.86	4318.97	23227.19	25753.71
N	116	116	116	116	116	116	114	116	
S. D	520480.606	145217.652	95035.475	284423.928	98638.318	19169.994	54328.021	74524.457	

1.2.2 2002 (77 replied in both 2002 and 2005)

Location		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertisement	Gov't support	Others
ADVO	Mean	736666.67	210972.22	173888.89	86972.22	158222.22	10055.56	43666.67	53222.22
	Seoul N	18	18	18	18	18	18	18	18
	S. D	633191.078	289058.028	164184.935	206802.724	168975.305	23483.341	81108.497	109706.858
	metro Mean	162125.00	61375.00	36083.33	5875.00	14750.00	833.33	10000.00	8416.67
	politan N	24	24	24	24	24	24	24	24
	cities S. D	129562.244	37414.032	54003.959	10694.625	17818.530	2443.566	26365.326	11732.218
	other Mean	87291.67	36375.00	11229.17	9762.50	12854.17	625.00	3363.64	11387.50
	cities N	24	24	24	24	24	24	22	24
	S. D	43114.084	15539.046	8622.190	10621.832	13561.037	2122.601	11582.193	18344.394
	Total Mean	291606.06	93083.33	64628.79	29406.06	53189.39	3272.73	17187.50	21716.67
	N	66	66	66	66	66	66	64	66
	S. D	433488.883	166855.386	112995.850	111938.875	108840.736	12863.240	48584.038	60787.599
SVC	Mean	3012000.00	650000.00	100000.00	1900000.00	170000.00	172000.00	.00	20000.00
	Seoul N	1	1	1	1	1	1	1	1
	S. D	.	.	.	.	.	.	.	.
	metro Mean	1250000.00	191000.00	135000.00	615000.00	250000.00	3000.00	25000.00	31000.00
	politan N	2	2	2	2	2	2	2	2
	cities S. D	1060660.172	154149.278	91923.882	544472.222	353553.391	4242.641	35355.339	43840.620
	other Mean	727000.00	96875.00	61812.50	354875.00	44062.50	1875.00	75750.00	107312.50
	cities N	8	8	8	8	8	8	8	8
	S. D	271936.967	105830.643	87547.513	395458.301	39232.309	3440.826	104123.210	184836.016
	Total Mean	1029818.18	164272.73	78590.91	542636.36	92954.55	17545.45	59636.36	85500.00
	N	11	11	11	11	11	11	11	11
	S. D	800140.215	193871.654	84366.112	593810.117	144969.041	51327.115	92290.057	159721.476
Total	Mean	856421.05	234078.95	170000.00	182394.74	158842.11	18578.95	41368.42	51473.68
	Seoul N	19	19	19	19	19	19	19	19
	S. D	806931.314	298424.393	160456.986	461947.044	164236.707	43602.135	79457.333	106887.983
	metro Mean	245807.69	71346.15	43692.31	52730.77	32846.15	1000.00	11153.85	10153.85
	politan N	26	26	26	26	26	26	26	26
	cities S. D	384497.492	58984.027	61185.468	198400.112	96844.904	2561.250	26573.208	15529.822
	other Mean	247218.75	51500.00	23875.00	96040.63	20656.25	937.50	22666.67	35368.75
	cities N	32	32	32	32	32	32	30	32
	S. D	311901.632	58452.076	47760.788	241762.456	25932.741	2513.672	61433.639	98717.582
	Total Mean	397064.94	103253.25	66623.38	102724.68	58870.13	5311.69	23413.33	30828.57
	N	77	77	77	77	77	77	75	77
	S. D	559072.666	171421.776	108998.941	299651.352	114425.292	22658.947	58216.068	83795.763

1.2.3 2005 (77 replied in 2005)

Location		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertisement	Gov't support	Others	
ADVO	Mean	651072.61	202879.50	160426.06	22053.50	113000.00	41444.44	57333.33	51252.39	
	N	18	18	18	18	18	18	18	18	
	S. D	475858.012	257126.114	125923.389	35591.909	163362.462	101760.516	81445.037	77010.262	
	metro politan cities	Mean	185121.46	79304.13	34671.04	10960.87	17652.17	2086.96	18000.00	7291.30
	N	24	23	24	23	23	23	24	23	
	S. D	106433.205	48880.974	31734.969	18374.012	35300.797	5775.442	23466.905	9892.004	
	other cities	Mean	119854.50	46319.05	15904.32	11425.00	3590.91	9636.36	15577.18	9135.27
	N	22	22	22	22	22	22	22	22	
	S. D	80125.014	26581.268	16828.643	26450.987	11794.507	36236.716	28180.755	13628.351	
	Total	Mean	293734.70	103092.78	63588.58	14292.27	39984.13	15968.25	28229.66	20495.54
	N	64	63	64	63	63	63	64	63	
	S. D	344838.713	153165.478	92372.806	26993.356	100047.810	59750.008	50926.193	45922.445	
SVC	Mean	2096000.00	67000.00	163000.00	735000.00	799000.00	5000.00	327000.00	.00	
	N	1	1	1	1	1	1	1	1	
	S. D	.	.	.	.	.	.	.	.
	metro politan cities	Mean	940000.00	207000.00	177000.00	187000.00	154000.00	5000.00	210000.00	.00
	N	2	2	2	2	2	2	2	2	
	S. D	509116.882	131521.861	32526.912	18384.776	192333.044	7071.068	127279.221	.000	
	other cities	Mean	963750.00	66875.00	48125.00	550500.00	42000.00	142.86	226875.00	27875.00
	N	8	8	8	8	8	7	8	8	
	S. D	465865.324	48976.489	101334.577	386780.115	108669.880	377.964	328098.608	26781.857	
	Total	Mean	1062363.64	92363.64	82000.00	501181.82	131181.82	1600.00	232909.09	20272.73
	N	11	11	11	11	11	10	11	11	
	S. D	543558.695	81371.092	103310.212	363191.360	251058.885	3339.993	279273.147	25915.597	
Total	Mean	727121.42	195727.95	160561.53	59577.00	149105.26	39526.32	71526.32	48554.89	
	N	19	19	19	19	19	19	19	19	
	S. D	568986.651	251818.580	122376.961	167178.513	223546.141	99246.253	100459.704	75758.543	
	metro politan cities	Mean	243189.04	89519.80	45619.42	25044.00	28560.00	2320.00	32769.23	6708.00
	N	26	25	26	25	25	25	26	25	
	S. D	250739.698	64506.835	49646.757	51956.104	64100.884	5771.482	62264.794	9683.660	
	other cities	Mean	344893.30	51800.63	24496.50	155178.33	13833.33	7344.83	71923.27	14132.53
	N	30	30	30	30	30	29	30	30	
	S. D	448447.012	34294.696	53793.588	308877.220	57005.797	31653.567	188656.396	19459.495	
	Total	Mean	406466.95	101497.91	66288.92	86667.74	53540.54	14000.00	58249.31	20462.42
	N	75	74	75	74	74	73	75	74	
	S. D	464869.626	144382.944	93539.573	221585.312	134916.838	55680.886	134393.829	43394.755	

1.3 Quartile Analysis on NGOs' Total and Each Revenue

(unit: thousand won)

1.3.1 2002 (119 replied in 2002)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	119	119	119	119	119	119	117
	Missing	0	0	0	0	0	0	2
Mean		358445.38	85152.94	56713.45	108819.33	49831.09	4218.49	23229.91
Minimum		10000	0	0	0	0	0	0
Maximum		3012000	982000	605000	2150000	640000	172000	300000
Percentiles	25	70000.00	20000.00	10000.00	.00	.00	.00	.00
	50	130000.00	44000.00	20000.00	5000.00	16000.00	.00	.00
	75	380000.00	80000.00	49000.00	23000.00	45000.00	.00	12750.00

1.3.2 2002 (80 replied in both 2002 and 2005)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	80	80	80	80	80	80	78
	Missing	0	0	0	0	0	0	2
Mean		441146.25	109618.75	70775.00	131747.50	61837.50	5125.00	23410.26
Minimum		27000	8000	0	0	0	0	0
Maximum		3012000	982000	605000	2150000	640000	172000	300000
Percentiles	25	100000.00	30000.00	10000.00	.00	.00	.00	.00
	50	150000.00	55000.00	25000.00	7150.00	20000.00	.00	.00
	75	583750.00	102250.00	68750.00	30750.00	54000.00	.00	10000.00

1.3.3 2005 (80 replied in 2005)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	78	77	78	77	77	76	78
	Missing	2	3	2	3	3	4	2
Mean		490461.81	122218.77	114098.32	95771.60	53012.99	14763.16	59880.74
Minimum		10376	7800	0	0	0	0	0
Maximum		3365000	1523000	2100000	1373000	799000	420000	985000
Percentiles	25	105000.00	34500.00	11500.00	.00	.00	.00	.00
	50	206000.00	67000.00	29000.00	6000.00	.00	.00	9500.00
	75	631250.00	111500.00	95750.00	51650.00	29500.00	750.00	62000.00

1.4 Quartile Analysis on Advocacy NGOs' Total and Each Revenue
(unit: thousand won)

1.4.1 2002 (97 replied in 2002)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	97	97	97	97	97	97	95
	Missing	0	0	0	0	0	0	2
Mean		227631.96	74290.72	49911.34	22087.63	41426.80	3175.26	15672.63
Sum		22080300	7206200	4841400	2142500	4018400	308000	1488900
Percentiles	25	60000.00	20000.00	10000.00	.00	.00	.00	.00
	50	108000.00	40000.00	20000.00	2000.00	11000.00	.00	.00
	75	170000.00	67000.00	41000.00	10000.00	39000.00	.00	10000.00

1.4.2 2002 (66 replied in both 2002 and 2005)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	66	66	66	66	66	66	64
	Missing	0	0	0	0	0	0	2
Mean		291606.06	93083.33	64628.79	29406.06	53189.39	3272.73	17187.50
Sum		19246000	6143500	4265500	1940800	3510500	216000	1100000
Percentiles	25	89000.00	29500.00	10000.00	.00	.00	.00	.00
	50	137000.00	52500.00	21500.00	4500.00	15000.00	.00	.00
	75	252500.00	80000.00	49000.00	15500.00	41250.00	.00	5000.00

1.4.3 2005 (66 replied in 2005)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support
N	Valid	64	63	64	63	63	63	64
	Missing	2	3	2	3	3	3	2
Mean		293734.70	103092.78	63588.58	14292.27	39984.13	15968.25	28229.66
Sum		18799021	6494845	4069669	900413	2519000	1006000	1806698
Percentiles	25	100000.00	32000.00	10500.00	.00	.00	.00	.00
	50	164000.00	65000.00	26900.00	.00	.00	.00	4500.00
	75	309500.00	100000.00	70866.25	15000.00	29000.00	.00	34250.00

1.5 Financial State of Advocacy NGOs according to the Size of City

(unit: thousand won, %)

			Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support	Others
A 2002 (total)	other cities	Mean %	80486.67	30344.44	11664.44	8555.56	10624.44	1222.22	8125.58	10764.44
	Seoul/metro	Mean %	356892.31	112321.15	82490.38	33798.08	68082.69	4865.38	21913.46	22952.50
A' 2002 (replied in 2005)	other cities	Mean %	87291.67	36375.00	11229.17	9762.50	12854.17	625.00	3363.64	11387.50
	Seoul/metro	Mean %	408357.14	125488.10	95142.86	40630.95	76238.10	4785.71	24428.57	27619.05
B 2005	other cities	Mean %	119854.50	46319.05	15904.32	11425.00	3590.91	9636.36	15577.18	9135.27
	Seoul/metro	Mean %	384814.81	133556.73	88566.05	15830.80	59512.20	19365.85	34857.14	26591.29

1.6 Financial State of Advocacy NGOs according to the Size of Revenue
(unit: thousand won, %)

quartile		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support	
2002 (total)	below 60,000	Mean %	40595.83	20270.83 49.9	8812.50 21.7	1775.00 4.3	4125.00 10.1	583.33 1.4	1458.33 3.5
	below 108,000	Mean %	87916.67	37666.67 42.8	15683.33 17.8	10641.67 12.1	14108.33 16.0	1583.33 1.8	4304.35 4.8
	below 165,000	Mean %	137625.00	50716.67 36.8	28729.17 20.8	8979.17 6.5	18825.00 13.6	958.33 0.6	14162.50 10.2
	above 165,001	Mean %	631720.00	183940.00 29.1	141480.00 22.3	65160.00 10.3	125160.00 19.8	9320.00 1.4	42291.67 6.6
2002 (replied in 2005)	below 80,000	Mean %	54875.00	25937.50 47.2	10768.75 19.6	3893.75 7.0	7375.00 13.4	750.00 1.3	1250.00 2.2
	below 134,000	Mean %	110411.76	49352.94 44.6	24129.41 21.8	7970.59 7.2	15411.76 13.9	588.24 0.5	1875.00 1.6
	below 250,000	Mean %	161562.50	60843.75 37.6	22062.50 13.6	13875.00 8.5	22718.75 14.0	812.50 0.5	17600.00 10.8
	above 250,001	Mean %	818000.00	230352.94 28.1	195882.35 23.9	89470.59 10.9	162764.71 19.8	10647.06 1.3	46235.29 5.6
2005	below 100,000	Mean %	71688.50	38022.50 53.0	11176.88 15.5	7209.37 10.0	625.00 0.8	.00 0	5625.00 7.8
	below 162,000	Mean %	127481.25	55412.50 43.4	26625.00 20.8	6956.25 5.4	11062.50 8.6	3062.50 2.4	14125.00 11.0
	below 299,000	Mean %	218375.00	92066.67 42.1	40312.50 18.4	24733.33 11.3	8866.67 4.0	3066.67 1.4	23125.00 10.5
	below	Mean %	757394.06	226180.31 29.8	176239.94 23.2	18922.69 2.4	137437.50 18.1	56937.50 7.5	70043.63 9.2

1.7 Financial State of Advocacy NGOs according to the Number of Media Reports

(unit: thousand won, %)

		Total revenue	Member -ship fee	Fundraising	Business Program	Project	Advertise -ment	Gov't support	
2002 (total)	group1	Mean	68108.33	22325.00	14716.67	6958.33	12858.33	375.00	13391.67
		%		32.7	21.6	10.2	18.8	0.5	19.6
	group2	Mean	121475.00	39091.67	21437.50	5541.67	23575.00	3416.67	11520.83
		%		32.1	17.6	4.5	19.4	2.8	9.4
	group3	Mean	148137.50	57425.00	28958.33	22958.33	23666.67	1583.33	10869.57
		%		38.7	19.5	15.4	15.9	1.0	7.3
	group4	Mean	563000.00	174160.00	130068.00	51660.00	103040.00	7160.00	26708.33
		%		30.9	23.1	9.1	18.3	1.2	4.7
2002 (replied in 2005)	group1	Mean	76062.50	25562.50	11768.75	3331.25	10218.75	562.50	12750.00
				33.6	15.4	4.3	13.4	0.7	16.7
	grpup2	Mean	128823.53	49294.12	31117.65	7411.76	30470.59	58.82	2235.29
				38.2	24.1	5.7	23.6	0.0	1.7
	grpup3	Mean	211250.00	71781.25	41825.00	35500.00	29000.00	1875.00	22142.86
				33.9	19.7	16.8	13.7	0.8	10.4
	group4	Mean	732882.35	220470.59	169352.94	70205.88	139117.65	10352.94	32235.29
				30.0	23.1	9.5	18.9	1.4	4.3
2005	group1	Mean	99215.43	44740.00	18559.29	12739.29	2428.57	285.71	11785.71
				45.0	18.7	12.8	2.4	0.2	11.8
	group2	Mean	166281.35	57541.19	25768.53	8937.50	5312.50	13000.00	26923.41
				34.6	15.4	5.3	3.1	7.8	16.1
	group3	Mean	241201.38	80301.63	55173.38	21328.94	21625.00	2875.00	34937.50
				33.2	22.8	8.8	8.9	1.1	14.4
	group4	Mean	630823.53	215470.59	146411.76	13988.24	120823.53	44000.00	36764.71
				34.1	23.2	2.2	19.1	6.9	5.8

CHAPTER 2

WAGE DETERMINANTS OF NGO-WORKERS

I . INTRODUCTION

1. The Purpose of this Study and Background

Korea's civil society has been rapidly expanding and developing, called "NGOs' renaissance", since 1989 when CCEJ, Korea's first NGO, was established. The 21st century is witnessing NGO's continuous growth in number and booming NGOs are regarded as the fifth power in Korea. However, unlike their glossy shape, the reality of NGOs is frustrating as far as their human resource management is concerned.

