

University of San Diego

Digital USD

---

Dissertations

Theses and Dissertations

---

2011-01-01

## “Voluntary Sector-Rich” and “Voluntary Sector-Poor”: What Difference Does the Distinction Really Make?

Lindsey M. McDougale PhD  
*University of San Diego*

Follow this and additional works at: <https://digital.sandiego.edu/dissertations>



Part of the [Leadership Studies Commons](#)

---

### Digital USD Citation

McDougale, Lindsey M. PhD, ““Voluntary Sector-Rich” and “Voluntary Sector-Poor”: What Difference Does the Distinction Really Make?” (2011). *Dissertations*. 827.  
<https://digital.sandiego.edu/dissertations/827>

This Dissertation: Open Access is brought to you for free and open access by the Theses and Dissertations at Digital USD. It has been accepted for inclusion in Dissertations by an authorized administrator of Digital USD. For more information, please contact [digital@sandiego.edu](mailto:digital@sandiego.edu).

**“VOLUNTARY SECTOR-RICH” AND “VOLUNTARY SECTOR-POOR”:  
WHAT DIFFERENCE DOES THE DISTINCTION REALLY MAKE?**

by

LINDSEY M. McDOUGLE

A dissertation submitted in partial fulfillment  
of the requirements for the degree of

Doctor of Philosophy  
University of San Diego

January 2011

Dissertation Committee

Robert Donmoyer, Ph.D.  
Fred Galloway, Ed.D.  
Mary McDonald, Ph.D.

*This page left intentionally blank.*

## ABSTRACT

Nonprofit organizations serve a distinctive role within American society. Collectively, nonprofits are viewed as major sources of social capital, contributors to the public good, and the value guardians within communities. Nonprofits also have a sizeable (and quite positive) impact on the nation's economy. Despite the social and economic significance of nonprofits, though, research has shown that nonprofit organizations and resources are not always distributed evenly across communities. Indeed, Wolch (1990) has observed that some communities are voluntary sector-rich, while others are voluntary sector-poor. Therefore, many of the benefits often associated with the presence of nonprofits may not be actualized, or even attainable, in all areas.

The purpose of this study was three-fold. First, this study was intended to examine how size and scope dimensions of the nonprofit sector differed across communities within a particular region. Second, this study was intended to test, at a local level, the relevance of existing theories and concepts that explain variation in the distribution of nonprofit activity. Third, this study was intended to explore whether, and to what extent, differences in the voluntary landscape of communities were related to differences in public attitudes toward nonprofit organizations.

Findings from this study indicated that nonprofit activity varied considerably. Through the use of a series of Ordinary Least Squares (OLS) regression models, several theoretically-derived community predictors were found to significantly influence the distribution of nonprofit activity. Moreover, results of a cluster analysis procedure revealed three distinct voluntary sector community types in the study region: voluntary sector-rich, voluntary sector-mixed, and voluntary sector-poor. Significant differences

were found to exist in public attitudes across community types. In particular, residents in voluntary sector-rich communities expressed the most confidence in, and demonstrated the highest awareness of, the nonprofit sector. Residents in voluntary sector-poor communities expressed the least confidence in, and demonstrated the lowest awareness of, the nonprofit sector. More residents in voluntary sector-mixed communities believed that government agencies did the best job of helping people and spending money wisely. Finally, results of several logistic and logit regression models indicated that a number of individual factors influenced public attitudes toward nonprofits in each area.

## ACKNOWLEDGEMENTS

The research in this dissertation was completed with generous contributions of social, moral, and financial support. Specifically, contributions of social and moral support were provided from:

- My *parents*, David and Carol McDougale; my *grandmother*, Marie S. Patterson; my *brother*, David McDougale, Jr.; and various other *family* members (too numerous to name).
- My friends and (current and former) colleagues at the *Caster Family Center for Nonprofit and Philanthropic Research* in the School of Leadership and Education Sciences at the University of San Diego: Audrey Barrett, PhD; Heather Carpenter; Tom Cesarini; Laura Deitrick, PhD; Melanie Hitchcock; Pat Libby; Taylor Peyton Roberts; Kjell Rowe; Laura Stein; Bethan Theunissen; and Stephen Valez-Confer, PhD (deceased).
- Peter Frumkin, PhD, and my friends and colleagues who were apart of the 2009 cohort of fellows for the *RGK Center for Philanthropy and Community Service* summer program at the University of Texas-Austin: Sondra Barringer, Erica Cosler, Jasmine McGinnis, John Ronquillio, Olena Verbenko, and Tamitha Walker.
- My *friends*, Charlene Blake, MD, PhD; Marcus Lam; and Yendelela Neely, JD.
- My *dissertation committee* and *academic mentors*: Robert Donmoyer, PhD (chair), Fred Galloway, PhD (member), Mary McDonald, PhD (member), and Femida Handy, PhD (post-doctoral fellowship mentor).

Finally, I am extremely grateful and indebted to the *Gates Millennium Scholars Program* for their financial support in funding my education and all of my educational expenses for the past ten years—truly a blessing.

## TABLE OF CONTENTS

ACKNOWLEDGMENTS.....	i
LIST OF FIGURES.....	vii
LIST OF TABLES.....	viii
1. INTRODUCTION.....	1
Background to the Study.....	2
Statement of the Problem.....	5
Purpose of the Study and Research Questions.....	7
A Note on Terminology.....	8
Overview of the Dissertation.....	9
2. LITERATURE REVIEW.....	10
A Focus on the Geographies of Nonprofit Activity.....	11
Government Restructuring and the Onset of Welfare Reform.....	12
Declining Civic Participation.....	15
Summary of Section.....	16
Variations in the Size and Scope Dimensions of the Nonprofit Sector.....	16
Defining Nonprofit Capacity.....	17
Variations in Nonprofit Density.....	18
Variations in Nonprofit Heterogeneity.....	20
Variations in Nonprofit Quality .....	21
Summary of Section.....	22
Explanations for Variations in the Size and Scope Dimensions of the Nonprofit Sector.....	22
The Demand for Nonprofit Services ( <i>Demand-Related Explanations</i> ).....	23
Failures of the market.....	23
<i>Contract failure theory</i> .....	25
Failures of government.....	26
<i>Demand heterogeneity</i> .....	27
Failures of voluntary organizations.....	28