By the middle of the 1990s, most activists of NGOs came from the student and labor movements. At that time, the labor market of NGOs had some distinct features different from today.

First of all, there were extensive industrial reserves. Most activists who had been engaged in labor movement in 1980s went out as the initiative of labor movement passed into factory workers in the end of 1980s, and stayed jobless. Those who had worked as student activists in campus didn't jumped into plants to work for labor movement any more. As social supports for NGOs grew in the early 1990s, They started to take part in NGOs, activities as a NGO activists. Second, the wage level of NGOs is nearly zero or covering only the costs for activity. They chose their jobs not because of the wage basis but from

ideological preference. Third, as they already had been well trained and skillful enough to be activists before they worked for NGOs, the human resource development issues did not attract much attention. The primary concern of NGOs on HRD focused on how to recruit more capable people instead of how to educate and train them. Fourth, the recruitment of human resources was conducted through private networks instead of through public recruitment.

This trend has changed since the middle of the 1990s. In particular, the IMF financial crisis pushed NGOs into completely different situation.

First, industrial reserves disappeared. Second, the number of NGOs has rapidly increased, taking advantage of the hospitable environment of the society. Third, as NGOs get comprehensive attention, NGO-activists have emerged as a type of job. While the traditional supply of worker decreased due to the disappearance of industrial reserves, the demand of labor rapidly surged. As a result, the recruitment method of NGOs was transformed into public recruitment. This change, related to the IMF crisis, resulted in the large inflow of inexperienced so called less skilled – workers into NGOs. It highlighted human resource related issues, on which had not been focused in the past. The huge influx of unskilled workers forced NGOs to pay more attention to the necessity of education and training.

Besides the lack of experiences, these new workers have more distinct features than their predecessors in that they have different world views and ways of thinking. Their preferences are unlike their seniors as well. They are interested in socially desirable works and self-realization rather than devotion to ideology. In addition, they had desire for a stable wage level to cover, at least, the cost of living.

On the other hand, NGOs did not address effectively new workers' expectation and demand. Instead of recruiting capable workers by raising the wage level to meet the essential cost of living, they recruited workers who endured low pay. What was worse was that they made little progress in

educating and training them. It is presumed that the high turnover rate of NGO-workers resulted from not meeting their expectation and needs mentioned above. 1)

In recent a few years, the situation concerning NGOs' human resource management got worse. As criticisms against NGOs' activities have rapidly increased, the credibility and reputation of NGOs have been seriously damaged and attraction of NGO activists as a job has decreased. Many leaders of NGOs, especially located in small-medium sized cities, have said that It was ever so much difficult to recruit new workers. However, serious social discussion, not to mention studies, on wages of workers or other HRD issues of NGOs are rarely found.

Among various issues related to human resource development, this essay focuses on the wage level of NGO workers, the gap between private sectors, and especially what factors have and effects on the wage level of NGO-workers.

2. Research Method and Frame

This study first explores the existing theoretical and empirical literature on the level of wages of non-profit organizations. Since Korean literature on the issue have not been found, this paper mainly depends on articles in foreign journals, which provide various theoretical and empirical methods and results.

For an empirical analysis on NGOs' human resource management, the same nationwide field survey was conducted in 120 organizations and their workers twice. They belong to Solidarity Network, a representative network of Korea's NGOs.

The first survey on the state of NGOs and their workers in 2002 was

1) In this survey, the turnover rate of NGO-workers is 9.7 times as high as that of the private sector in 2002. The turnover rates of NGO-workers in 2001, 2002 and 2005 was 17.9%, 24.3%, and 19.5% respectively.

conducted from March to April of 2003.²⁾ The survey on organizations was carried out through interviews with managers of the organizations. The survey on individual workers was conducted by visiting each organization, distributing a questionnaire at random, and collecting them. 120 organizations and their 344 workers replied to the questionnaires. The second survey on the state of NGOs and their workers in 2005 conducted from June to July of 2006, was carried out through interviews, e-mails and telephones with managers of the organizations and workers. among 120 organizations, 81 organizations and their 224 workers replied to the second questionnaires.

This paper includes descriptive analysis on NGO-workers' wage and an analysis of explanatory variables influencing the level of wages through a regression with the data set from the field surveys.

The content of the paper is as follows: In Chapter 2, introduces foreign theories and empirical studies on the wage level of non-profit organizations and the wage gap between profit and non-profit organizations. In Chapter 3, analyzes the wage level of NGO-workers, and wage difference between different types of organizations and wage gap of workers between non-profit and for-profit sector. In Chapter 4, I will try regression analysis to understand what factors influence the wage level of NGO workers. The final chapter sums up the result of empirical analysis and discusses desirable policy suggestions on wage issues to NGOs and the government.

2) This survey was carried out by Yoon Soonchul(2003).

II . LITERATURE REVIEW ON NPO-WOKER'S WAGE

The western empirical studies on the wage-level of workers in non-profit organizations have focused on explanatory variables of wage difference between the non-profit sector and the profit one. Traditionally, workers in non-profit organizations are seen as receiving lower wages than workers in the profit sector. Until the middle of the 1980s, empirical studies on this issue also supported this.³⁾

However, more precise later empirical studies show that the wage level of workers in non-profit organizations is not always low when we consider that of workers in the profit sector. Preston argues that, even though the wage level of workers in non-profit organizations is low, the wage difference between the non-profit and profit sector is negligible. Furthermore, the wages in the non-profit field are even higher than those in the profit one when we consider those in industrial areas in which the two fields produce similar social benefits. In reality, after studying the day care industry that produces little different social benefits between profit and non-profit organizations, he argues that the wage difference is not significant, especially in the areas exposed to a very competitive market with no entry barriers because of no government subsidy. What is more significant is that the wage level of workers in non-profit organizations is even higher when they occur in a less-competitive market due to entry barriers produced by a government subsidy.⁴⁾ Laura Leete, after the analysis of the 1990 Census data, points out that the standard earning equation format on a wage difference between profit and non-profit areas shows zero or even a positive number.⁵⁾

3) Philip H. Mervis and Edward J. Hackett show that average wage of nonprofit workers is significantly lower than that of for-profit workers by using the Quality of Employment Survey Data, in their paper "Work and Workforce Characteristics in the Nonprofit Sector". Preston(1985) estimated wage differential of nonprofit workers at -0.15 by using small sample of nonprofit and for-profit workers.

4) Anne E. Preston, Compensation Differentials in the Nonprofit Sector: An Application to the Day Care Industry, PONPO Working Paper No.99, Yale University, 1985.

5) Laura Leete, Whither the Nonprofit Wage Differential? Estimates from the 1990 Census, Journal of Labor Economics, Vol.19, Issue 1, 2001,

The mainstream explanation on the wage difference of workers in non-profit organizations despite positive or negative numbers divided into four groups.

First, according to labor-donation model, this says that workers of non-profit organizations are willing to endure a low wage level because they find utility from the products whose nature is different from that of their counterpart, namely profit organizations.⁶⁾ According to Preston's labor-donation model, non-profit organizations generate private as well as public benefits. In relation to the labor market, workers derive utility from wage and external social benefits produced by non-profit organizations. The workers who have a positive utility of producing social benefits are willing to trade off wages for social benefits on the given indifference curve. This trade-off corresponds to labor donation showing positive relations with social benefits. As workers have various preferences, each non-profit organization faces diverse potential labor pools. If the pools which consist of those who derive utility from social benefits are not as small as, at least, the needed number of non-profit organizations, the minimum wage of NGOs to hire workers becomes to low compared to profit organizations. In addition, since labor donation increases in proportion to social benefits, if other terms are the same, organizations providing more social benefits can offer lower wages.⁷⁾

Second, the wage difference of workers in non-profit organizations stem from distinct features of companies, workers, and jobs between the non-profit and profit sector, which are various, observable, or impossible. In this theory, the wages of the non-profit sector may be higher or lower than the profit sector according to different aspects of concentration. Such instances are 1) service areas of non-profit organizations focus on labor-intensive industries; 2) the high employment ratio of women and minor ethnic groups to the total. On

6) The labor-donation model was asserted by Hansmann(1980), Preston(1989), Rose-Ackerman(1996), Frank(1996).

7) Anne E. Preston, The Nonprofit Worker in a For-Profit World, *Journal of Labor Economics*, Vol. 7, Issue 4, 1989, pp 438-443.

the contrary, the wage level of non-profit organizations in competitive industrial areas is higher than the other due to the large size of non-profit organizations.⁸⁾ In line with this argument, some scholars interpret the wage difference of non-profit areas as an inter-industry phenomenon. According to them, such a wage difference disappears in narrowly defined industries or same industrial areas.⁹⁾

Third, the wage differentials is derived from two peculiar aspects of non-profit organizations - non-distribution constraints and non-surplus accumulation constraints. Due to these constraints, the management level of non-profit organizations is less exposed to the pressure of cost minimization. As a result, they have some discretionary power in that they attribute profits to other places in the organization. When managers of NGOs obtain benefits by paying high wages to workers and themselves, part of the profits can be used in raising a wage level higher than the level of the market.

Finally, government policies such as tax deduction, subsidy, or regulation immunity produce rents. These rents can increase wages through retribution of the part of profits to workers under the non-distribution constraints.¹⁰⁾

8) Rose-Ackerman, Susan, Altruism, Nonprofits, and Economic Theory, *Journal of Economic Literature* 34 (June 1996). 701-728.

9) The empirical evidence to support this opinion are weak. Weisbrod(1983) compares labor-market experiences of for-profit lawyers and public interest lawyers. Using multivariate statistical analysis, he finds that nonprofit lawyers earn up to 20% less than do for-profit lawyers. This shows that there is wage differential between the two sectors in the same industry,

10) This was asserted by Feldstein(1971), Shackett and Trapani(1987), Borjas, Frech, and Ginsburg(1983), and Preston(1989).

III. THE STATE NGO-WORKER'S WAGE LEVEL & ITS CHARACTERISTICS

1. Basic Characteristics of the Sample

344 NGO workers working in 2002 show the following features: 32.25 years old on average; 4.6 years of average working experience at NGOs, 3.3 years of average working experience at current NGOs, and 893 thousand won of average monthly wages. According to the region, among 344 samples, 146 (42.4%) belong to Seoul, 89 (25.9%) to six metropolitan cities, and 109 (31.7%) to small-medium sized cities. From the perspective of gender distribution, male workers total 164 (48.0%) and female ones total 178 (52.0%) among 342 except missing values. The education indicator shows workers have strong school backgrounds: 20 are less than high school graduates, 19 (5.5%) are two-year college graduates, and 248 (72.1%) are four-year college graduates, and 57 (16.6%) are graduate school graduates.

224 NGO workers working in 2005 show the following features: 34.43 years old on average; 5.42 years of average working experience at NGOs, 4.05 years of average working experience at current NGOs, and 1,905 thousand won of average monthly wages. Compared to those in 2002, average age of workers goes up by 1.18 year, average work experience in NGO sector increased by 0.82 years, average continuous service at current organizations grew by 0.75 years, and average monthly wages rose by 202 thousand won.

According to the region, among 224 samples, 74 (33.0%) belong to Seoul, 78 (34.8%) to six metropolitan cities, and 72 (32.1%) to small-medium sized cities. From the perspective of gender distribution, male workers total 98 (43.8%) and female ones total 125 (55.8%) among 223 except missing values. The ratio of female workers to total workers increased by 3.8%. The level of education is shown as follow: 13 (5.8%) are less than high school graduates, 13 (5.8%) are

two-year college graduates, and 150 (67.0%) are four-year college graduates, and 48 (21.4%) are graduate school graduates.

2. The State of NGO-workers' wage level and Its Characteristics¹¹⁾

According to [Table 2.1], Korean NGOs' workers received 893,023 won on average in 2002: 735,897 won to those between the age of 25 to 29, 881,600 won to those 30 to 34, 1,002,410 won to those 35 to 39, and 1,062,500 won to those 40 to 44. What is important is that the gap between adjoined age-groups decreases as the workers' ages go up. While the average-wage gap between the 25-29 and 30-34 age group is 145,703 won, the gap between the 30-34 and 35-39 age group is 120,810 won, and the gap between the 35-39 and 40-44 age group is 60,090 won.

[Table 2.1] shows that workers of service NGOs receives more wage than those of advocacy NGOs: 127,545 won (17.7%) in case of 25-29 age group, 130,229 won (15.0%) in 30-34 age group, 263,280 won (27.7%) in 35-39 age group. Those who live in Seoul and 6 metropolitan cities receive more salary than workers in small-medium sized cities.

In terms of gender, there are no significant wage gap between female and male workers belonging to 25-29 and 30-34 age group. But female workers of the 35-39 and 40-44 age group receives significantly lower salaries compared with male workers belonging to the same groups. Average wage level of female workers of the 35-39 age group is lower than that of younger female workers of the 30-34 age group. And female workers of 40-44 age group receive no more than 20,000 won compared with those of the 30-34 age group. It looks strange, so additional analysis seems to be needed.¹²⁾

11) These values are calculated from average values of wage groups from 600,000 won to 1,800,000 won in blocks of 200,000 won, and the average values of 'below-600,000 won' and 'over-1,800,000 won' group are set 500,000 and 1,900,000 won, respectively. The wage level is surveyed by unit of 10 thousand won in 2005.

[Table 2.1] Wage level of NGO workers in 2002 and 2005(unit: won)

Year	Age	Total	Type of NGO		Size of city		Gender	
			Service	Advocacy	Seoul & Metropolitan	other cities	Male	Female
2002 (overall)	(25 - 29)	735,897 (78)	845,455 (11)	717,910 (67)	744,000 (50)	721,429 (28)	735,294 (17)	735,484 (62)
	(30 - 34)	881,600 (125)	994,118 (17)	863,889 (108)	901,087 (92)	827,273 (33)	879,710 (69)	884,483 (58)
	(35 - 39)	1,002,410 (83)	1,211,765 (17)	948,485 (66)	1,079,245 (53)	866,667 (30)	1,088,462 (52)	858,065 (31)
	(40 - 44)	1,062,500 (32)	1,340,000 (5)	1,011,111 (27)	1,073,913 (23)	1,033,333 (9)	1,170,000 (20)	900,000 (11)
2002 (replied in 2005)	(25 - 29)	733,333 (66)	863,636 (11)	707,273 (55)	743,478 (46)	710,000 (20)	730,769 (13)	733,962 (53)
	(30 - 34)	900,917 (109)	977,778 (18)	885,714 (91)	908,235 (85)	875,000 (24)	906,780 (59)	889,796 (49)
	(35 - 39)	1,052,459 (61)	1,218,182 (11)	1,016,000 (50)	1,066,667 (45)	1,012,500 (16)	1,123,810 (42)	894,737 (19)
	(40 - 44)	1,073,913 (23)	1,200,000 (4)	1,047,368 (19)	1,061,905 (21)	1,200,000 (2)	1,216,667 (12)	940,000 (10)
2005 (overall)	(25 - 29)	961,025 (40)	1,145,667 (9)	907,419 (31)	972,793 (29)	930,000 (11)	900,000 (4)	967,806 (36)
	(30 - 34)	1,014,068 (59)	1,186,364 (11)	974,583 (48)	1,030,000 (40)	980,526 (19)	1,036,897 (29)	997,586 (29)
	(35 - 39)	1,240,299 (67)	1,532,143 (14)	1,163,208 (53)	1,246,000 (50)	1,223,529 (17)	1,297,368 (38)	1,165,517 (29)
	(40 - 44)	1,297,000 (30)	1,650,000 (2)	1,271,786 (28)	1,400,625 (16)	1,178,571 (14)	1,411,111 (18)	1,125,833 (12)

(), No. of Obs.

The result of analysis only on workers who are belonging to organizations that replied to the surveys in 2002 and 2005, is shown to be similar to that on workers of total organizations except that their wage level is slightly higher than that of total NGOs.

In 2005, NGO workers are shown to receive 1,905 thousand won on

12) The wage differential between male and female workers is presumed to be because the status of female workers is lower than those of male workers. The OLS estimates in chapter 4, shows that the coefficient estimate of male-worker dummy variable doesn't show significant values in all equations in case of controlling status variables, but shows significant values significant positive values in case of excluding status variables. The result of the latter OLS regression analysis is not attached to this paper.

average: 961,025 won to 25-29 age group, 1,014,068 won to 30-34, 1,240,299 won to 35-39, and 1,297,000 won to 40-44. Wage difference between service and advocacy NGO enlarged. Wage gap between two groups is shown to be 238,248 won (26.2%) to 25-29 age group, 211,781 (21.7%) to 30-34, 368,935 (31.7%) to 35-39. Wage gap between workers in Seoul or metropolitan cities and those in other cities is shown to become close except the 40-44 age group that shows wide gap of 222,054 won (18.8%). In terms of gender, wage gap is observed newly in 30-34 age group that didn't show it in 2002, and other age groups show wage gaps still, which became close compared to those in 2002.

[Table 2.2] shows the state of wage increase of workers in the organizations that replied to the first and second survey. According the table, 25-29 age group shows the highest wage increasing rate of 31.0%, and 40-44 group shows 20.7%, 35-39 and 30-34 age groups show 17.8% and 12.5%, respectively. Considering increase in consumer price which went up 10.27% during this period, the increasing rates of real income of workers are shown to be 18.7%, 1.9%, 6.7% and 9.7%, ordered by ascending age groups.¹³⁾

[Table 2.2] The State of Increase in NGO-workers's Wage
(unit: won, %)

Age	2002*	nominal wage		real wage	
		2005	increasing rate(%)	2005	increasing rate(%)
25 - 29	733,333 (66)	961,025 (40)	31.0	870,698	18.7
30 - 34	900,917 (109)	1,014,068 (59)	12.5	918,746	1.9
35 - 39	1,052,459 (61)	1,240,299 (67)	17.8	1,123,711	6.7
40 - 44	1,073,913 (23)	1,297,000 (30)	20.7	1,175,082	9.4

(), No. of Obs.

13) Korea National Statistical Office, According to Main Economic Index, the increasing rate of consumers' price is 3.5%(2003), 3.6%(2004) and 2.8%(2005)

[Table 2.3] shows the state of wage increase in NGO sector classified by service and advocacy NGO. The increasing rate of wage in service group is higher than that in advocacy group in all age groups. This table, also, shows that the wage increasing rate of the youngest group is the highest of all, regardless of the organizational type.

[Table 2.3] The State of Wage Increase in Service and Advocacy NGOs

(unit: won, %)

Age	Service Group				Advocacy Group			
	2002*	2005년	amount of increase	increasing rate	2002*	2005	amount of increase	increasing rate
25-29	863,636 (11)	1,145,667 (9)	282,031	32.6	707,273 (55)	907,419 (31)	200,146	28.2
30-34	977,778 (18)	1,186,364 (11)	208,586	21.3	885,714 (91)	974,583 (48)	88,869	10.0
35-39	1,218,182 (11)	1,532,143 (14)	313,961	25.7	1,016,000 (50)	1,163,208 (53)	147,208	14.4
40-44	1,200,000 (4)	1,650,000 (2)	-	-	1,047,368 (19)	1,271,786 (28)	224,418	21.4

[Table 2.4] shows the wage increase of workers classified by the size of cities where they lives. Two groups show similar level of increasing rate except the gap of 4.0% in 35-39 age group. This table, also, shows that the wage of the youngest workers rose the highest of all regardless of the size of the cities.

According to [Table 2.5], which analyze the state of wage increase of male and female workers, the wage of female increased higher than that of male workers in all groups except 30-34 age group.

[Table 4.4] The State of Wage Increase of NGO workers, According to the Size of City (unit: won, %)

Age	Seoul & 6 metropolitan cities				small-medium sized cities			
	2002	2005	amount of increase	increasing rate	2002	2005	amount of increase	increasing rate
25-29	743,478 (46)	972,793 (29)	229,315	30.8	710,000 (20)	930,000 (11)	220,000	30.9
30-34	908,235 (85)	1,030,000 (40)	121,765	13.4	875,000 (24)	980,526 (19)	105,526	12.0
35-39	1,066,667 (45)	1,246,000 (50)	179,333	16.8	1,012,500 (16)	1,223,529 (17)	211,029	20.8
40-44	1,061,905 (21)	1,400,625 (16)	338,720	31.8	1,200,000 (2)	1,178,571 (14)	-	-

[Table 2.5] The State of Wage Increase of Male and Female Workers (unit: won, %)

Age	Male				Female			
	2002	2005	amount of increase	increasing rate	2002	2005	amount of increase	increasing rate
25-29	730,769 (13)	900,000 (4)	169,231	23.1	733,962 (53)	967,806 (36)	233,844	31.8
30-34	906,780 (59)	1,036,897 (29)	130,117	14.3	889,796 (49)	997,586 (29)	107,790	12.1
35-39	1,123,810 (42)	1,297,368 (38)	173,558	15.4	894,737 (19)	1,165,517 (29)	270,780	30.2
40-44	1,216,667 (12)	1,411,111 (18)	194,444	15.9	940,000 (10)	1,125,833 (12)	185,833	19.7

What is an unprecedented phenomenon in the results of the analysis, is that the wage increasing rate of the youngest age group is the highest of all groups regardless differences in characteristics of organizations. According to [Table 2.2], the increasing rate of this group is 31.0%, about two times as high as those of 30-34 and 35-39 age group. This

phenomenon can be presumed to be related to worsening of NGO-labor shortage. Labor shortage, which occurred from the middle of 1990s in NGO sector, is shown to have worsened for recent a few years. As we can see the result of analysis that average total revenue of NGOs have not increased during this period, NGOs would have serious financial restriction to raise worker's wage up to the level that meets the expectations of all workers.¹⁴⁾ This phenomenon is assumed to be the result that NGOs raised the increasing rate of wage of younger workers higher than that of older workers in order to attract new workers, and to provide young workers with more incentive for continuous service.

3. Wage Gap Between NGO- and For-profit Workers

According to the [Table 2.6], the wage level of NGO-workers who graduated from university is much lower than that of for-profit workers in Korea. Their wage level is just 41.7% to 53.1% of that of for-profit workers, and the gap of wage level between the two sectors increases as workers' age increases.

On the basis of the wage level of NGO-workers who are age 35 to 39, and can be expected to have a family of four, their wage level is just above the minimum living costs, calculated on the basis of a household of 4 members, by the Ministry of Health and Welfare in 2002, 990 thousand won.

[Table 2.7] reports that wage level of NGO-workers has been kept the similar gap with that of for-profit workers in 2005. Compared to that of 2002, wage gap of only 25-29 age group narrows by 3.8%, and those of other groups don't show significant changes.

14) Byung-Ok Park, A Study on NGOs' Financing and the Effects of Government's Support on It, A Thesis for the degree of Ph.D, KDI School of Public Policy and Management, 2007.

[Table 2.6] wage level of NGO- and for-profit workers graduating from university, in 2002.

Age	Gender	Wage of NGO sector (A)*	Wage of NGO sector (A')*	Wage of for-profit (B)**	A/B (%)	A'/B (%)	No. of Obs.	
							A	A'
25 - 29	Total	736,111	736,667	1,386,892	53.0	53.1	72	60
	M	726,667	733,333	1,417,555	51.2	51.7	15	12
	F	738,597	737,500	1,331,549	55.4	55.3	57	48
30 - 34	Total	888,889	904,951	1,858,971	47.8	48.6	116	100
	M	879,105	906,780	1,880,363	46.7	48.2	67	59
	F	897,959	897,561	1,744,886	51.4	51.4	49	41
35 - 39	Total	1,001,351	1,055,357	2,256,062	44.3	46.7	74	56
	M	1,087,234	1,120,513	2,313,459	46.9	48.4	47	39
	F	851,852	905,882	1,848,386	46.0	49.0	27	17
40 - 44	Total	1,046,154	1,055,556	2,530,313	41.3	41.7	25	17
	M	1,150,000	1,188,889	2,582,413	44.5	46.0	16	9
	F	900,000	950,000	2,095,572	42.9	45.3	9	8

*. Data A and A'. calculating mean value by taking medium values of categories

A. total workers belonging to NGOs that replied in 2003

A'. only workers belonging to NGOs that replied in 2003, and 2006

**.. MOL, Basic Statistical Research on Wage Structure, 2002.

[Table 2.7] wage level of NGO- and for-profit workers graduating from university, in 2005. (unit: won, %)

Age	Gender	Wage of NGO sector (A)*	Wage of for-profit (B)**	A/B(%)	No. of Obs. of A
25 - 29	Total	970,029	1,702,523	56.9	35
	M	900,000	1,727,579	52.0	4
	F	979,065	1,663,745	58.8	31
30 - 34	Total	1,026,852	2,224,732	46.1	53
	M	1,035,926	2,267,211	45.6	27
	F	1,025,000	2,054,583	49.8	26
35 - 39	Total	1,251,967	2,715,752	46.1	61
	M	1,307,714	2,774,371	47.1	35
	F	1,176,923	2,301,379	51.1	26
40 - 44	Total	1,320,400	3,069,025	43.0	25
	M	1,453,333	3,143,902	46.2	15
	F	1,121,000	2,460,587	45.5	10

*. surveyed by unit of 10 thousand won

**.. MOL, Basic Statistical Research on Wage Structure, 2005.

IV. REGRESSION ANALYSIS ON WAGE DETERMINANTS OF NGO WORKERS

In this chapter, using surveyed data of 2002 and 2005, I will try regression analysis on factors which influence wage differentials over organizations and individuals.¹⁵⁾ In order to take individual and organization-related variables into consideration simultaneously, I integrated organizational observations with individual observations.

1. Modeling

I will make a regression model by adding some other organizational characteristics such as service NGO, the size of cities where NGO located and women's organization which show wage gap with the opposite type of NGO to variables which are used in standard wage equation model. And I will include NGO's annual total revenue as a variable to show the size of NGO into explanatory variables.

Wage = f(Age, Carrier, Tenure, SCH, Gender, Marriage, Family, Status, SVC, Seoul/Metro, W-org, Revenue)

Where, Carrier = years of service in NGO sector

Tenure = years of tenure

SCH = years of schooling

Family = number of family to support

Status1 = dummy variable(1 = workers over manager)

Status2 = dummy variable(1 = workers over director)¹⁶⁾

15) Samples of organizations which replied in the 1st and 2nd surveys are analyzed. So, Samples of organization that replied only in the 1st surveys are excluded from this analysis.

16) NGO has the class of worker's position such as secretary general - director(in case of big organization) - manager - mere staff, in general.

SVC = Service NGO dummy variable

Seoul/Metro = NGOs where located in Seoul and 6 metropolitan cities

W-org = Women's organization

Revenue = annual total revenue of NGO

Additionally, I will add each annual revenue from membership fees, fundraising, service-related program(business program + research project + advertisement rates) and their ratios to annual total revenue as independent variables in order to analyze what effects do they have on wage level of workers.¹⁷⁾

2. Results of Analysis

[Table 2.8] reports the results of OLS regression analysis on the wage level of NGO workers in 2002. The coefficient estimates of age and square of age variable show stable positive and negative values at .01 significance level in all equations, respectively. On the other hand, the coefficient estimates of schooling years and its square variable show significant negative and positive values at .1 significance level in all equations respectively. The coefficient estimate of carrier variable has an significant positive value, at least, at .1 significance level in all equations except the fifth equation. Increase by one year in Carrier is observed to increase the wage level by 3.3%(.05 significance level) in the 1st equation excluding organization-related variables, and increase the wage level by 2.2 to 2.7% in 2nd, 3rd and fourth equations that control organization-related variables. Wage differential by gender isn't shown, and a married worker is shown to receive more wage than a single by 10.6 to 11.6% at .01 significance level in 1st, 2nd and 3rd equations. In all equations including organization-related

17) service-related revenue is composed of each revenue from business program, research project and advertisement rates. These types of revenue have the same characteristic as the compensation for providing service and goods. Because of small number of NGOs generating revenue from each source, these variables are integrated into one variables.

variables, a staff over manager receives more wage by 6.3 to 8.7% than that of a mere worker, and a staff over director gets more by 7.7 to 9.4% than that of a staff below manager, at least, at .1 significance level.