<b>Empirical tests of demand-related explanations.....</b>	<b>29</b>
<i>Positive findings.....</i>	<i>29</i>
<i>Negative findings.....</i>	<i>30</i>
<i>The source of inconsistent findings.....</i>	<i>31</i>
<b>The Supply of Nonprofit Resources</b>	
<b><i>(Supply-Related Explanations).....</i></b>	<b>32</b>
Resource availability.....	32
Social cohesion.....	33
<b>The Role of Community Structure</b>	
<b><i>(Community Structure-Related Explanations).....</i></b>	<b>34</b>
Urbanization.....	34
Population density.....	35
<b>Summary of Section .....</b>	<b>35</b>
<b>“Neighborhood Effects” and the Social Context of Communities.....</b>	<b>37</b>
Mechanisms of Neighborhood Influence.....	39
The significance of institutional resources.....	40
<b>Does the Social Context of Communities Affect Public</b>	
<b>Attitudes Toward Nonprofit Organizations? .....</b>	<b>42</b>
A Hypothetical Illustration.....	43
<b>Summary of Section .....</b>	<b>44</b>
<b>Research on Public Attitudes Toward Nonprofit Organizations .....</b>	<b>44</b>
Fragmentary Information.....	45
Public confidence in the nonprofit sector.....	46
Public awareness of nonprofit organizations.....	48
Public perceptions of nonprofit services.....	49
<b>Summary of Literature Review.....</b>	<b>50</b>
<b>3. METHODOLOGY.....</b>	<b>51</b>
<b>Overview of Data Sources.....</b>	<b>52</b>
<b>National Center for Charitable Statistics (NCCS)</b>	
<b>Core Files.....</b>	<b>52</b>
<b>San Diego Association of Governments (SANDAG)</b>	
<b>Population Estimates.....</b>	<b>53</b>



Survey of Public Confidence in San Diego County Nonprofit Organizations (PCSN).....	53
Survey instrument.....	54
Overview of Analytic Strategies.....	56
Research Question 1: Descriptive.....	56
Unit of analysis.....	57
Data source.....	59
Data cleaning.....	59
<i>Verification of location information</i> .....	59
<i>Excluded ZIP codes and nonprofit organizations</i> .....	61
<i>Zip codes excluded from the analysis</i> .....	63
<i>Nonprofit organizations excluded from the analysis</i> .....	65
Measurement.....	65
<i>Nonprofit density</i> .....	65
<i>Nonprofit heterogeneity</i> .....	67
<i>Nonprofit quality</i> .....	67
Research Question 2: Theoretical.....	68
Unit of analysis.....	68
Data sources.....	68
Measurement.....	68
<i>Dependent variables</i> .....	68
<i>Independent variables</i> .....	69
<i>Demand-related explanations</i> .....	69
<i>Supply-related explanations</i> .....	70
<i>Community structure-related explanations</i> .....	71
Research Question 3: Exploratory.....	72
Unit of analysis.....	72
Data sources.....	72
Measurement.....	73
<i>Dependent variables</i> .....	74
<i>Public confidence in the nonprofit sector</i> .....	74
<i>Public awareness of nonprofit organizations</i> .....	74

	<i>Public perceptions of nonprofit services</i> .....	75
	<i>Independent variables</i> .....	76
<b>4. RESULTS</b> .....		<b>77</b>
	<b>Overview of Study Site</b> .....	<b>77</b>
	<b>Economic and Demographic Profile of San Diego County</b> .....	<b>78</b>
	<b>Size and Scope Dimensions of the Formal 501(c)(3)</b>	
	<b>Nonprofit Sector in San Diego County</b> .....	<b>79</b>
	<b>Research Question 1: Descriptive</b> .....	<b>81</b>
	Nonprofit density.....	81
	<i>Density of amenity-type nonprofit organizations</i> .....	84
	Nonprofit heterogeneity.....	87
	Nonprofit quality.....	87
	Summary of results.....	88
	<b>Research Question 2: Theoretical</b> .....	<b>88</b>
	Dependent variables.....	88
	Independent variables.....	90
	<i>Measures of demand</i> .....	90
	<i>Measures of supply</i> .....	91
	<i>Measures of community structure</i> .....	92
	Analysis.....	92
	Results.....	94
	Diagnostics.....	106
	Summary of results.....	109
	<b>Research Question 3: Exploratory</b> .....	<b>110</b>
	<b>Part 1: Development of a neighborhood typology</b> .....	<b>111</b>
	<b>Part 2: Assessment of public attitudes toward nonprofit</b>	
	<b>organizations</b> .....	<b>115</b>
	<i>Individual attitudes across neighborhood types</i> .....	121
	<i>Public confidence in the nonprofit sector</i> .....	123
	<i>Public awareness of nonprofit organizations</i> .....	126
	<i>Public perceptions of nonprofit services</i> .....	129
	Summary of results.....	138

<b>5. DISCUSSION.....</b>	<b>143</b>
<b>Significance of Research.....</b>	<b>144</b>
<b>Summary of Findings.....</b>	<b>146</b>
<b>Research question 1.....</b>	<b>146</b>
<b>Research question 2.....</b>	<b>147</b>
<b>Research question 3.....</b>	<b>148</b>
<b>Practical Implications of this Study.....</b>	<b>149</b>
<b>Building partnerships, bridging gaps.....</b>	<b>149</b>
<b>Strategic action, public satisfaction.....</b>	<b>149</b>
<b>Early intervention, community vitality.....</b>	<b>150</b>
<b>Limitations.....</b>	<b>150</b>
<b>Directions for Future Research.....</b>	<b>151</b>
<b>Ecometrics.....</b>	<b>152</b>
<b>Multi-level analyses.....</b>	<b>152</b>
<b>Alternative measures.....</b>	<b>152</b>
<b>Supplemental data sources.....</b>	<b>153</b>
<b>Comprehensive attitude scales.....</b>	<b>153</b>
<b>Longitudinal analyses.....</b>	<b>154</b>
<b>REFERENCES.....</b>	<b>155</b>
<b>APPENDIX</b>	
<b>A 2007–2008 PCSN SURVEY INSTRUMENT.....</b>	<b>171</b>

## LIST OF FIGURES

**Figure 1: General Framework of Neighborhood Influences**

**Figure 2: Average Number of Nonprofit Organizations in San Diego County ZIP Codes, by Average Median Household Income Level**

**Figure 3: Average Number of Nonprofit Organizations in San Diego County ZIP Codes per Selected NTEE Sub-Sector Category, by Average Median Household Income Level**

**Figure 4:  $\ln(\text{Nonprofit Density})$  as a Quadratic Function of  $\ln(\text{Population Density})$**

**Figure 5: Nonprofit Heterogeneity as a Quadratic Function of  $\ln(\text{Median Income})$**

**Figure 6:  $\ln(\text{Nonprofit Expenditures})$  as a Quadratic Function of  $\ln(\text{Population Density})$**

## LIST OF TABLES

- Table 1: ZIP Codes and Jurisdictions in San Diego County**
- Table 2: Excluded Non-Residential ZIP Codes**
- Table 3: Excluded Nonprofit Organizations, by NTEE Sub-Sector Category**
- Table 4: Socio-Demographic and Economic Summary Statistics for San Diego County ZIP Codes**
- Table 5: Distribution of Formal 501(c)(3) Nonprofit Organizations in San Diego County, by NTEE Sub-Sector Category**
- Table 6: Summary Statistics of Nonprofit Density, Nonprofit Heterogeneity, and Nonprofit Quality**
- Table 7: Description of Variables Used in the Analysis of Research Question 2**
- Table 8: Summary of Variables Used in OLS Regression Models**
- Table 9: Bivariate (Zero-Order) Pearson Correlations between Nonprofit Density, Nonprofit Heterogeneity, Nonprofit Quality and Community Characteristics**
- Table 10: OLS Regression Models: Nonprofit Density**
- Table 11: OLS Regression Models: Nonprofit Heterogeneity**
- Table 12: OLS Regression Models: Nonprofit Quality**
- Table 13: Bivariate (Zero-Order) Pearson Correlation Matrix between Independent Variables**
- Table 14: Means of Neighborhood Characteristics and Nonprofit Activity, by Cluster**
- Table 15: San Diego County ZIP Codes, by Cluster**
- Table 16: Summary Statistics of PCSN Survey Respondents, by Cluster**
- Table 17: Contingency Tables of Differences in Public Attitudes across Clusters**
- Table 18: Description of Variables Used in the Analysis of Research Question 3**
- Table 19: Binomial Logistic Regression Results, Individual Predictors of Public Confidence (Ability of Nonprofit Organizations to Spend Money Wisely)**