Concerning organization-related variables, the 2nd and 3rd equation show that there are significant wage differential of 13.9 to 20.4% at .01 significance level between service and advocacy NGO, and of 11.5 to 13.6% at .05 significance level between women's and other organization, and of 6.0 to 11.3% at .1 significance level between Seoul/metropolitan cities and other small-medium sized cities.

From the fourth and fifth equations, we can know that increase of 10% in annual revenue cause worker's wage to rise by 0.47 to 0.6% at .01 significance level, and that the increase by 10% in the ratio of membership fee to total revenue results in increase by 2.54% in wage at .01 significance level.¹⁸⁾ Taking the fact that the ratio of membership fee shows the level of financial healthiness and stability of NGO to consideration, this results can be interpreted that NGO's financial healthiness and stability have positive effect on the wage level of its workers.

According to [Table 2.9], increase of 10% in membership fee, fundraising and service-related revenues cause worker's wage to rise by 0.5%(.01 significance level), 0.46%(.01 significance level) and 0.18%(.1 significance level), respectively.

On the other hand, we can know from [Table 2.8] and [Table 2.9] that the amount of government's financial support and its ratio to total revenue have no significant effect on worker's wage. From this result, we can't find the proof to verify the hypothesis mentioned in chapter 2 that government policies such as tax deduction, subsidy, or regulation immunity produce rents, which can increase wages through retribution of the part of rents to workers under the non-distribution constraints.

18) In case of including the ratios of fundraising and service-related revenue as explanatory variables, the coefficient estimates of these variables don't show any significant values.

[Table 2.10] that reports results of OLS regression analysis on wage level of NGO-workers in 2005, shows different features in many aspects from that of [Table 2.8].

At first, we can find changes in age, square of age, schooling years and its square variables. The coefficient estimate of age variable that shows stable positive values in [Table 2.8], doesn't show any significant values in all equations except the fourth equation. And the coefficient estimate of square of age variable that shows stable negative values in [Table 2.8] shows positive values, at least, at .1 significance level in all equations except the 1st equation excluding organization-related variables from explanatory variables. The coefficient estimate of schooling years variable that shows stable negative values in [Table 2.8] shows positive values, at least, at .1 significance level in all equations, while the coefficient estimate of square of schooling years variable that has stable positive values in all equations in [Table 2.8] shows significant negative value at .1 significance level only in the 2nd equation.

We can think of changes in the values of the coefficient estimates of age and its square variable in connection with the results of analysis in chapter 3 that wage of the youngest worker's group goes up the highest of all groups in this period. And changes in the values of the coefficient estimates of schooling years and its square variable can be thought in connection with the fact that the level of a worker's schooling goes higher as a worker is older in this period.¹⁹⁾

19) Changes in schooling years of NGO workers in 2002 and 2005

Age	2002	2005	Change
25 - 29	15.88 (66)	15.75 (40)	-.13
30 - 34	16.26 (109)	16.14 (59)	-.12
35 - 39	16.00 (61)	16.34 (67)	.34
40 -	15.84 (29)	16.38 (39)	.54
Total	16.03 (274)	16.17 (208)	

(), No. of Obs.

The second is about changes in the values of the coefficient estimates of career and tenure variable. The coefficient estimate of career variable shows higher positive values, at least, at .1 significance level in the 2nd and 3rd equations containing organization-related variables than those in 2002. While increase of one year in career brings increase in wage by 2.2 to 2.7% in 2002, it causes increase in wage by 3.2 to 3.6% in 2005. And the coefficient estimates of tenure and its square variable that don't show any significant values in 2002 show significant positive and negative values, at least, at .1 significance level, respectively, in the 1st, 2nd and 3rd equations. Because wage goes up as tenure is longer, we can presume from this result that NGOs increased the incentive for continuous service and for workers with careers in NGO sector.

Thirdly, we can see changes in the values of the coefficient estimates of marriage, status variables. The coefficient estimate of marriage dummy variable that shows significant positive values, at least, at .05 significance level in 2002, doesn't show any significant values in all equations except the 1st equation that doesn't control any organization-related variables. The coefficient estimates of status1 and status2 variables fails to show any significant values while they showed positive values, at least, at .1 significance level in all equations in 2002. This result implies that there have been changes in terms of the wage arrangement criteria.

The fourth change is that the value of the coefficient estimate of annual total revenue increased and those of organization-related variables became insignificant. I will compare the 2nd and 3rd equations in [Table 2.8] to those in [Table 2.10]. In case of [Table 2.8], the coefficient estimates of organization-related variables such as service, Seoul/Metro and Women's organization have significant values in the 3rd equations controlling total revenue variable even though their values become smaller. But, they don't show any significant values in 3rd equations controlling total revenue variable while they show significant values at .01 significance level in the 2nd equations not containing total revenue variable in [Table 2.8]. On the other hand, the value of the coefficient estimate of total revenue variable is shown to almost double in 2005, compared to that in

2002. It seems to be because these three variables are correlated to total revenue variable, and influence of total revenue variable on wage level increased while influence of organization-related variables on it decreased.

Finally, we can see some changes in the values of the coefficient estimates of each revenue from membership fee, fundraising, service-related business and government's support and their ratios to total revenue variables from [Table 2.9] and [Table 2.11]. The coefficient estimates of membership fee and fundraising variable have positive values at .01 significance level in both years, but their values become larger in 2005. Increase in the amount of membership fee and fundraising by 10% cause increase in wage by 0.82% and 0.63%, respectively, in 2005 while by 0.5% and 0.46% in 2002, respectively. But, the coefficient estimate of revenue from service-related business variable doesn't show significant value in 2005 while it shows positive value at .1 significance level in 2005. We can think of this phenomenon in connection with the result of analysis in chapter 3, that revenues of NGOs from research project and business program dramatically decreased while wage of workers increased in this period.²⁰⁾

The analysis result indicates that the wage system had changed during this period.

According the 2nd survey, 67.5% of NGOs adopted wage tier system, 15% adopted annual wage system, and 17.5% had no specific system, in 2005. As a question regarding wage system was not asked in 2002 survey, it is hard to make comparative analysis.

At firms, however, annual wage system was introduced since IMF-led bailout program in Korea meaning that few or very small number of NGOs adopted annual wage in 2002. In addition, the number of NGOs that has no specific wage system is deemed to be higher compared to 2005. It is safe to say that many NGOs shifted from 'arbitrary system' to 'wage tier' and

20) Byung-Ok, Park, *ibid.*

from 'wage tier' to 'annual salary' since 2002 given the fact that change from arbitrary system to annual wage system is difficult to occur in short term. Result of Regression Analysis, which I mentioned earlier, is attributed to change in criteria or their weight for determining wage in the course of shifting from one to the other wage system. For example, as labor shortage was getting serious at NGOs, incentives for workers with working experience in NGO sector and long-service were thought to be strengthened while consideration for living expense was thought to be weaker as change in value of the coefficient estimate of marriage dummy variable is indicated.

And, NGOs' ability to pay wages had greater influence over wage level of workers since the coefficient estimate of amount of annual total revenue variable has doubled in value.

[Table 2.8] Results of OLS Regression Analysis on NGO-workers' wage level in 2002 I

	1	2	3	4	5
AGE	.099*** (3.537)	.094*** (3.540)	.086*** (3.307)	.088*** (3.437)	.086*** (3.203)
AGE ²	-.001*** (-3.119)	-.001*** (-3.260)	-.001*** (-3.029)	-.001*** (-3.177)	-.001*** (-2.945)
CARRIER	.033** (2.257)	.027** (1.978)	.022* (1.686)	.025* (1.952)	.021 (1.580)
CARRIER ²	-.001 (-1.329)	-.001 (-1.110)	-.001 (-.843)	-.001 (-1.152)	-.001 (-.799)
TENURE	-.029 (-1.481)	-.016 (-.876)	-.015 (-.830)	-.024 (-1.322)	-.015 (-.804)
TENURE ²	.003 (1.366)	.001 (.639)	.001 (.564)	.002 (.990)	.001 (.565)
SCH	-.249* (-1.738)	-.232* (-1.728)	-.253* (-1.926)	-.260** (-2.022)	-.258* (-1.952)
SCH ²	.009* (1.941)	.008* (1.864)	.009** (2.016)	.009** (2.124)	.009** (2.042)
MALE	.026 (.916)	-.001 (-.024)	.013 (.488)	.003 (.093)	.014 (.496)
MARRIAGE	.116*** (2.844)	.111*** (2.860)	.106*** (2.805)	.094** (2.530)	.106*** (2.734)
FAMILY	-.026* (-1.904)	-.019 (-1.443)	-.020 (-1.558)	-.015 (-1.166)	-.019 (-1.432)
STATUS1	.042 (1.177)	.063* (1.882)	.078** (2.343)	.083** (2.568)	.087** (2.556)
STATUS2	.024 (.591)	.079** (1.994)	.083** (2.132)	.094** (2.471)	.077* (1.954)
SVC		.204*** (5.425)	.139*** (3.390)	.174*** (4.205)	.129*** (3.073)
Seoul/Metro		.113*** (3.485)	.060* (1.703)	.056 (1.626)	.041 (1.101)
W-org		-.136*** (-2.981)	-.115** (-2.546)	-.082* (-1.817)	-.107** (-2.041)
ln(Revenue)			.047*** (3.497)	.060*** (4.421)	.049*** (3.616)
Ratio of membership fee				.254*** (3.598)	
Ratio of gov't support					-.056 (-.441)
Constant	6.414*** (5.362)	6.408*** (5.703)	6.208*** (5.638)	5.981*** (5.548)	6.251*** (5.626)
Adj R ²	.354	.436	.460	.484	.449
Obs.	271	271	271	271	262

Dependent Variable: ln(monthly wage)

[Table 2.9] Results of OLS Regression Analysis on NGO-workers' wage level
in 2002 II

	1	2	3	4
AGE	.090*** (3.470)	.079*** (3.046)	.093*** (3.585)	.099* (1.939)
AGE ²	-.001*** (-3.200)	-.001*** (-2.752)	-.001*** (-3.336)	-.001* (-1.935)
CARRIER	.026* (1.946)	.023* (1.751)	.020 (1.465)	-.014 (-.428)
CARRIER ²	-.001 (-1.129)	-.001 (-.937)	-.001 (-.709)	.002 (1.035)
TENURE	-.021 (-1.177)	-.019 (-1.028)	-.007 (-.386)	.081 (1.479)
TENURE ²	.001 (.871)	.001 (.781)	.000 (.215)	-.009 (-1.468)
SCH	-.251* (-1.926)	-.233* (-1.789)	-.211 (-1.547)	-.078 (-.276)
SCH ²	.009** (2.026)	.008* (1.884)	.007* (1.655)	.004 (.394)
MALE	.004 (.135)	.021 (.776)	.007 (.275)	.089 (1.083)
MARRIAGE	.101*** (2.681)	.109*** (2.871)	.096** (2.531)	.119 (1.199)
FAMILY	-.017 (-1.335)	-.023* (-1.819)	-.024* (-1.937)	-.005 (-.164)
STATUS1	.081** (2.452)	.089*** (2.657)	.075** (2.229)	-.011 (-.140)
STATUS2	.088** (2.279)	.073* (1.876)	.125*** (3.122)	-.110 (-1.001)
SVC	.175*** (4.719)	.151*** (3.991)	.176*** (4.088)	.030 (.292)
Seoul/Metro	.060* (1.757)	.022 (.572)	.115*** (3.369)	-.096 (-.953)
W-org	-.097** (-2.122)	-.108** (-2.424)	-.128*** (-2.868)	-.156** (-2.155)
ln(membership fee)	.050*** (4.048)			
ln(fundraising revenue)		.046*** (4.537)		
ln(service-related revenue)			.018* (1.808)	
ln(gov't support)				.041 (1.220)
Constant	6.146*** (5.623)	6.284*** (5.775)	6.109*** (5.350)	4.856* (1.861)
Adj R ²	.468	.486	.475	.439
Obs.	271	263	251	58

Dependent Variable: ln(monthly wage)

[Table 2.10] Results of OLS Regression Analysis on NGO-workers' wage level
in 2005 I

	1	2		3	4
AGE	-.012 (-.884)	-.016 (-1.280)	-.019 (-1.638)	-.023** (-2.010)	-.018 (-1.511)
AGE ²	.000 (1.111)	.000* (1.747)	.000** (2.031)	.000** (2.415)	.000* (1.900)
CARRIER	.026 (1.265)	.032* (1.704)	.036** (2.007)	.044** (2.471)	.035* (1.940)
CARRIER ²	.000 (.153)	-.001 (-.502)	-.001 (-.826)	-.001 (-1.211)	-.001 (-.776)
TENURE	.061*** (2.885)	.045** (2.337)	.036** (1.967)	.027 (1.451)	.037** (1.981)
TENURE ²	-.004*** (-2.638)	-.003** (-2.192)	-.002** (-1.862)	-.002 (-1.497)	-.002* (-1.877)
SCH	.216* (1.657)	.241** (2.008)	.200* (1.749)	.192* (1.698)	.199* (1.733)
SCH ²	-.006 (-1.429)	-.007* (-1.849)	-.006 (-1.604)	-.006 (-1.558)	-.006 (-1.589)
MALE	.069* (1.952)	.041 (1.245)	.052 (1.634)	.046 (1.462)	.053 (1.652)
MARRIAGE	.085* (1.709)	.048 (1.047)	.053 (1.209)	.045 (1.053)	.053 (1.220)
FAMILY	-.007 (-.407)	.005 (.364)	.004 (.262)	.009 (.630)	.004 (.268)
STATUS1	-.084* (-1.777)	-.045 (-1.046)	-.032 (-.764)	-.034 (-.805)	-.033 (-.784)
STATUS2	-.026 (-.527)	.032 (.693)	.045 (.999)	.029 (.653)	.046 (1.016)
SVC		.248*** (5.844)	.078 (1.451)	.103* (1.902)	.078 (1.440)
Seoul/Metro		.109*** (3.203)	.025 (.665)	.012 (.324)	.025 (.666)
W-org		-.089** (-2.029)	-.063 (-1.512)	-.035 (-.827)	-.069 (-1.472)
ln(Revenue)			.086*** (4.726)	.106*** (5.493)	.086*** (4.699)
Ratio of membership fee				.232*** (2.797)	
Ratio of gov't support					.038 (.282)
Constant	4.870*** (4.628)	4.679*** (4.813)	4.085*** (4.379)	3.879*** (4.205)	4.081*** (4.362)
Adj R ²	.365	.478	.531	.548	.528
Obs.	198	198	196	194	196

Dependent Variable: ln(monthly wage)

[Table 2.11] Results of OLS Regression Analysis on NGO-workers' wage level in 2002 II

	1	2	3	4
AGE	-.024** (-1.997)	-.022* (-1.875)	-.020* (-1.829)	-.012 (-1.108)
AGE ²	.000** (2.436)	.000** (2.389)	.000** (2.528)	.000 (1.286)
CARRIER	.045** (2.438)	.036* (1.904)	.027 (1.528)	-.010 (-.469)
CARRIER ²	-.001 (-1.202)	-.001 (-.918)	.000 (-.203)	.001 (1.049)
TENURE	.026 (1.327)	.032* (1.684)	.020 (1.096)	.056** (2.509)
TENURE ²	-.002 (-1.400)	-.002 (-1.406)	-.002 (-1.280)	-.004** (-2.516)
SCH	.207* (1.778)	.197* (1.687)	.411*** (3.402)	.519*** (3.383)
SCH ²	-.006 (-1.621)	-.006 (-1.574)	-.013*** (-3.297)	-.016*** (-3.304)
MALE	.046 (1.430)	.063* (1.901)	.041 (1.253)	.006 (.147)
MARRIAGE	.036 (.805)	.037 (.798)	.006 (.148)	.103* (1.874)
FAMILY	.009 (.633)	.006 (.422)	.009 (.634)	-.012 (-.693)
STATUS1	-.034 (-.785)	-.026 (-.613)	.055 (1.191)	.086 (1.653)
STATUS2	.026 (.557)	.039 (.817)	-.018 (-.385)	.074 (1.241)
SVC	.194*** (4.530)	.136*** (2.643)	.231*** (4.697)	.207*** (4.073)
Seoul/Metro	.038 (1.017)	.003 (.073)	.111*** (3.097)	.046 (1.072)
W-org	-.050 (-1.154)	-.082* (-1.924)	-.105** (-2.332)	-.118*** (-2.863)
ln(membership fee)	.082*** (4.228)			
ln(fundraising revenue)		.063*** (4.854)		
ln(service-related revenue)			.011 (.956)	
ln(gov't support)				.026 (1.601)
Constant	4.214*** (4.460)	4.555*** (4.813)	3.391*** (3.551)	2.326* (1.857)
Adj R ²	.520	.545	.573	.579
Obs.	194	181	149	110

Dependent Variable: ln(monthly wage)

V. CONCLUSION

Policy implications drawn from the result of the study are as follow.

First, social support for NGOs is necessary so that they can grow continuously on the premise that existence and activities of NGOs improve benefits of Korean society as a whole. As seen in the analysis result, so much low salary doesn't lead NGOs' workers to work long periods. To make comparisons between average wage of NGO-workers with 35 to 39 ages and minimum living expenditure of four family members announced by the Ministry of Health and Welfare, NGO-worker's wages were higher by mere 1.1% in 2002, and 10.2% in 2005 respectively.²¹⁾ Moreover, wage difference with workers at for-profit workers hasn't improved at all. Such a low wage level is thought to affect high turnover rate of NGO workers. Secretary generals who responded at survey also cited low wage level as an important reason to quit.²²⁾ It would be desirable for NGOs to address financial difficulties for themselves. Unless donation culture spreads very quickly, financial difficulties facing NGOs are not likely disappear in a near future as seen in analysis of financial status of NGOs.²³⁾

21) The Ministry of Health and Welfare announced that minimum living expenditure of four family members is 990 thousand in 2002, and 1,136 thousand in 2005.

22) On the question in the 2nd survey, "choose three causes of worker's leaving in the level of importance order." , Secretary generals of NGOs answered as follows. I weighted by 0.5 between each ranking.

order of importance cause of worker's leaving	1st	2nd	3rd	sum of weighted	%
low wage level	16	17	22	79.5	23.9
cloudy future prospect of NGO-worker as a job	8	15	16	54.5	16.3
cloudy future prospect of citizens' movement	11	13	9	50.5	15.1
discord with personal character	19	16	8	70.0	21.0
shortage of opportunity for self-development	1	2	2	7.0	2.1
other personal conditions	21	10	14	71.0	21.3
Total	76	73	71	332.5	100.0

23) Byung-Ok, Park, *ibid.*

Concept of ‘Social Support’ refers to assistance from individuals or social institutes such as foundations while excluding current system of direct support from the government. It could be introduction of tax-credit up to a certain level for donations made by individuals, or expansion of existing tax-deduction for donations or establishing an 'independent' private foundations by government's contribution. Introducing tax-credit or expanding tax-deduction could be a better alternative since it could be very efficient to spread donation culture and increase NGOs’ responsibility for citizens. Leaders of NGOs when asked cited introduction of tax-credit, expansion of tax-deduction, establishment of independent foundation by the government’s contribution as a desirable alternatives of social support in that order.²⁴⁾

Second, NGOs should draw up financial growth strategy in a way that private donation including membership fee and fundraising may be expanded. The study illustrates that NGOs with larger membership fee, and its high ratio out of total revenue tend to have higher wage level, and NGOs with larger revenue from fundraising tend to have higher wage as well. In addition, amount of the government’s support and its ratio to total revenue have no effect on the wage levels of workers. This could be interpreted that NGOs’ financial soundness and stability could have an positive impact on workers’ wage level.

Third, regarding HR management, it is needed to downsize in terms of the number of workers in a way that they don’t find new replacement for

24) On the question in the 2nd survey, "choose three alternatives for government's support to NGOs in the desirable order." , Secretary generals of NGOs answered as follows. I weighted by 0.5 between each ranking.

order of desirability Gov't support policies	1	2	3	4	sum of weighted	%
current policy	4	7	7	35	69.5	13.6
tax-deduction	18	26	26	6	142.0	27.9
tax-credit	33	20	20	7	159.5	31.3
independent foundation by government's contribution	23	18	18	17	137.5	27.0
Total	78	71	71	65	508.5	100

those who quit to the extent that NGOs could financially afford. Surplus labor costs by not hiring new workers could be used to increase remaining workers' wage and meet their needs for self-development by offering opportunity of education. This may be a good direction for NGOs that heavily rely on human resources and are suffering from financial difficulties to go.

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APPENDIX 2.

2.1 The State of NGO-workers' Wage, 2002 (unit: thousand won) - for All NGOs replied in 2002

Age	Type of NGO	Location	Mean	N	Std. Deviation	
25-29	ADVOCACY	other cities	660.0000	20	166.70175	
		Seoul/metropolitan	734.7826	46	141.76254	
		Total	712.1212	66	152.43173	
	SERVICE	other cities	875.0000	8	166.90459	
		Seoul/metropolitan	850.0000	4	191.48542	
		Total	866.6667	12	166.96942	
	TOTAL	other cities	721.4286	28	191.20891	
		Seoul/metropolitan	744.0000	50	147.30227	
		Total	735.8974	78	163.54384	
	30-34	ADVOCACY	other cities	758.3333	24	171.73454
			Seoul/metropolitan	896.2963	81	224.96913
			Total	864.7619	105	221.00337
SERVICE		other cities	1011.1111	9	145.29663	
		Seoul/metropolitan	936.3636	11	196.32996	
		Total	970.0000	20	175.01880	
TOTAL		other cities	827.2727	33	198.86039	
		Seoul/metropolitan	901.0870	92	221.13323	
		Total	881.6000	125	217.16056	
35-39		ADVOCACY	other cities	736.3636	22	259.20291
			Seoul/metropolitan	1060.0000	45	183.89720
			Total	953.7313	67	259.56161
	SERVICE	other cities	1225.0000	8	260.49404	
		Seoul/metropolitan	1187.5000	8	533.01702	
		Total	1206.2500	16	405.74006	
	TOTAL	other cities	866.6667	30	336.65016	
		Seoul/metropolitan	1079.2453	53	262.64812	
		Total	1002.4096	83	307.22039	
	40-44	ADVOCACY	other cities	866.6667	6	294.39203
			Seoul/metropolitan	1060.0000	20	264.37613
			Total	1015.3846	26	278.12559
SERVICE		other cities	1366.6667	3	503.32230	
		Seoul/metropolitan	1166.6667	3	642.91005	
		Total	1266.6667	6	527.88888	
TOTAL		other cities	1033.3333	9	424.26407	
		Seoul/metropolitan	1073.9130	23	315.10084	
		Total	1062.5000	32	342.42965	
TOTAL		ADVOCACY	other cities	730.7692	78	213.99581
			Seoul/metropolitan	908.4158	202	240.60137
			Total	858.9286	280	246.39100
	SERVICE	other cities	1067.7419	31	310.25484	
		Seoul/metropolitan	1034.4828	29	383.84880	
		Total	1051.6667	60	345.18070	
TOTAL	other cities	826.6055	109	287.59610		
	Seoul/metropolitan	924.2424	231	265.10246		
		Total	892.9412	340	275.88987	

2.2 The State of NGO-workers' Wage, 2002 (unit: thousand won)
 - for NGOs replied in both 2002 and 2005

Age	Type of NGO	Location	Mean	N	Std. Deviation
25-29	ADVOCACY	other cities	623.0769	13	130.08873
		Seoul/metropolitan	733.3333	42	145.94798
		Total	707.2727	55	148.89040
	SERVICE	other cities	871.4286	7	179.94708
		Seoul/metropolitan	850.0000	4	191.48542
		Total	863.6364	11	174.77258
	TOTAL	other cities	710.0000	20	188.90265
		Seoul/metropolitan	743.4783	46	151.51410
		Total	733.3333	66	162.98498
30-34	ADVOCACY	other cities	812.5000	16	178.41898
		Seoul/metropolitan	901.3333	75	224.50747
		Total	885.7143	91	218.87156
	SERVICE	other cities	1000.0000	8	151.18579
		Seoul/metropolitan	960.0000	10	189.73666
		Total	977.7778	18	169.96732
	TOTAL	other cities	875.0000	24	189.39262
		Seoul/metropolitan	908.2353	85	220.50363
		Total	900.9174	109	213.65228
35-39	ADVOCACY	other cities	881.8182	11	275.02066
		Seoul/metropolitan	1053.8462	39	180.41787
		Total	1016.0000	50	214.15234
	SERVICE	other cities	1300.0000	5	282.84271
		Seoul/metropolitan	1150.0000	6	625.29993
		Total	1218.1818	11	483.35946
	TOTAL	other cities	1012.5000	16	334.41491
		Seoul/metropolitan	1066.6667	45	271.36021
		Total	1052.4590	61	287.28996
40-44	ADVOCACY	other cities	1100.0000	1	.
		Seoul/metropolitan	1044.4444	18	272.72529
		Total	1047.3684	19	265.34761
	SERVICE	other cities	1300.0000	1	.
		Seoul/metropolitan	1166.6667	3	642.91005
		Total	1200.0000	4	529.15026
	TOTAL	other cities	1200.0000	2	141.42136
		Seoul/metropolitan	1061.9048	21	326.30690
		Total	1073.9130	23	315.10084
TOTAL	ADVOCACY	other cities	769.5652	46	223.97377
		Seoul/metropolitan	905.0000	180	236.89684
		Total	877.4336	226	240.13803
	SERVICE	other cities	1013.0435	23	268.50486
		Seoul/metropolitan	1008.0000	25	389.35845
		Total	1010.4167	48	333.41533
	TOTAL	other cities	850.7246	69	264.36560
		Seoul/metropolitan	917.5610	205	261.18865
		Total	900.7299	274	263.11639

2.3 The State of NGO-workers' Wage, 2005 (unit: thousand won)

Age	Type of NGO	Location	Mean	N	Std. Deviation	
25-29	ADVOCACY	other cities	866.2500	8	95.45942	
		Seoul/metropolitan	921.7391	23	143.70589	
		Total	907.4194	31	133.71531	
	SERVICE	other cities	1,100.0000	3	100.00000	
		Seoul/metropolitan	1,168.5000	6	187.81241	
		Total	1,145.6667	9	160.37144	
	TOTAL	other cities	930.0000	11	142.47807	
		Seoul/metropolitan	972.7931	29	181.31019	
		Total	961.0250	40	170.82447	
	30-34	ADVOCACY	other cities	917.6923	13	156.90516
			Seoul/metropolitan	995.7143	35	193.72943
			Total	974.5833	48	186.18177
SERVICE		other cities	1,116.6667	6	116.90452	
		Seoul/metropolitan	1,270.0000	5	130.38405	
		Total	1,186.3636	11	141.58197	
TOTAL		other cities	980.5263	19	170.99297	
		Seoul/metropolitan	1,030.0000	40	207.12934	
		Total	1,014.0678	59	196.12732	
35-39		ADVOCACY	other cities	1,153.8462	13	224.96438
			Seoul/metropolitan	1,166.2500	40	304.77976
			Total	1,163.2075	53	285.26488
	SERVICE	other cities	1,450.0000	4	191.48542	
		Seoul/metropolitan	1,565.0000	10	310.95730	
		Total	1,532.1429	14	279.84002	
	TOTAL	other cities	1,223.5294	17	248.19199	
		Seoul/metropolitan	1,246.0000	50	343.00592	
		Total	1,240.2985	67	319.96671	
	40-44	ADVOCACY	other cities	1,100.0000	12	307.48245
			Seoul/metropolitan	1,400.6250	16	317.41600
			Total	1,271.7857	28	342.70226
SERVICE		other cities	1,650.0000	2	70.71068	
		Seoul/metropolitan	1,650.0000	0	70.71068	
		Total	1,650.0000	2	70.71068	
TOTAL		other cities	1,178.5714	14	346.80647	
		Seoul/metropolitan	1,400.6250	16	317.41600	
		Total	1,297.0000	30	344.56519	
TOTAL		ADVOCACY	other cities	1,020.4255	47	240.28025
			Seoul/metropolitan	1,098.0165	121	291.11172
			Total	1,076.3095	168	279.31816
	SERVICE	other cities	1,305.8824	17	315.17969	
		Seoul/metropolitan	1,426.5652	23	369.07068	
		Total	1,375.2750	40	348.19932	
	TOTAL	other cities	1,096.2500	64	289.01859	
		Seoul/metropolitan	1,150.4931	144	326.58849	
		Total	1,133.8029	208	315.80931	

CHAPTER 3

THE STATE OF NGOS' HUMAN RESOURCES & FACTORS INFLUENCING THE INCREASING RATE OF NGOS' MEMBERSHIP

I. INTRODUCTION

1. The Purpose of the Study and Background

Citizens' movement in Korea, prior to democratic movement in June, 1987 had been driven by a few dedicated organizations which aimed to overthrow military dictatorship. Most of citizens had to be kept on the sideline by offering meager support since individual citizens' involvement in these groups led them to suffer from unbearable pain. As such, the groups had to secure necessary financial resources by themselves while not being able to get it from citizens.