- Table 20: Cluster 1 (VSP Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations**
- Table 21: Cluster 2 (VSM Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations**
- Table 22: Cluster 3 (VSR Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations**
- Table 23: Cluster 1 (VSP Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Helping People)**
- Table 24: Cluster 2 (VSM Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Helping People)**
- Table 25: Cluster 3 (VSR Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Helping People)**
- Table 26: Cluster 1 (VSP Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Spending Money Wisely)**
- Table 27: Cluster 2 (VSM Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Spending Money Wisely)**
- Table 28: Cluster 3 (VSR Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit, and Government Organizations (Spending Money Wisely)**
- Table 29: Summary of Significant Individual Predictors of Public Attitudes Toward Nonprofit Organizations**

## CHAPTER 1

### INTRODUCTION

It has often been suggested that nonprofit organizations make our communities better places to live (Salamon, Hems, & Chinnock, 2000; Smith, 1973; Van Til, 2000; Wolpert & Reiner, 1985). From a theoretical perspective, for instance, academics have developed and/or applied a variety of theories that highlight the benefits associated with nonprofits. Social capital theories suggest that nonprofit organizations are critical to the development of group formation and community involvement (Milligan & Conradson, 2006; Putnam, 1993, 2000). Economic and political theories assume that nonprofit organizations cater to marginalized groups and to those who have been overlooked by government and the private market (Hansmann, 1980; Weisbrod, 1986). Stakeholder theories argue that nonprofits provide an outlet for entrepreneurial control and religiously motivated initiatives (Ben-Ner & Van Hoomissen, 1992; James, 1987).

In addition to the many benefits that theoretical perspectives ascribe to the nonprofit sector, from a practical standpoint nonprofit organizations are also thought to enhance the quality of local communities in a number of ways. In particular, nonprofits are often thought to be better able than either government agencies or for-profit institutions to meet public demand for services. Indeed, since nonprofit organizations are less constrained by the political process, and the bureaucratic operating norms of the public sector, they are believed to have more flexibility in solving social problems than government (Hansmann, 1987; Salamon, Hems, & Chinnock, 2000). Moreover, since nonprofits are less motivated by the profit orientation that typically drives proprietary organizations, they are believed to have more interest in maintaining the civic condition

of communities than for-profit firms (Hansmann, 1980; Salamon, Hems, & Chinnock, 2000). Overall, as a result of their flexibility and the mission-oriented nature of their operations, nonprofits are considered to be better able than both government *and* the private market to reach populations that are closest to the margins of society and often at the greatest risk of social exclusion.

Yet, despite both the theoretical and the practical ways that nonprofit organizations are believed to make our communities better places to live, studies have consistently shown that size and scope dimensions of the nonprofit sector often vary considerably across localities (Allard, 2009; Bielefeld, Murdoch & Waddell, 1997; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch, 1990; Wolch & Geiger, 1983). In particular, some studies have shown that affluent communities have ample voluntary resources and a highly diverse voluntary landscape (Bielefeld, 2000; Wolch & Geiger, 1983; Wolpert 1993b), while other studies have shown that low-income communities have few voluntary resources and lack a variety of key civic institutions (Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wilson, 1987). Given such differences in the voluntary landscape of communities, then, the theoretical and the practical benefits that are often associated with the presence of nonprofit organizations may not always be actualized, or even attainable, in all areas.

### **Background to the Study**

Nonprofit organizations have traditionally served a distinctive role within American society. According to several scholars, collectively these organizations are a major source of social capital, contributors to the public good, and often viewed as the “value guardians” within our communities (Kramer, 1981; Putnam, 1993). Ott (2001), for



instance, has suggested that nonprofit organizations fundamentally exist to “encourage the benevolent donation of money, property, and time and effort to eliminate or prevent the causes of social problems and injustices and to otherwise improve the quality of life all around us” (p. 49). Additionally, Wolpert (1993a) has stated that “nonprofits serve pluralistic tastes and add variety to our local quality of life” (p. 286). Indeed, the contributions of the nonprofit sector have been positively linked to a number of favorable societal outcomes, such as the establishment of stronger interpersonal networks among residents (Katz, 1993; Putnam, 1993, 2000), increased civic participation (Putnam, 1993, 2000), and even perceptions about the quality of local government (Brown, 1998; Cnaan, Wineburg, & Boddie, 1999; Van Slyke & Roch, 2004; Wuthnow, 2004).

Not only are nonprofit organizations believed to enrich the social value of communities, but the so-called third sector also has a sizeable (and quite positive) impact on the nation’s economy. This impact is clearly evidenced by the magnitude of the sector’s operations. Consisting of more than 1.5 million organizations, the nonprofit sector in the United States (US) employs on average 12.5 million full- and part-time employees, has an estimated \$3.4 trillion dollars in assets, and relies on nearly 63.3 million volunteer workers (Wing, Pollak, & Blackwood, 2008). It should come as no surprise, then, that nonprofit organizations are an essential part of our everyday lives.

Still, despite of the social and the economic significance of the nonprofit sector, research has shown that nonprofit organizations are not always distributed evenly across communities (Allard, 2009; Bielefeld, Murdoch, & Waddell, 1997; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch, 1990; Wolch & Geiger, 1983). In fact, Wolch (1990) has highlighted the existence of “voluntary sector-rich” and

“voluntary sector-poor” metropolitan areas, and several studies have found differences in both the size and the composition of nonprofit sectors across localities (Ben-Ner & Van Hoomissen, 1992; Bielefeld, 2000; Grønbjerg & Paarlberg, 2001; Wolch & Geiger, 1983). For example, some studies have found that wealthier communities are voluntary sector-rich and contain a large share of “amenity-type” nonprofits, such as arts and cultural organizations, educational institutions, and membership-based associations (Bielefeld, 2000; Wolch & Geiger, 1983; Wolpert 1993b), while other studies have found that disadvantaged communities are voluntary sector-poor and lack the same variety of nonprofit institutions found in these wealthier areas (Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wilson, 1987).