Starting the launch of Citizen's Coalition for Economic Justice in 1989, many NGOs have sprung up under the motto of 'Gradual Reform of Society' via 'Citizen's Participation' and 'Reasonable Alternative & Peaceful Movement'. The new way of citizens' movement gained wide support across the society while NGOs experienced growth in quantity in the mid-1990 and won increasing influence on and trust from the society. This has led to the era of 'Renaissance of NGOs'. Political and social burden of citizens due to their participation in NGOs was eased as Korea moved toward democracy, and high-level of education and economic growth of Korean economy gave citizens mental and financial rooms to participate in and support for NGOs' activities. Accordingly, citizens' determination of participation and democracy, which was oppressed under authoritative government, took the

form of involvement in and support for NGOs. NGOs provided various policy alternatives to reform society, and in return citizens agreeing with the cause took part in NGOs as members and offered financial support. Virtuous cycle was created; advocacy and activities of NGOs generated friendly image and interest leading to citizens' voluntary participation and support.

Around 2000, however, such a good cycle was broken down. That is, NGOs no longer created favorable interest, and consequently citizens turned their faces from NGOs. All this largely came from controversy arising from citizens' movement's inclination toward political parties in short-term while in the long-run thinned critical mind to social issues due to political democratization, economic trouble and rising uncertainty from corporate restructuring and massive lay-offs in the wake of economic meltdown in the late 1990, and losing sense of freshness that NGOs enjoyed in earlier stage could be cited as reasons. A virtuous circle where 'advocacy & activities' results in friendly image & interest and subsequently 'voluntary participation & support' didn't work any more requiring NGOs to develop new growth strategies. And yet, sincere interest and research on that matter was nowhere to be found among NGOs.

Growth strategy of NGOs, in particular a strategy to mobilize resource varied over time as I said earlier. Under authoritative government prior to 1987, NGOs fighting on the frontline chose to secure necessary resources from within themselves. That's because channel for resources to flow from citizens, recipients of social activities into NGOs was blocked.

During the 1990s, NGOs focused on garnering positive images or interests and raising social awareness via PR activities and policy issues. Such a hard-earned reputation took a vital role to increase membership fee from rising number of members, and revenue from cause related business program or research projects. As such, NGOs started to engage in profit-making business, expand their activity area in order to raise awareness and social cause, and diversified their funding source via

research projects, etc. This required additional workers to handle those tasks, and therefore regular workers working at NGOs increased in number. NGOs were thought to stressing external growth centering on 'Policy and PR' and 'Diversification of funding source'.

On the outside, the most important changes surrounding NGOs for the last few years includes tarnished image and declined credibility in society. This has broken down the virtuous circle. On the inside, NGOs were struggling with depleted human resource, under-funding due to exacerbated external condition, and lack of management capability to weather the storm. 'Policy and PR' didn't lead to winning financial gain any longer, and Diversification of funding sources is believed to aggravate their financial burden meaning external growth strategy employed in the 1990s didn't work out.

Main objective of this study is to develop growth strategy suiting their needs where existing growth strategy is not effective any more. The study is conducted focusing on analysis of resource mobilization by considering characteristics of the data surveyed. To this end, I will analyze factors affecting NGOs growth based on the data. Although sporadic efforts have been made based on political or social approach toward NGO's growth and development, any research hasn't been done from economic point of view based on empirical analysis. Accordingly, the study doesn't go further from experimental analysis.

2. Research Method and Frame

The data used in this study were collected from two times surveys in 120 organizations that belong to the Solidarity Network, a representative network of Korea's NGOs. The first survey on the state of NGOs in 2002 was conducted from March to April, 2003.¹⁾ The survey was carried out through

1) This survey was carried out by Yoon Soonchul(2003).

interviews with a secretary general or a staff over director of the organizations. The second survey on the state of NGOs in 2005 conducted from June to July of 2006, was carried out through interviews, e-mails and telephones with a secretary general or a staff over director of the organizations. Among 120 organizations, 81 organizations replied to the second questionnaires.

The content of the paper is as follows: In Chapter 2, analyzes the state of NGOs and its change occurred in this period in terms of human resources. In Chapter 3, I will try regression analysis to understand what factors influence the increasing rate of NGO's membership by using Heckman Selection Model. The final chapter sums up the result of empirical analysis and discusses desirable policy suggestions on alternative growth strategy for NGOs.

II. THE STATE OF NGO'S HUMAN RESOURCES AND ITS CHANGE

1. The State of NGOs' Membership and its Change

How many membership does a NGO have, in general, is regarded as a index to show the level of social reputation and influence of the NGO. And how much revenue does a NGO generate from membership fee, also is thought to show financial healthiness and stability of the NGO. In this respect, it is expected to give NGOs meaningful implications to watch the state of their membership and change of them.

According to [Table 3.1], a NGO has a membership of 1,949 on average in 2002. An advocacy NGO has a membership of 1,616 while a membership of a service NGO is 3,431. The size of NGOs' membership is shown to be related to the size of cities where they located: 5,423 in Seoul, 1,715 in 6 metropolitan cities and 528 in other small-medium sized cities.

[Table 3.1] The State of NGO's Membership, 2002 (unit: person)

	Location	Mean	N	Std. Deviation
ADVO	Seoul	4655.00	22	7039.952
	metropolitan	1317.48	31	2775.394
	small-medium	336.64	45	252.311
	Total	1616.34	98	4002.915
SVC	Seoul	9775.00	4	17827.390
	metropolitan	4180.00	5	2619.542
	small-medium	1190.15	13	1220.336
	Total	3430.55	22	7646.458
Total	Seoul	5442.69	26	9127.875
	metropolitan	1715.06	36	2897.349
	small-medium	527.95	58	701.118
	Total	1948.94	120	4886.297

statistics including total 120 organizations replied in the 1st survey

In order to watch changes in membership of NGOs, I will analyze membership of only 81 organizations that replied in the 1st and 2nd survey. [Table 3.2] is the result.

[Table 3.2] Average Membership of NGOs according to Type of NGO
in 2002 and 2005 (unit: person)

LOCATION			2002	2005	Amount of increase	Increasing rate
ADVO	Seoul	Mean	5214.44	4781.25	-433.19	-8.3
		N	18	16		
	Metropolitan	Mean	1575.92	1652.17	76.25	4.8
		N	24	23		
	Small-medium	Mean	425.00	461.67	36.67	8.6
		N	24	24		
Total	Mean	2149.73	1993.33	156.40	7.2	
	N	66	63			
SVC	Seoul	Mean	9775.00	11150.00	1375.00	14.0
		N	4	4		
	Metropolitan	Mean	5000.00	5633.33	633.33	12.6
		N	3	3		
	Small-medium	Mean	1540.00	1393.75	-146.25	-9.4
		N	8	8		
Total	Mean	4428.00	4843.33	415.33	9.3	
	N	15	15			
Total	Seoul	Mean	6043.64	6055.00	11.36	0.1
		N	22	20		
	Metropolitan	Mean	1956.37	2111.54	155.17	7.9
		N	27	26		
	Small-medium	Mean	703.75	694.69	-9.06	-1.2
		N	32	32		
Total	Mean	2571.63	2541.41	-30.22	-1.1	
	N	81	78			

According to [Table 3.2], an average membership of 81 organizations in 2002, 2,571, is larger than that of total 120 organizations in 2002, 1949. It means that an average membership of NGOs replied in both years is larger than that of organizations replied only in 2002. [Table 3.2] shows very interesting phenomenon. In case of advocacy NGOs, they show higher increasing rate of membership in smaller cities while service NGOs show the opposite phenomenon. Advocacy NGOs show increasing rate of 8.6% in small-medium sized cities, 4.8% in 6 metropolitan cities and -8.3% in Seoul. On the other hand, Service NGOs show increasing rate of 14.0% in Seoul, 12.6% in metropolitan cities and -9.4% in other smaller cities. But, in case of service NGOs, it seems to be difficult to assume that the result shows the reality of them because of restricted number of samples.

[Table 3.3] shows how do memberships of NGOs change according to size of their membership. While change in average membership of total or service NGO doesn't show a fixed pattern, that of advocacy NGO shows a feature that increasing rate of their membership decreases as size of their membership goes up. Advocacy NGO shows the increasing rate of 59.3% in the group with membership of below 500, 5.7% in the group with 501 to 1,000, -5.0% in the group with 1,000 to 2,000 and -16.2% in the group with above 2,000.

[Table 3.3] Average Membership of NGOs according to size of membership in 2002 and 2005 (unit: person, %)

Size of membership	Type of NGO		average membership in 2002	average membership in 2005	Amount of increase	Increasing rate
below 500	ADVO	Mean	258.15	411.25	153.10	59.3
		N	27	24		
	SVC	Mean	250.00	175.00	-75.00	-30.0
		N	2	2		
	Total	Mean	257.59	393.08	135.49	52.5
		N	29	26		
501 - 1,000	ADVO	Mean	752.95	795.71	42.76	5.7
		N	21	21		
	SVC	Mean	940.00	933.33	-6.67	-0.7
		N	3	3		
	Total	Mean	776.33	812.92	36.59	4.7
		N	24	24		
1,001-2,000	ADVO	Mean	1487.50	1412.50	-75.00	-5.0
		N	8	8		
	SVC	Mean	1433.33	2300.00	866.67	60.4
		N	6	6		
	Total	Mean	1464.29	1792.86	328.57	22.4
		N	14	14		
above 2001	ADVO	Mean	11577.78	9700.00	-1877.78	-16.2
		N	9	9		
	SVC	Mean	13625.00	13925.00	300.00	2.2
		N	4	4		
	Total	Mean	12207.69	11000.00	-1207.00	-9.8
		N	13	13		
Total	ADVO	Mean	2136.65	2019.03	-117.62	-5.4
		N	65	62		
	SVC	Mean	4428.00	4843.33	415.33	9.3
		N	15	15		
	Total	Mean	2566.28	2569.22	2.94	0.1
		N	80	77		

[Table 3.4] shows how do memberships of NGOs change according to size of their annual total revenue. In case of advocacy NGO, the increasing rate of membership is -1.4% in the group with annual revenue of below 0.1 billion won, 1.5% in 0.1 to 0.2 billion won, 23.5% in 0.2 to 1 billion won and -24.4% in above 1 billion won. This shows that increasing rate of membership goes up as size of annual revenue goes up, except the group with the most annual revenue. And It is opposite from [Table 3.3] that analyze according to size of NGO's membership.

[Table 3.4] Average Membership of NGOs according to Size of Annual Revenue in 2002 and 2005 (unit: person, %)

Size of Revenue	Type of NGO	average membership in 2002	average membership in 2005	Amount of increase	Increasing rate
below 0.1 billion won	ADVO (19/18)	363.16	357.78	-5.38	-1.4
	Total (19/18)	363.16	357.78	-5.38	-1.4
0.1 to 0.2 billion won	ADVO (29/28)	1274.48	1294.29	19.81	1.5
	Total (19/18)	1274.48	1294.29	19.81	1.5
0.2 to 1 billion won	ADVO (12/11)	1901.83	2372.73	470.90	23.5
	SVC (9)	1635.56	2205.56	570.00	34.8
	Total (21/20)	1787.71	2297.50	509.79	28.4
above 1 billion won	ADVO (6)	12533.33	9466.67	-3066.66	-24.4
	SVC (6)	8616.67	8800.00	183.33	2.1
	Total (12/12)	10575.00	9133.33	-1441.67	-13.6
Total	ADVO (66/63)	2149.73	1993.33	-156.40	-7.2
	SVC (15/15)	4428.00	4843.33	415.33	9.3
	Total (81/78)	2571.63	2541.41	-30.22	1.1

To sum up the results mentioned above focusing on advocacy organizations, which show clear patterns in change of their membership,

Membership increase rate is higher in organizations in smaller cities, with less membership and bigger annual total revenue. As for amount of annual revenue, however, the group of NGOs with more than 1 billion won witnessed negative increase rate of membership at -24.2%, a exception.

This phenomenon that increasing rate of membership goes up higher in smaller cities, less membership and bigger annual revenue can be explained by NGO's internal capability to attract new members; the level of relationship among members, staffs and executives, and the capacity to carry out programs. All other factors being equal, NGOs in smaller cities with smaller members can be assumed to have higher relationship among their members, which cause higher loyalty to the organization. Such a strong relationship among members serves as an important internal capability not only in collecting membership fee but also attracting new members. And, in terms of revenue, an organization with larger revenue is able to engage in more programs and activities, and therefore expand its contact with citizens directly or indirectly resulting to attracting more members compared to other NGOs under inferior conditions.

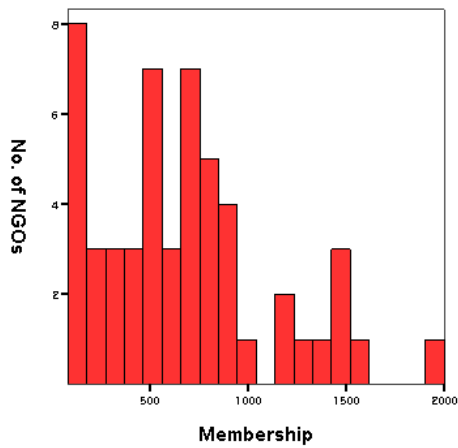
Second, 6 advocacy organizations that show decline in their membership at 24.2% are located in Seoul, and hold more than 2 thousand members and have annual revenue over 1 billion won. These organizations are guessed to be leading, well-known NGOs in Korean society. The decline in their membership can be explained from two aspects.

Firstly, according to publications by some media and research institutes, NGOs' social credibility and influence of NGOs rapidly declined in this period. It was mainly because of social criticism - more clearly from, so called, conservative mass media and political party - against NGOs. We can imagine that leading NGOs had been damaged more severely from these criticism, and this damage influence their membership. Such a negative image and declining credibility of NGOs triggered more severe damage to well-known NGOs in Seoul that took the lead in civil movement compared

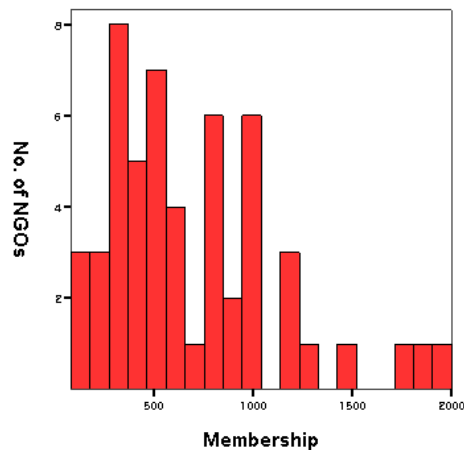
to other NGOs, and subsequently influenced the number of members. Another possibility is number of samples. Huge change of one or two NGOs could have unproportionately affected average due to few number of samples available.

Two histograms below show the number of organizations according to membership in 2002 and 2005, respectively.