Further adding to the lack of nonprofit activity in some disadvantaged neighborhoods, studies have also shown that considerable variation exists in the extent to which nonprofit organizations are even able to respond to local community need. For example, although one might naturally expect to find more social service nonprofits located in high poverty neighborhoods—due to their charitable mission and their orientation to serve the poor—in some areas social service agencies have actually been found to be *less* prevalent in low-income communities (Allard, 2009; Allard, Tolman, & Rosen, 2003; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch & Geiger, 1983). Moreover, the social service agencies that have been found to locate in low-income areas are not always of the highest quality (Joassart-Marcelli & Wolch, 2003; Lee, Wolch, & Walsh, 1999). Joassart-Marcelli and Wolch (2003), for instance, found that even though many poor communities in southern California cities had a high number of social service providers per capita, the extent of poverty in many of these low-

income areas meant that the social service agencies located there were among the most resource-deprived in the region. As they stated:

Poor people who reside in the poorest cities of the region are served by nonprofit organizations with lower levels of expenditures, have to share the services of each nonprofit organization with larger numbers of poor people, and hence are likely to receive less and/or lower quality of services. (p. 92)

It is obvious, then, that as a result of differences in the voluntary landscape of communities the amount of nonprofit assistance that an individual receives, and the opportunities that individuals have available to participate in voluntary activities, will in many instances be determined by the neighborhood in which one lives.

### **Statement of the Problem**

Geographic dimensions of the nonprofit sector play an important role in the ability of nonprofit organizations to effectively meet the needs of residents, socialize individuals into voluntary aspects of public life, and foster the community attachments often necessary to sustain civic action. Despite this importance, studies have consistently shown that size and scope dimensions of the nonprofit sector often vary considerably across localities. *But how, if at all, do differences in the voluntary landscape of communities affect public perceptions of the significance of the nonprofit sector within an area?*

Undoubtedly, a community with fewer nonprofit organizations and lower quality nonprofit resources will have a less effective nonprofit sector with lower sector capacity, than a community that has a strong nonprofit infrastructure and a plethora of quality nonprofit resources. This is indeed quite obvious. However, in addition to variations in capacity and effectiveness, differences in the size and scope dimensions of the nonprofit

sector may also affect outcomes that are less obvious in nature, such as public perceptions of the value of nonprofit organizations within local communities. It is likely, for instance, that residents in “voluntary sector-rich” and “voluntary sector-poor” communities may not only differ in their ability to access nonprofit services or in their ability to become involved in nonprofit activities, but they may also differ in their attitudes regarding the performance of nonprofit organizations in their area. However, there have been no studies that have directly examined the link between the presence or absence of nonprofit organizations, and public attitudes toward the nonprofit sector.

Without an understanding of how the public perceives nonprofits, though, it will be difficult to determine the actual significance of the nonprofit sector within local communities. More importantly, from a policy perspective, it will be even more difficult to determine the funding priorities that are necessary in order to achieve desired policy outcomes. For example, creating *new* nonprofit organizations in a community may be less important than ensuring that the ones that *currently* exist are effective and able to meet the needs and expectations of community residents.

Thus, several important questions come to mind. First, and foremost, *how* does the distribution of nonprofit organizations and resources differ across communities? Secondly, *why* do size and scope dimensions of the nonprofit sector differ from one community to the next? And finally, *are differences in the size and scope dimensions of the nonprofit sector associated with differences in public attitudes toward nonprofit organizations?* Without a doubt, these are certainly important questions to consider. Salamon, Hems, and Chinnock (2000), for instance, have argued that research on the size and scope dimensions of the nonprofit sector is “of modest importance in and of itself.

The really significant question is whether the presence or absence of nonprofit organizations makes a difference, and if so, what kind and how much” (p. 2).

### **Purpose of the Study and Research Questions**

The purpose of this study was to examine how, and why, size and scope dimensions of the nonprofit sector differed across local communities. Furthermore, this study was intended to explore whether, and to what extent, differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, were related to differences in public attitudes toward nonprofit organizations. Thus, the following research questions guided this study:

1. How do size and scope dimensions of the nonprofit sector differ across communities within a particular region?
2. What community factors are associated with differences in the size and scope dimensions of the nonprofit sector, at a local level?
3. Are differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, associated with differences in public attitudes toward nonprofit organizations?

The first question in this study was intended to provide a descriptive analysis of differences in the size and scope dimensions of the nonprofit sector across communities in San Diego County. The second question was intended to test, at a local level, the relevance of existing theories and concepts that attempt to explain variation in the distribution of nonprofit organizations and resources. The third question served as an exploratory analysis. This analysis was intended to investigate if, and to what extent, differences in the social context of communities, and in the size and scope dimensions of

the nonprofit sector—or the “richness” or “poorness” of a communities nonprofit sector as described by Wolch (1990)—were related to differences in public attitudes toward nonprofit organizations. Before I begin to address each of these questions, however, a note about the terminology that is used in this dissertation is necessary—specifically about the terminology relating to communities and neighborhoods.

### **A Note on Terminology**

“Community” can be defined in a number of different ways, by a number of different people, in a number of different contexts. For instance, community can be, and most often is, defined spatially—in terms of geographic areas; neighborhood histories; or administrative, legal, and political boundaries. However, community can also be defined non-spatially—in terms of resident perceptions or cultural characteristics and patterns of local surroundings (Chaskin, Brown, Venkatesh, & Vidal, 2001; Coulton, Korbin, Chan, & Su, 2001). Whether defined spatially or non-spatially, though, sociologists and community researchers have argued that it is important to distinguish the concept of “community” from the related concept of “neighborhood.” Indeed, according to several sociologists and scholars of community studies, the two concepts are conceptually distinct (see for instance, Gottdiener & Hutchinson, 2006; Sampson, Morenoff, & Gannon-Rowley, 2002).

Despite this conceptual distinction, most people often fail to distinguish between the two concepts. Chaskin, Brown, Venkatesh, and Vidal (2001), for instance, have noted that in “common parlance” both terms are generally used interchangeably (p. 8). Furthermore, Bennett and Fraser (2000) have suggested that “both terms typically refer to a physical space characterized by boundaries in which people share norms, values, goals,

and feelings of belonging and trust” (p. 111). As such, the research in this dissertation adopts the view of community and neighborhood similarity (as expressed by Bennett and Fraser (2000)), and thus uses the terms as interchangeable concepts—although certainly acknowledging the sociological distinction.

### **Overview of the Dissertation**

This dissertation is divided into five chapters. The first chapter provided an introduction to the study and a brief rationale for the research. Specific research questions that the study was designed to address were also identified in this chapter. A review of relevant literature in several fields of study—including, but not limited to, nonprofit and philanthropic studies and urban sociology—is provided in Chapter two. This literature review is intended to, both, justify and provide context for undertaking the research in this dissertation. In Chapter three, methodological aspects of the study are discussed—including a description of all variables and an overview of the analysis procedures that were implemented. Findings and results of the study are provided in Chapter four. Finally, Chapter five provides a summary of findings, an interpretation of results, and a series of suggestions for future research.