Histogram of NGO's membership, 2002
 - NGOs with membership below 2,000



Histogram of NGO's membership, 2005
 - NGOs with membership below 2,000



2. The State of Workers and Its Change

- focusing on advocacy NGOs²⁾

According to [Table 3.5], an advocacy NGO has 7.47 regular and 1.01 irregular workers on average in 2002. The number of workers according to the size of cities is 18.45 regular and 2.00 irregular in Seoul, 5.60 regular and 1.20 irregular in metropolitan cities, and 3.36 regular and 0.4 irregular in other small-medium sized cities. In terms of Gender, 55.5% of regular and 51.4% of irregular workers are female workers; The ratio of female workers to total, is 56.% in Seoul, 48.5% in metropolitan, and 58.5% in small-medium sized cities.

[Table 3.5] The Number of Workers in Advocacy NGOs, 2002

Location		Regular			Irregular		
		Total	Male	Female	Total	Male	Female
Seoul	Mean	18.45	8.14	10.32	2.00	.77	1.23
	N	22	22	22	22	22	22
	Std. Deviation	20.179	8.919	12.077	2.449	1.232	1.688
Metropolitan cities	Mean	5.60	2.90	2.70	1.20	.60	.60
	N	30	30	30	30	30	30
	Std. Deviation	5.256	3.556	2.277	2.987	1.429	1.714
Small-medium sized cities	Mean	3.36	1.24	2.11	.40	.29	.11
	N	45	45	45	45	45	45
	Std. Deviation	3.113	1.151	3.298	.720	.661	.383
Total	Mean	7.47	3.32	4.15	1.01	.49	.52
	N	97	97	97	97	97	97
	Std. Deviation	11.770	5.406	7.055	2.158	1.091	1.332

[Table 3.6] reports change of the number of workers in 66 advocacy NGOs that replied in 2002 and 2005. The number of workers decreases by 15.6%, on average. In case of regular workers, as the size of cities is bigger, the increasing rate of number of workers is lower; 11.8% in small-medium sized cities, -7.7% in metropolitan cities and -23.9% in Seoul. In case of irregular workers, NGOs in Seoul and small-medium sized cities

2) I excluded service NGOs from analysis because of small number of samples. Analysis result including service organizations is attached to appendix.

show increasing rates of -71.0% and -50.0%, respectively, while NGOs in metropolitan cities show increasing rate of 0.7%

[Table 3.6] The Number of Workers of Advocacy NGOs' and Its Change between 2002 and 2005

Location			No. of workers in 2002	No. of workers in 2005	Amount of increase	Increasing rate
Regular	Seoul	Mean	21.61	16.44	-5.17	-23.9
		N	18	18		
	metropolitan cities	Mean	5.96	5.50	-.46	-7.7
		N	24	24		
	small-medium sized cities	Mean	3.13	3.50	.37	11.8
		N	24	24		
Total	Mean	9.20	7.76	-1.44	-15.6	
	N	63	66			
Irregular	Seoul	Mean	2.11	.61	-1.50	-71.0
		N	18	18		
	metropolitan cities	Mean	1.38	1.39	0.01	0.7
		N	24	23		
	small-medium sized cities	Mean	.42	.21	-0.21	-50.0
		N	24	24		
Total	Mean	1.23	.74	-0.49	-39.8	
	N	66	65			

To analyze change in the ratio of female to total workers based on appendix 2 and 3, the ratio of female is shown to increase in this period; from 56.9% to 60.5% in Seoul, 48.2% to 53.8% in metropolitan cities, 48.1% to 56.0% in small-medium sized cities, and 52.6% to 57.7% in total.

[Table 3.7] shows change of the number of workers according to the number of NGO's workers. While service NGOs don't show meaningful pattern, advocacy NGOs show a pattern that as a NGO with less workers shows higher increasing rate of the number of workers; 25.4% in NGOs with 1 to 3 workers, 6.9% in NGOs with 4 to 9, while -10.6% in NGOs with 10 to 19, and -35.7% in NGOs with over 20 workers.

[Table 3.7] Change in Number of NGO-Workers according to the Number of Workers

No. of Workers	Type of NGO		No. of workers in 2002	No. of workers in 2005	Amount of increase	Increasing rate
1 - 3	ADVO	Mean	2.24	2.81	0.57	25.4
		N	21	21		
	Total	Mean	2.24	2.81	0.57	25.4
		N	21	21		
	ADVO	Mean	5.19	5.55	0.36	6.9
		N	31	31		
4 - 9	SVC	Mean	6.67	6.33	-0.34	-5.0
		N	3	3		
	Total	Mean	5.32	5.62	0.30	5.6
		N	34	34		
	ADVO	Mean	12.50	11.17	-1.33	-10.6
		N	6	6		
10 - 19	SVC	Mean	15.67	21.50	5.83	37.2
		N	6	6		
	Total	Mean	14.08	16.33	2.25	15.9
		N	12	12		
	ADVO	Mean	41.63	26.75	-14.88	-35.7
		N	8	8		
over 20	SVC	Mean	37.00	36.67	-0.33	-0.8
		N	6	6		
	Total	Mean	39.64	31.00	-8.64	-21.7
		N	14	14		
	ADVO	Mean	9.33	7.76	-1.57	-16.8
		N	66	66		
Total	SVC	Mean	22.40	24.53	2.13	9.5
		N	15	15		
	Total	Mean	11.75	10.86	-0.89	-7.5
		N	81	81		

To sum up change of the number of workers focusing on advocacy NGOs, First, the number of NGO's workers decrease by 18.3%. Second, the decreasing rate of irregular workers, 39.8% is higher than that of regular, 15.6%. Third, the ratio of female workers to total became higher from 52.6% to 57.7%. Last, the increasing rate of workers become higher in NGOs with less workers. The last phenomenon is thought to be result of downsizing due to worsening of financial difficulty in bigger NGOs which are assumed to have more workers than necessary number.

III. ANALYSIS ON FACTORS INFLUENCING THE INCREASING RATE OF NGO'S MEMBERSHIP³⁾

1. Modeling

In this Chapter, I will try regression analysis on the growth rate of NGO's membership by using Heckman selection model. The data used in this analysis is categorized into two groups; group that replied to the 1st and 2nd survey, and group that replied to the 1st but didn't reply to the 2nd survey. So, increasing rate of membership of the latter group isn't observed. Because response to the 2nd survey isn't thought to be occurred randomly among 120 organizations that replied to the 1st survey, analysis only based on samples that replied to the 1st and 2nd survey, may cause selection bias problem of sampling. I, therefore, will estimate the probability of a NGO to reply by using probit model, based on all 120 samples, in the first step, and analyze factors influencing increasing rate of membership correcting selection bias by using OLS, in the second step.

The model that is used for estimation in this chapter is based on the model that employed to analyze 'Factors Influencing Private Donation to NGOs' as analysis model for membership increasing rate. Membership fee and fundraising consisting of private donation come from members and donors, as a result of attracting members who participate in NGOs activities, and sponsors who offer only financial support. Accordingly, factors affecting

3) Growth of NGO, esp., advocacy NGO, is almost impossible to measure because their activity is mainly about immaterial things. But, there are some indicators, which show NGO's growth partly, to be able to measure their performance and growth by numerical value, such as revenue, membership and the number of workers, etc. I tried regression analysis on growth rate of annual revenue and the number of workers, but I failed to get meaningful results. It may be caused by small number of samples. So, I will introduce the result of regression analysis on the growth rate of NGO's membership, which shows significant result.

private donation could have the same or similar impact on the size of membership, and subsequently increasing rate of membership.

A branch of a nation-wide organization can be assumed to be better-known in a local community than an individual organization because of having the same well-known brand and synergy from nation-wide networking. And, amount of annual revenue, which show relation with increasing rate of membership in Chapter 3 is added to explanatory variables. The amount of revenue is expected to affect directly the scope and volume of programs that a NGO can carry out, which in turn have an effect on the size of membership in various ways. So, increasing rate of membership of a NGO can be indicated in a following formula.

Increasing rate of membership

= f(Member, Worker, News, Actyr, Seoul/Metro, SVC, B/N, Revenue)

where, Member = the number of members

Worker = the number of workers

News = the number of media reports

Actyr = active years

Seoul/Metro = NGO located in Seoul and 6 metropolitan cities

SVC = service NGO

B/N = branch or network organization

Revenue = amount of annual total revenue

The number of media reports is calculated from January 1 to December 31 for a certain year based on news reports of KINDS by group featured on national daily newspapers including Donga Daily, Gyeonghang Daily, Munhwa ilbo, Hangeora Daily, Hankook Ilbo, and Kookmin Daily. The active period is the months which was subtracted from their foundation date based on June 2002 and June 2005 respectively.

Finally, I will replace annual revenue variable with each revenue from membership fee, fundraising, service-related program and government's

support in turn, in order to analyze what kind of revenue has an effect on increasing rate of membership.

Analysis model on the possibility that a organization would respond to the 2nd survey is formed in a following inference.

This analysis use two groups of samples; 81 organizations which both replied in 2002 and 2005, and 39 organizations which responded in 2002 only. Among the 39, which didn't respond 2005, 5 organizations were dissolved or in a situation where serious internal problems are going on, and the rest of 34 refused to answer. Current status on financial and human resources of these 39 organizations is attached in appendix 4, which shows their average size of membership, the number of workers and annual revenue smaller than those of NGOs replied to both surveys.

Whether or not disclosing financial condition and human resources is expected to reflect to some extent the level of a organization's openness and transparency. So, the probability of response is assumed to be affected by factors influencing an organization's openness and transparency such as the size of organization, name value, size of city where a NGO located, type of NGO – individual organization vs a branch of nationwide organization or network of organizations.

An organization with a bigger size and higher reputation located in Seoul or metropolitan cities are more likely to be scrutinized by the media or citizens compared to those who don't, meaning bigger ones are thought to be under greater pressures on openness and transparency. In addition, a branch of a nationwide organization compared to individual one is thought to be more open and transparent because they are better known to citizens and the media and more exposed to public scrutiny, and because they are required to maintain a certain level of quality in finance and HR management by their headquarters. And, a network organization consisting of individual organizations is assumed to have high level of openness and

transparency because it rely financially on membership fee, thus having simple revenue structure, and its members, individual NGOs, have strong capability to monitor its financing. Amount of annual revenue, a variable showing size of an NGO could affect openness and transparency in other way. That's because many small-sized NGOs can't afford to have a full-time staff to take exclusive charge of the account, and let a staff to take a charge of receipt and payment along with other responsibilities. As NGOs, which don't manage accounting task well, tend to be passive in disclosing financial data, their financial capacity could affect their openness and transparency.

Number of members and workers are selected as variables showing size of an organization, and the number of media reports and active years are selected as variables for famousness. Accordingly, likelihood that NGOs answered in 2002 could answer in 2005 could be indicated in the following formula.

Response

= f (Member, Worker, News, Actyr, Seoul/Metro, SVC, B/N, Revenue)

And, I will replace annual revenue variable with each revenue from membership fee, fundraising, service-related program and government's support in turn, in order to analyze what kind of revenue has an effect on the probability of response. As a dependent variable to show increasing rate of membership, I will choose the value to subtract the value of natural logarithm of membership in 2002, from that in 2005. As a dependent variable for selection function, a dummy variable of 'response = 1, non-response = 0' is selected.

2. Results

1) Results of Analysis on Factors Influencing the Probability of Response

According to [Table 3.8], the coefficient estimates of branch/network and the number of media reports variables show positive values at .05 significance level in all equations except the fifth. Amount of annual revenue variable shows positive influence on the probability of response at .05 significance level in the 1st and 2nd equation. The coefficient estimate of service NGO has negative value at .1 significance level in the 2nd and 3rd equation which active year variable is excluded from explanatory variables. This is thought to be because Service NGO variable is correlated with active year variable. Concerning all kind of revenue, only membership fee variable shows positive value at .1 significance level while other type of revenue variable don't show significant values.

To sum up the results, type of organization, the number of media reports and the amount of annual total revenue, esp., membership fee have an positive effect on the probability of response. In case of service NGO, the number of samples is too small to draw a significant conclusion.

2) Results of Analysis on Factors Affecting Increasing Rate of Membership

[Table 3.8] reports that only two variables, membership and total revenue, have significant effect on increasing rate of membership. Membership variable shows negative value at .01 significance level in all equations except the fifth. This means that a NGO with smaller membership shows higher increasing rate of membership while a NGO with bigger membership shows lower increasing rate. On the other hand, annual total revenue variable shows positive value, at least, at .1 significance level in the 1st, 2nd and 3rd equations. These results are consistent with the results of descriptive analysis in Chapter 2.

In case of replacing amount of annual total revenue variable with amount of revenue from each funding sources, only amount of membership fee shows positive value at .1 significance level while other variables don't show significant values.

[Table 3.8] Results of Regression Analysis on Increasing rate of NGO's Membership, by using Heckman Selection Model (Two-stage)

		1	2	3	4	5
Growth Rate Function	SVC	-.362 (-1.02)	-.524 (-.98)	-.548 (-1.22)	-.049 (-.20)	-.119 (-.37)
	Seoul/Metro	.036 (0.17)	.026 (.10)			
	Branch/Network	.366 (1.63)	.423 (1.33)	.396 (1.27)	.315 (1.55)	.503** (2.33)
	ln(News)	.146 (1.54)	.162 (1.26)	.158 (1.28)	.152* (1.82)	.149 (1.36)
	ln(Actyr)	-.080 (-0.63)				
	ln(Member)	-.378*** (-3.00)	-.383** (-2.48)	-.386*** (-2.89)	-.378*** (-3.48)	.04 (.23)
	ln(Worker)	-.186 (-0.89)	-.218 (-.77)	-.183 (-.73)	.160 (1.44)	-.377 (-1.62)
	ln(Revenue)	.55** (2.08)	.593* (1.67)	.574* (1.86)		
	ln(membership fee)				.220* (1.66)	
	ln(gov't support)					.162 (1.30)
	Constant	-4.413 (-1.45)	-5.278 (-1.19)	-5.01 (-1.31)	-1.02 (-.68)	-1.938 (-1.16)
Selection Function	SVC	-.989 (-1.53)	-1.197* (-1.95)	-.935* (-1.65)	-.423 (-.79)	-4.173* (-1.91)
	Seoul/Metro	-.600 (-1.63)	-.455 (-1.29)			
	Branch/Network	.686** (2.04)	.692** (2.08)	.698** (2.12)	.736** (2.19)	2.561* (1.78)
	ln(News)	.283** (2.16)	.257** (2.03)	.261** (2.09)	.301** (2.29)	.605 (1.25)
	ln(Actyr)	-.357* (-1.65)				
	ln(Member)	.298 (1.28)	.236 (1.06)	.149 (.71)	.049 (.20)	1.722* (1.83)
	ln(Worker)	-.561 (-1.40)	-.504 (-1.29)	-.452 (-1.16)	.055 (.21)	.752 (.67)
	ln(Revenue)	.920** (2.12)	.754** (1.85)	.637 (1.61)		
	ln(membership fee)				.402* (1.75)	
	ln(gov't support)					-.183 (-.25)
	Constant	-10.537** (-2.44)	-9.807** (-2.37)	-8.225** (-2.09)	-5.26*** (-2.71)	-11.200 (-1.50)
rho	1.00	1.00	1.00	1.00	.658	
lambda	.612	.803	.739	.558	.241	
No. of obs.	101	101	101	100	34	
Censored obs.	32	32	32	31	14	

Notes: Robust z statistics in parentheses, ***: $p < .01$, **: $p < .05$, *: $p < .1$

IV. CONCLUSION

The analysis results show significance of NGOs' financial strategy centering on membership fee under current external situation.