## CHAPTER 2

### LITERATURE REVIEW

Nonprofit organizations are connected to local communities in important ways. As providers of services, nonprofits supply many types of social and community programs. As local support systems, nonprofits empower citizens to engage in collective action. As community advocates, nonprofits defend the rights of those in the minority and those who are less fortunate. And as promoters of democracy and civic virtues, nonprofits create opportunities for community involvement. Indeed, nonprofit organizations are deeply embedded within the fabric of our everyday lives. As a result, nonprofits are often considered to be close enough to local communities to understand and meet the needs of community residents.<sup>1</sup> However, size and scope dimensions of the nonprofit sector often vary considerably across localities (Ben-Ner & Van Hoomissen, 1992; Bielefeld, Murdoch, & Waddell, 1997; Corbin, 1999; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Lincoln, 1977; Peck, 2008; Stater, 2009; Wolch & Geiger, 1983), and not all communities necessarily have a nonprofit sector with the capacity to effectively support, or connect to, the local community.

The literature reviewed in this chapter is intended to achieve several objectives. These objectives include: a) to provide context for understanding why differences in the size and scope dimensions of the nonprofit sector are important—with a specific emphasis on recent developments that have led scholars and policymakers to focus on the geographies of nonprofit activity, b) to examine extant theories and concepts that attempt

---

<sup>1</sup> For a review of the literature on the roles and benefits of the nonprofit sector, see Kramer, 1981; Salamon, 1999a; Salamon, Hems, & Chinock, 2000; Smith, 1973; VanTil, 1988; Van Til, 2000.



to explain variation in the distribution of nonprofit organizations and resources, and c) to explore what we currently know about public attitudes toward the nonprofit sector, and about how attitudes toward the sector are likely to differ across the social context of communities.

### **A Focus on the Geographies of Nonprofit Activity**

Nonprofit scholars have long explored geographic dimensions of the nonprofit sector recognizing that the spatial pattern of nonprofit organizations can affect a variety of outcomes—such as the degree to which needs are adequately and equitably addressed (Allard, 2009; Wolch, 1999), the ability of residents to access nonprofit services (Allard, 2009; Allard, Tolman, & Rosen, 2003), and the opportunities that individuals have available to participate in voluntary activities (Putnam, 1993, 2000). Indeed, early work by researchers such as Lincoln (1977), Wolpert (1977), Wolch and Geiger (1983), Wolpert and Reiner (1985), and Wolch (1990) first drew attention to the uneven geographies of nonprofit activity and to the resulting challenges facing nonprofit effectiveness. Their work highlighted the fact that nonprofit organizations were not always located in the *neediest* communities, and consequently that the ability of nonprofit organizations to effectively meet the needs of citizens differed from place-to-place.

This section of the literature review addresses the first objective of this chapter and provides a brief overview of recent developments that have led to increasing concerns regarding the size and scope dimensions of the nonprofit sector. These developments include: a) government restructuring—particularly as it relates to privatization and devolution of fiscal and policy responsibility for the delivery of social

programming over to the nonprofit sector, b) changes in the administration of welfare benefits, and c) declining levels of civic participation.

### **Government Restructuring and the Onset of Welfare Reform**

In recent years there has been an increased focus on the geographies of nonprofit activity, particularly in the areas of social and human services. This increased focus has largely been stimulated by the onset of government restructuring due to policies of privatization and devolution. As a result of privatization and devolution, the role of the nonprofit sector in the delivery of services has dramatically expanded (Alexander, 1999; Allard, 2009; Grønbjerg & Salamon, 2002; Smith & Grønbjerg, 2006; Smith & Lipsky, 1993). In fact, in many instances, nonprofits now serve as an alternative to public service delivery (Boris & Steuerle, 1999; Wolch, 1999). For example, much of the responsibility for the implementation and the administration of social and welfare programming (which was once handled directly by government) has now been transferred over to nonprofits and lower level (e.g., state and local) governments.

In general, this change in responsibility can be traced back to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996—commonly referred to as “welfare reform.” With the passage of PRWORA, the social safety net—that is, the public and private assistance that seeks to prevent vulnerable populations from falling below a minimum material standard of living—became increasingly reliant on the nonprofit sector to deliver services (Allard, 2009; Salamon, 1999b; Wolch, 1999),<sup>2</sup> and several new policy changes were introduced.

---

<sup>2</sup> PRWORA created Temporary Assistance for Needy Families (TANF)—a block grant program—to replace Aid to Families with Dependent Children (AFDC)—a cash assistance program for poor single parent households.

First, PRWORA encouraged the development of stronger partnerships between government and non-government organizations through contracting and other models of collaboration. Second, PRWORA granted states and non-government organizations increased flexibility and accountability over the development of welfare systems and social programs. Third, and arguably the most significant policy change affecting nonprofit organizations, PRWORA ended the era of welfare entitlement and imposed strict work requirements on welfare recipients in exchange for time-limited welfare assistance.

With the end of welfare entitlement, the administration of welfare benefits was shifted from primarily monetary assistance in the form of cash (i.e., a government welfare check) to primarily non-monetary assistance in the form of social services provided by nonprofits (Allard, 2009). One of the primary objectives of this shift, from cash assistance to non-cash assistance, was to create a governing system that was more efficient and better positioned to accommodate local preferences. Indeed, since it was often thought that nonprofit organizations had a close connection to local communities (Wolpert, 1993a), nonprofits were expected to be better able than government, in particular, to cater to the demands of community residents. Thus, proponents of welfare reform argued that nonprofit organizations had both “the organizational capacity and connections to local communities” that were needed in order to “deliver responsive and effective social services in a cost-efficient way” (Trudeau, 2008, p. 2806).

However, it soon became apparent that the varied landscape of nonprofit activity and the uneven distribution of nonprofit organizations resulted in a number of implications for the accessibility of welfare aide (Allard, 2007; Allard, 2009; Allard,

Tolman, & Rosen, 2003; Milligan & Conradson, 2006; Wolch, 1999). In fact, since service assistance is far more place-dependent than cash assistance, access to services became an important factor in the effective administration of welfare benefits. For example, several researchers consistently found spatial mismatches in the location of social service providers and the areas where need was often greatest (Allard, 2009; Allard, Tolman, & Rosen, 2003; Grønbjerg & Paarlberg, 2001). Ultimately, these spatial mismatches prevented many individuals, particularly poor individuals, from utilizing social services (Allard, Tolman, & Rosen, 2003).

In light of these findings, scholars and policymakers began to suggest that the varied landscape of nonprofit activity was preventing nonprofit organizations from effectively aiding in the relief of social distress (Allard, 2009; Wolch, 1999). Indeed, Mohan, Twig, Jones, and Barnard (2006) pointed out that “the safety net represented by the voluntary sector had a ‘mesh of varying size,’ so that the probability of slipping through it varied, depending on location” (p. 267). Thus, several of these scholars and policymakers also started to warn against government’s heavy reliance on philanthropy and the nonprofit sector as a means to improve neighborhood conditions (Clotfelter, 1992; Eikenberry, 2005; Smith & Lipsky, 1993; Wolch, 1999)—claiming that geographic unevenness in the spatial pattern of nonprofit organizations could eventually lead to extreme inequities and inefficiencies in how welfare aide was administered (Boris & Steuerle, 1999; Clotfelter, 1992; Wolch, 1999; Wolpert, 1993b). Allard (2009), for instance, argued that “the geography of the safety net [was] closely tied to issues of race, poverty, joblessness, and social isolation” in communities (p. 6). And, Eikenberry (2005) claimed that heavy “reliance on nonprofit organizations within the new governance

environment [could] exacerbate rather than ameliorate social and economic inequalities” (p. 1).

### **Declining Civic Participation**

Since the time of Tocqueville (1966 [1835]) civic engagement has long been considered a defining cornerstone of modern American democracy. Indeed, participation in voluntary organizations, and in other organizations representing the associational aspects of public life, has generally been thought to foster the community attachments necessary to sustain social practices and democratic governance. Therefore, in addition to government restructuring and welfare reform, declining levels of civic participation have also led many scholars to begin focusing on the geographies of nonprofit activity—particularly since in recent years citizen participation and involvement in associational life has steadily been on the decline.

Putnam (2000), for instance, provided evidence indicating that Americans today are generally less engaged in community life than they were generations ago. According to his research, after World War II public participation in local associations, voluntary organizations, and social groups started to decline rather dramatically. This decline, he found, was related to several factors, including (among other things) increased individualism, changes in work life patterns, and shifting family structures. Rahm (1998) also provided evidence of a rapid rise of materialistic value orientations among American youth between the years of 1976-1995. These value orientations, he suggested, were responsible for severely eroding levels of social trust.

Amid these findings, and due to concerns over decreasing active citizenship, a number of scholars began to explore how the nonprofit landscape of communities

influenced civic participation and voluntary engagement (Milligan & Conradson, 2006; Putnam, 2000). Social capital theorists, in particular, suggested that as intermediaries between individuals and the political system, nonprofit organizations were an important vehicle through which social capital was developed and maintained. In addition, these scholars also claimed that nonprofit organizations facilitated the development of social trust and horizontal social networks among neighbors (Putnam, 1993, 2000). Thus, a high prevalence of nonprofit organizations was often thought to be one of the key indicators of a healthy and vibrant civil society.

### **Summary of Section**

Overall, concerns regarding the effectiveness and equitability of nonprofit service delivery and declining levels of civic engagement have led to an increasing number of studies that have focused on the size and scope dimensions of the nonprofit sector. These studies have highlighted the fact that the health of the nonprofit sector, and indeed the capacity of nonprofit organizations, often differs from place-to-place. The next part of this section reviews studies that have examined differences in the size and scope dimensions of the nonprofit sector and have provided evidence of place-based variation in nonprofit capacity.

### **Variations in the Size and Scope Dimensions of the Nonprofit Sector**

To develop a comprehensive understanding of nonprofit capacity in any given community, it would be useful to have information pertaining to several dimensions of nonprofit activity, such as the types of programs and/or services that nonprofits in an area offer, the scale of nonprofit operations in a community, the quality and administrative

capacity among different types of nonprofits, and the potential for networking and collaborative exchanges between nonprofit organizations and organizations in, and across, community boundaries. Unfortunately, however, information of this sort is not available in any readily accessible or easily obtained format. As a result, it is nearly impossible to determine the actual scope of nonprofit activity, or the extent to which nonprofit services truly benefit individuals in different areas.

Chang and Tuckman (2010), for instance, have noted that serious development is needed with regard to nonprofit data on measures relating to the populations served, the service mix of programs offered, consumer and donor satisfaction with services, and general information on nonprofit effectiveness. Despite these data limitations, though, what we do know from the data that we are able to obtain is that the distribution of nonprofit organizations and resources—and ultimately, the capacity of the nonprofit sector—often vary considerably across localities. Specifically, these differences have been shown to exist in terms of: a) the density of nonprofit organizations, b) the heterogeneity of the nonprofit sector, and c) the quality of nonprofit resources.

### **Defining Nonprofit Capacity**

Before examining community differences in nonprofit capacity, it is first necessary to understand what exactly is meant by the term *capacity*. In the nonprofit literature, capacity has been defined as “the ability of organizations to fulfill their missions in an effective manner” (McPhee & Bare, 2001, p. 1). Although much of the work on nonprofit capacity has typically focused on *individual* organizations (see for example, De Vita, Fleming, & Twombly, 2001; Grønbjerg & Cheney, 2007; Light, 2000; Light, 2004a; Wing, 2004), recent efforts have been aimed at strengthening the capacity

of the nonprofit sector *as a whole* (see for example, Boris, 2001; De Vita & Fleming, 2001; Roman & Moore, 2004). Therefore, the term *capacity* in this dissertation refers to various aspects of nonprofit activity (e.g., nonprofit density, nonprofit heterogeneity, and nonprofit quality) at a community level.

### **Variations in Nonprofit Density**

The quantity of nonprofit organizations is one aspect of nonprofit capacity that has often been found to differ substantially across communities. Indeed, some communities have a highly dense nonprofit sector with significant voluntary resources, while other communities do not. For instance, in examining public access to social service providers, Allard (2009) found that high poverty neighborhoods in Chicago, Los Angeles, and Washington DC had fewer (by nearly half as many) social service providers than low poverty areas. Similarly, Grønbjerg and Paarlberg (2001), in their study of community variations in the size and scope dimensions of the nonprofit sector across Indiana counties, found significant variation in the density of nonprofit organizations—with fewer nonprofits located in low-income areas of the state. Furthermore, in examining the nonprofit sectors of several US metropolitan areas, Bielefeld (2000) found that not only did areas with higher poverty rates have lower densities of human service nonprofits, but that these areas were also home to nonprofit sectors that consisted of far less resource-rich nonprofit organizations in general.

Given these findings, then, it is evident that the density of nonprofit organizations may not always reflect the level of need, and/or the extent of social distress, within an area. In fact, in some instances, it is possible that nonprofits may choose to locate in areas where they are better positioned to accommodate the special interests of select groups.



For example, some studies have found that “amenity-type” nonprofit organizations, such as arts and cultural organizations and membership-based associations, tend to be more prevalent in wealthier communities (Lincoln, 1977; Wolch & Geiger, 1983; Wolpert, 1993b). Lincoln (1977) and Wolch and Geiger (1983), for instance, found that more member-benefit and professionally affiliated nonprofits were located in wealthier US metropolitan areas. Moreover, Bielefeld, Murdoch, and Waddell (1997) found that more arts and cultural organizations were located in economically homogenous neighborhoods of Dallas County, Texas.

Such uneven distribution of nonprofit organizations across communities can often create usage barriers for certain groups of residents. For example, studies have shown that residents in disadvantaged communities, in particular, tend to be more likely to utilize nonprofit services when they are located in close proximity to where they live (Allard, 2009; Allard, Tolman, & Rosen, 2003; Bielefeld, Murdoch, & Waddell, 1997). However, given the geographic unevenness in the distribution of nonprofit organizations in many areas, residents in disadvantaged communities may have limited accessibility to nonprofit services. Therefore, it is likely that residents in communities that are underserved by nonprofit organizations may have difficulty finding the services that they need, and generating the resources that are often necessary, to develop and maintain a healthy neighborhood environment.