Membership fee is generated from attracting and managing members. Unlike the late 1980s and early 1990s, at the present stage where social concern about NGOs and their credibility and influence has been deteriorating, just indirect contact with citizens via media exposure doesn't automatically lead to recruitment of new members.

Under this condition, therefore, increase in membership and membership fee can mainly be occurred when; firstly a NGO carry out activities and programs to meet citizens' real needs and stimulate them to have favorable image and concern about NGO, secondly try to get and keep in touch with citizens and develop programs to make it possible in on- and off-line space, thirdly make faithful relation with them which can be formed through continuous and sincere organizational efforts.

This strategy, however, is not easy to be implemented because it takes huge amount of resources and time, and because the results can be obtained only in the mid-to-long run even though a NGO employ membership-centered growth strategy or financial strategy centering on membership fee, and invest huge amount of money and time. Due to the difficulties, many organizations choose to engage in moneymaking business or depend on winning projects, which lead to tangible results soon or adopt financial strategy relying on government's financial support. But, growth strategy focusing on profit-making business or projects - financial support from the government is included here as it takes form as project - has critical disadvantages.

The first is about instability of funding. Revenue coming from research projects already has been significantly decreased, and the trend is expected to continue for the years to come. Profits from business are shown to reduce significantly from 2002 to 2005. Financial support from the government is very changeable based on policy shift. Accordingly, NGOs heavily relying on profit-making business or research projects are likely to be exposed to financial trouble depending on sudden changes from outside.

Second, profit-making business or projects are given priority with limited human resources while recruiting and managing members are pushed to the back burner. This has led to declining membership fee out of total revenue undermining financial healthiness and stability. Third, NGOs, which got accustomed to receive larger funding have less interest in small amount of membership fee and fundraising from multiple members. As a result, NGOs could lose its identity by responding to more sensitively to needs of big money donors than those of ordinary citizens.

The result of analysis on NGO's finance⁴⁾ shows the probability that NGOs have been dividing into two categories, as financial difficulty of NGOs are getting serious; one group centers on membership fee and private donation from citizens, and the other focuses on project including government's support. This is very worrisome situation. The study also reveals that the amount of revenue from membership fee affects increasing rate of membership. Amount of membership fee and its ratio to total revenue also affects wage level of NGOs' workers. In addition, private donation including membership fee not only prevents NGOs from undermining their independence and but also makes them more responsive to citizens' demand, a source of membership fee. Finally, NGOs, which have relied on membership fee and private donation, are shown to manage worsening financial difficulty better than those that didn't.

4) Byung-Ok, Park, A Study on NGO's Financing and the Effects of Government's Support on It, A Thesis for the degree of Ph.D, KDI School of Public Policy and Management, 2007.

Such a result demonstrates that financial strategy centering on membership fee and private donation could serve as an alternative strategy for sustainable growth amid aggravated conditions. In particular, as the importance of internal capacity to enlarge direct contacts and continuous communication with citizens grows, developing relevant programs to make it possible is deemed to be critical. Such strategy to enhance internal capacity is designed to secure necessary resources from citizens, recipients of NGOs' activities, and stands in a stark contrast to the growth and financial strategy of the 1990s, which focused on creating amicable atmosphere via policy and publicity-related activities and raising considerable amount of fund from individuals or corporations which were at some distance from ordinary citizens, recipients of NGOs' activities.

Such strategy can be called substance-centered growth strategy from the viewpoint that it helps NGOs to concentrate on what they are supposed to do by removing the need to expand unnecessarily. It is getting more and more important to enrich the substance than to enlarge the size as time goes.

APPENDIX 3

3.1 The State of NGO-workers, 2002 (unit: won)

- for all NGOs replied in 2002

Location			Regular			Irregular		
			Total	Male	Female	Total	Male	Female
ADV0	Seoul	Mean	18.45	8.14	10.32	2.00	.77	1.23
		N	22	22	22	22	22	22
		Std. Deviation	20.179	8.919	12.077	2.449	1.232	1.688
	metropolitan cities	Mean	5.60	2.90	2.70	1.20	.60	.60
		N	30	30	30	30	30	30
		Std. Deviation	5.256	3.556	2.277	2.987	1.429	1.714
	other cities	Mean	3.36	1.24	2.11	.40	.29	.11
		N	45	45	45	45	45	45
		Std. Deviation	3.113	1.151	3.298	.720	.661	.383
	Total	Mean	7.47	3.32	4.15	1.01	.49	.52
		N	97	97	97	97	97	97
		Std. Deviation	11.770	5.406	7.055	2.158	1.091	1.332
SVC	Seoul	Mean	15.25	9.75	5.50	1.00	.25	.75
		N	4	4	4	4	4	4
		Std. Deviation	8.578	5.909	3.317	1.155	.500	.957
	metropolitan cities	Mean	30.17	6.17	24.00	7.67	3.00	4.67
		N	6	6	6	6	6	6
		Std. Deviation	31.391	9.368	29.732	9.852	4.817	6.250
	other cities	Mean	16.31	4.38	11.92	1.69	.54	1.15
		N	13	13	13	13	13	13
		Std. Deviation	8.460	2.815	6.614	2.287	.877	1.819
	Total	Mean	19.74	5.78	13.96	3.13	1.13	2.00
		N	23	23	23	23	23	23
		Std. Deviation	17.700	5.752	16.408	5.723	2.651	3.668
Total	Seoul	Mean	17.96	8.38	9.58	1.85	.69	1.15
		N	26	26	26	26	26	26
		Std. Deviation	18.769	8.448	11.268	2.310	1.158	1.592
	metropolitan cities	Mean	9.69	3.44	6.25	2.28	1.00	1.28
		N	36	36	36	36	36	36
		Std. Deviation	15.807	4.954	13.978	5.219	2.414	3.221
	other cities	Mean	6.26	1.95	4.31	.69	.34	.34
		N	58	58	58	58	58	58
		Std. Deviation	7.227	2.106	5.885	1.340	.715	1.001
	Total	Mean	9.83	3.79	6.03	1.42	.62	.80
		N	120	120	120	120	120	120
		Std. Deviation	13.899	5.535	10.244	3.243	1.524	2.065

3.2 The State of NGO-workers, 2002 (unit: person)
 – for all NGOs replied in both 2002 and 2005

Location			Regular			Irregular		
			Total	Male	Female	Total	Male	Female
ADVO	Seoul	Mean	21.61	9.39	12.22	2.11	.83	1.28
		N	18	18	18	18	18	18
		Std. Deviation	21.074	9.413	12.591	2.518	1.339	1.674
	metropolitan cities	Mean	5.96	3.13	2.83	1.38	.67	.71
		N	24	24	24	24	24	24
		Std. Deviation	5.812	3.949	2.479	3.308	1.579	1.899
	other cities	Mean	3.13	1.50	1.63	.42	.33	.08
		N	24	24	24	24	24	24
		Std. Deviation	1.541	1.142	1.610	.776	.761	.282
	Total	Mean	9.20	4.24	4.95	1.23	.59	.64
		N	66	66	66	66	66	66
		Std. Deviation	13.752	6.303	8.058	2.492	1.265	1.505
SVC	Seoul	Mean	15.25	9.75	5.50	1.00	.25	.75
		N	4	4	4	4	4	4
		Std. Deviation	8.578	5.909	3.317	1.155	.500	.957
	metropolitan cities	Mean	40.00	3.00	37.00	6.67	2.00	4.67
		N	3	3	3	3	3	3
		Std. Deviation	37.000	5.196	38.197	3.786	2.646	5.686
	other cities	Mean	19.38	4.75	14.63	2.00	.63	1.38
		N	8	8	8	8	8	8
		Std. Deviation	7.909	2.866	5.854	2.673	1.061	2.134
	Total	Mean	22.40	5.73	16.67	2.67	.80	1.87
		N	15	15	15	15	15	15
		Std. Deviation	18.134	4.713	18.829	3.222	1.424	3.044
Total	Seoul	Mean	20.45	9.45	11.00	1.91	.73	1.18
		N	22	22	22	22	22	22
		Std. Deviation	19.400	8.760	11.703	2.348	1.241	1.563
	metropolitan cities	Mean	9.74	3.11	6.63	1.96	.81	1.15
		N	27	27	27	27	27	27
		Std. Deviation	15.939	3.984	15.408	3.695	1.711	2.699
	other cities	Mean	7.19	2.31	4.88	.81	.41	.41
		N	32	32	32	32	32	32
		Std. Deviation	8.185	2.206	6.509	1.595	.837	1.188
	Total	Mean	11.64	4.52	7.12	1.49	.63	.86
		N	81	81	81	81	81	81
		Std. Deviation	15.422	6.042	11.652	2.679	1.289	1.922

3.3 The State of NGO-workers, 2005 (unit: person)

Location		Regular			Irregular			
		Total	Male	Female	Total	Male	Female	
ADVO	Seoul	Mean	16.44	6.44	10.00	.61	.28	.33
		N	18	18	18	18	18	18
		Std. Deviation	11.898	5.575	7.388	.916	.669	.594
	metropolitan cities	Mean	5.50	2.75	2.75	1.39	.43	.96
		N	24	24	24	23	23	23
		Std. Deviation	2.654	1.847	1.962	2.856	.788	2.345
	other cities	Mean	3.50	1.50	2.00	.21	.13	.08
		N	24	24	24	24	24	24
		Std. Deviation	1.888	1.560	1.865	.509	.338	.282
	Total	Mean	7.76	3.30	4.45	.74	.28	.46
		N	66	66	66	65	65	65
		Std. Deviation	8.381	3.774	5.356	1.839	.625	1.469
SVC	Seoul	Mean	14.75	9.50	5.25	1.25	.50	.75
		N	4	4	4	4	4	4
		Std. Deviation	9.979	7.416	2.630	.957	.577	.500
	metropolitan cities	Mean	42.00	5.67	36.33	9.00	.33	8.67
		N	3	3	3	3	3	3
		Std. Deviation	42.532	4.509	38.371	6.557	.577	7.095
	other cities	Mean	22.57	4.71	17.86	2.86	.29	2.57
		N	7	7	7	7	7	7
		Std. Deviation	13.011	2.870	10.761	3.671	.756	3.552
	Total	Mean	24.50	6.29	18.21	3.71	.36	3.36
		N	14	14	14	14	14	14
		Std. Deviation	21.940	4.921	20.226	4.665	.633	4.749
Total	Seoul	Mean	16.14	7.00	9.14	.73	.32	.41
		N	22	22	22	22	22	22
		Std. Deviation	11.370	5.872	6.978	.935	.646	.590
	metropolitan cities	Mean	9.56	3.07	6.48	2.27	.42	1.85
		N	27	27	27	26	26	26
		Std. Deviation	16.794	2.336	15.243	4.094	.758	3.896
	other cities	Mean	7.81	2.23	5.58	.81	.16	.65
		N	31	31	31	31	31	31
		Std. Deviation	10.114	2.320	8.441	2.040	.454	1.924
	Total	Mean	10.69	3.83	6.86	1.27	.29	.97
		N	80	80	80	79	79	79
		Std. Deviation	13.341	4.124	10.890	2.777	.623	2.602

3.4 The State of Membership, Workers and Finance of NGOs, In 2002,
 – classified by three categories; NGOs that was broken up or with inner problems in 2005, NGOs that didn't answer the survey in 2005, and NGOs that answered the survey in 2005.

(unit: person, thousand won)

LOC		Member-ship	Regular staffs	Total revenue	membership fee	Fundraising	business program	project	Advertisement	gov't support
break up or inner problem	Mean	216.67	7.33	39533.33	18000.00	17066.67	3666.67	14333.33	.00	11466.67
	ADVO N	3	3	3	3	3	3	3	3	3
	S. D	104.083	9.238	10032.613	7000.000	27669.719	3214.550	16921.387	.000	12265.942
	Mean	1675.00	6.00	276200.00	124600.00	27750.00	.00	69150.00	26000.00	5250.00
	SVC N	2	2	2	2	2	2	2	2	2
	S. D	1873.833	1.414	175079.639	123602.265	22980.970	.000	32314.780	36769.553	7424.621
No-response	Mean	800.00	6.80	134200.00	60640.00	21340.00	2200.00	36260.00	10400.00	8980.00
	Total N	5	5	5	5	5	5	5	5	5
	S. D	1233.390	6.611	156578.670	85164.241	23432.413	3033.150	36134.305	23255.107	10030.055
	Mean	323.96	4.96	125143.48	30413.04	15617.39	34117.39	11373.91	1739.13	22347.83
	ADVO N	23	23	23	23	23	23	23	23	23
	S. D	318.784	5.653	146772.647	37677.583	15970.673	71681.535	13602.714	4564.860	48372.239
response	Mean	1283.64	8.27	346727.27	32818.18	56454.55	146727.27	49090.91	.00	30272.73
	SVC N	11	11	11	11	11	11	11	11	11
	S. D	1746.266	14.907	732752.085	26577.502	86239.624	469877.876	85959.821	.000	54100.076
	Mean	634.44	6.03	196832.35	31191.18	28829.41	70550.00	23576.47	1176.47	24911.76
	Total N	34	34	34	34	34	34	34	34	34
	S. D	1095.215	9.546	433748.354	34084.515	52913.179	270535.662	51800.100	3817.588	49608.386
response	Mean	703.75	7.19	247218.75	51500.00	23875.00	96040.63	20656.25	937.50	22666.67
	ADVO N	32	32	32	32	32	32	32	32	30
	S. D	871.135	8.185	311901.632	58452.076	47760.788	241762.456	25932.741	2513.672	61433.639
	Mean	3791.47	14.73	573551.02	147826.53	110736.73	152377.55	87469.39	7755.10	23387.76
	SVC N	49	49	49	49	49	49	49	49	49
	S. D	7203.475	18.377	724439.975	206753.012	140066.577	437338.834	141291.676	28145.108	54989.323
Total	Mean	2571.63	11.75	444629.63	109771.60	76420.99	130120.99	61074.07	5061.73	23113.92
	N	81	81	81	81	81	81	81	81	79
	S. D	5808.192	15.568	615104.545	170930.615	120336.218	371720.550	115407.000	22112.975	57132.547