De Vita, Manjarrez, and Twombly (1999), for instance, found that forty-one percent of residents in low-income areas of Washington DC considered the lack of family services in their neighborhood to be the biggest issue facing their community. Furthermore, Twombly, De Vita, and Garrick (2000) found that low-income and minority

residents in Philadelphia were nearly three times more likely, than their affluent neighbors, to consider the lack of arts and cultural activities “a big problem” in their community (p. 18).

### **Variations in Nonprofit Heterogeneity**

When attempting to understand the capacity of a community’s nonprofit sector, the density of nonprofits is only a small component of a complex set of dimensions. As such, Stater (2009) has argued that it is also important to assess the heterogeneity—or the degree of diversity—within the nonprofit sector as well. As she claims, the heterogeneity of nonprofit organizations within a community illustrates “the degree to which multiple interests are equally represented in the nonprofit sector” (p. 7). She adds, “Although two communities may each have 50 nonprofit organizations, a community with 50 social service nonprofits and a community with 5 recreation, 20 education, and 15 arts nonprofits [sic] reflect different civic communities” (p. 7). Furthermore, De Vita, Fleming, and Twombly (2001) have suggested that “diversity in the number, types, and structures of nonprofit organizations in a community may...be seen as a sign of community well-being” (p. 23).

Despite the importance of nonprofit heterogeneity, there have been few studies that have directly examined differences in the distribution of nonprofit organizations across the various mission-based fields of nonprofit activity (Lincoln, 1977; Marcuello, 1998; Stater, 2009). The few studies that have examined these differences, however, have shown that just as with the density of nonprofit organizations, diversity within the nonprofit sector tends to vary across communities as well. Marcuello (1998), for instance, examined determinants of the size of the nonprofit sector in Catalonia, Spain

and found that the share of nonprofits in the cultural services sector, the education sector, and the welfare service sector differed significantly across counties in the region.

Similarly, using a Herfindahl index, Stater (2009) calculated the degree of heterogeneity in the US nonprofit sector and found that the percentage of nonprofit diversity varied significantly across counties.

### **Variations in Nonprofit Quality**

Equally as important to the quantity and diversity of nonprofit organizations within a community, the quality of nonprofit resources is also considered to be an important factor in understanding the capacity of a community's nonprofit sector. Unfortunately, however, there are no agreed upon indicators regarding what does, or should, constitute nonprofit quality. Therefore, several researchers have focused on nonprofit financial strength as a crude approximation for quality (Joassart-Marcelli & Wolch, 2003; Peck, 2008). According to Bielefeld and Linders (2004), "Nonprofit expenditures and salaries paid provide an indication of the financial contributions" that nonprofit organizations make to their communities (p. 12).

For instance, Joassart-Marcelli and Wolch (2003) examined the amount of nonprofit expenditures for anti-poverty nonprofit organizations across southern California cities. They found that even though some poor communities in these cities had a high number of nonprofit organizations per capita, the degree of social distress in many of these areas often resulted in lower amounts of nonprofit expenditures being spent per poor person. Similarly, in an earlier analysis, Lee, Wolch, and Walsh (1999) found that even though low-income communities in southern California had more social service

programs per capita, the extensive poverty in many of these areas often meant that they were far less service-rich than their more affluent neighbors.

### **Summary of Section**

The evidence reviewed in this section of the literature review indicates that size and scope dimensions of the nonprofit sector can often differ considerably across communities. These differences have been shown to exist in terms of the density of nonprofit organizations across communities, the diversity of the nonprofit sector across communities, and the quality of nonprofit resources across communities as well. Undoubtedly, these differences are important for understanding community variations in the capacity of the nonprofit sector. The question now, however, is *why? Why does the distribution of nonprofit organizations and resources vary from one community to the next?* Thus, the next section of this literature review addresses the second objective of this chapter and reviews theoretical explanations that attempt to explain variation in the distribution of nonprofit organizations and resources.

### **Explanations for Variations in the Size and Scope Dimensions of the Nonprofit Sector**

Scholars have proposed several explanations for understanding the locational dynamics of nonprofit organizations. Many of these explanations assume that community needs and resources will influence nonprofit activity. In some instances, for example, nonprofits are considered to be trustworthy providers of goods and services, and are also believed to cater to groups that have been marginalized in society (Hansmann, 1980). In other instances, nonprofits are believed to respond to the heterogeneous demand of

diverse populations (Weisbrod, 1975). Still, in other instances, the spatial pattern of nonprofit organizations both within, and across, communities is believed to reflect the social and demographic characteristics of the surrounding area (Lincoln, 1977; Weisbrod, 1975). Overall, these explanations for the distribution of nonprofit organizations and resources have broadly been classified into three categories: a) demand-related explanations, b) supply-related explanations, and c) the role of community structure.

### **The Demand for Nonprofit Services (*Demand-Related Explanations*)**

Demand-related explanations for the distribution of nonprofit organizations are primarily linked to economic and political theories of market and government failure. These explanations assume that nonprofit organizations will arise in order to fulfill the needs and preferences of those who have been overlooked by government and/or the private market. Furthermore, these explanations tend to focus on how specific aspects of demand, such as social disadvantage and population diversity, influence nonprofit service provision. This section of the literature review provides an overview of studies that have examined the link between the presence of demand-related factors and the size and scope dimensions of the nonprofit sector. Before reviewing these studies, however, it will be useful to review the theories from which these explanations have been derived—theories related to: a) failures of the market, b) failures of government, and c) failures of voluntary organizations.

**Failures of the market.** Under perfect economic conditions markets are assumed to function in equilibrium. However, economic conditions are rarely, if ever, perfect and there are several circumstances under which markets are expected to fail. First, when products have attributes of public goods, private for-profit firms are likely to

undersupply, or not supply at all, the product. Since public goods are characterized by being both nonrivalrous (consumption by one person does not limit another person's consumption of the same good) and nonexcludable (restricting access to the good is either impossible or too costly to do once the good has been produced), it is generally difficult to sufficiently price these products in the marketplace.

Second, markets are also expected to fail when goods or services have collective-type properties—for example, excludability but nonrivalry. When a good or a service has collective-type properties access to the good or the service is likely to be restricted, and for-profit firms will often limit consumption to paying customers.<sup>3</sup> Under both of these circumstances (i.e., the presence of public or collective-type goods or services), there will likely be little, or no, profit potential. As such, for-profit firms will often fail to meet public demand for these types of goods and services. In fact, given that markets typically respond to the laws of supply and demand (and often operate based on the ability of individuals to pay for goods and services), for-profit firms will generally be reluctant to provide for the poor—and will often choose not to respond to problems of severe economic distress. Nonprofit organizations and government agencies are therefore needed in order to fulfill the demands of those who are unable to be adequately serviced through the private market.

A third form of market failure occurs when characteristics of either the product or the consumer lead to information inequalities between the purchaser and the supplier.

---

<sup>3</sup> Ben-Ner and Van Hoomissen (1991) have suggested that when provided by nonprofit organizations, collective goods also have the added necessity of requiring voluntary price discrimination—a situation that occurs when high-income consumers voluntarily donate greater sums of money in order to ensure that a good or service will be provided (Hansmann, 1980).

Under this form of market failure, consumers are generally unable to accurately assess the quantity and/or the quality of a product or a service that they are receiving.

Consequently for-profit firms, often fully aware of the consumer's purchase difficulty, may choose to profit off of the consumer's limited amount of knowledge.

*Contract failure theory.* This third form of market failure, which focuses on problems of information asymmetry, often results in “contract failure”—a situation where consumers are unable to verify product or service quality prior to purchase (Arrow, 1963; Nelson, 1977; Nelson & Krashinsky, 1973).<sup>4</sup> Indeed, when products and services are too complex to be adequately assessed, consumers are likely to have difficulty evaluating the full quantity and/or quality of the products or services received. For example, most consumers would not be able to determine the quality of a physical examination before the examination was actually performed. Even after the examination was performed, most consumers would likely still have difficulty evaluating the full quality of the service that they had received.<sup>5</sup> When consumers are wealthy, educated, and/or possess other attributes that are expected to lower their levels of vulnerability it is assumed that these consumers will have sufficient enough capability to cover the high costs that are associated with detecting asymmetric information (Ben-Ner & Van Hoomissen, 1992;

---

<sup>4</sup> Another potential market failure (not discussed here) occurs as a result of insufficient provision of charitable goods—that is, the demand for altruistic services (Ben-Ner & Van Hoomissen, 1991).

<sup>5</sup> Consumers may also have difficulty evaluating product/service quality under two additional circumstances. First, when the purchaser and the consumer of a service are not the same individual—for example in the selection of daycare services by parents for their young children or in the selection of nursing care services by adult children for their elderly parents—consumers will generally not be able to fully evaluate service quality. Second, when significant time has elapsed between the period when a good or a service was purchased and the period when the good or the service was evaluated, consumers may also have difficulty evaluating the full quality of the product or the service.

Easley & O'Hara, 1983). Thus, contract failure theory assumes that problems of information asymmetry are likely to be particularly relevant in instances where consumers possess various forms of vulnerability—such as being too young, too old, too sick, or too physically incapacitated to make informed decisions and/or assess product quality on their own.<sup>6</sup>

Given the circumstances under which markets can fail, nonprofit organizations are expected to correct for many failures that occur in the private market. In fact, since nonprofit organizations are legally bound by specific constraints on the distribution of organizational profits (i.e., nonprofits are legally prohibited from distributing residual earnings among owners) (Hansmann, 1980), individuals with greater forms of vulnerability are expected to have greater confidence that nonprofits, as opposed to for-profit providers in particular, will act in good faith and not take advantage of any informational disadvantages that they may have. Accordingly, when applied to communities, then, nonprofit organizations are expected to be *more* prevalent in areas where consumer vulnerabilities are highest and where social needs are greatest. Thus, according to Corbin (1999), “The extent to which nonprofit providers are found in greater numbers in metropolitan areas having higher levels of poverty... would indicate, if only indirectly, that they are responding to conditions of market failure” (p. 300).

**Failures of government.** Government also offers correcting mechanisms for inadequacies that occur in the private market. However, just as markets will often fail to

---

<sup>6</sup> Asymmetric information can either favor producers *or* consumers. For example, when consumers withhold important information about themselves from producers, then consumers will have the informational advantage. This is often the case in the insurance market. However, when producers know more about the quality of the product than consumers, then producers will have the informational advantage.



supply an optimal level of goods and services in all circumstances, there will also be circumstances where government agencies will fail to provide an optimal level of goods and services as well. Indeed, inherent limitations of government often make it difficult for government agencies to meet a diversity of needs. In fact, since voters are the ones who typically decide on the level of public service provision, government agencies will often cater to constituent interests. Thus, government will generally provide services at a level that reflects the majority, or the median, preference level of voters (Weisbrod, 1975, 1986). However, in catering to the interests of constituents, government is restricted in its ability to meet the competing expectations of multiple stakeholders (Douglas, 1987). As a result, there will inevitably be some individuals who are left unsatisfied with the level of government service provision.

Given these constituency-based constraints on government agencies, in addition to correcting for failures of the private market, nonprofit organizations are also expected to correct for failures of government (Hansmann, 1980; Weisbrod, 1975, 1986; Powell & Steinberg, 2006). Indeed, nonprofit organizations are generally expected to be better able than government to respond to the plurality of public demands—particularly since nonprofit organizations are not bound by the same political and legal constraints that government agencies face. For example, individuals who would prefer to educate their children in a religiously or an ideologically based atmosphere could choose to create, or send their children to, a private nonprofit school—an educational setting that is not likely to be provided by the government.

***Demand heterogeneity.*** Derived from government failure theory, the concept of demand heterogeneity suggests that government service provision will be insufficient to

satisfy the preferences of minority segments of the population (James, 1987; Weisbrod, 1975, 1986). As a result, the size of the nonprofit sector is expected to be larger in communities with greater forms of heterogeneity—or diversity—such as ethnic, income, religious, and/or educational diversity. Implicit in the concept of demand heterogeneity is the idea that nonprofit organizations will provide collective goods and services to minority populations at a level that is *more* satisfactory than what is provided through the government—or even, at times, than what is provided through the private market.

**Failures of voluntary organizations.** Although nonprofit organizations are expected to correct for many of the failures that occur in the private market and government, there are also instances where nonprofits, themselves, are expected to fail as well. In fact, despite the many correcting mechanisms that nonprofit organizations offer, there are a number of inherent weaknesses of the nonprofit sector. Salamon (1995), for instance, has suggested that nonprofit organizations often fail due to reasons of: a) *philanthropic insufficiency*: insufficient resources to address community needs, b) *philanthropic particularism*: tendencies to focus on particular sub-groups within the population, c) *philanthropic paternalism*: influential preferences of wealthy benefactors that dictate how, and to whom, services are provided, and d) *philanthropic amateurism*: amateur approaches to dealing with social problems.

Given the many ways that nonprofit organizations can fail, then, several scholars have suggested that nonprofit organizations may only be able to effectively serve the poor, and fulfill their charitable missions, when a substantial share of government funds are directed to the nonprofit sector (Grønbjerg & Paarlberg, 2001; Jacobs, 1981; Joassart-Marcelli & Wolch, 2003; Kramer, 1981; Luksetich, 2008; Salamon, 1987, 1995; Smith &

Lipsky, 1993; Trudeau, 2008). Indeed, several studies have found that nonprofit organizations appear in large numbers only in the presence of significant government support (Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Luksetich, 2008).

**Empirical tests of demand-related explanations.** In general, demand-related explanations for the distribution of nonprofit organizations suggest that nonprofits will be trusted providers of goods and services, particularly for the diverse minority that government and/or the private market fail to reach. However, empirical tests have produced mixed, and often inconsistent, results. Some studies, for instance, have found that a positive relationship exists between demand-related factors and the size and scope dimensions of the nonprofit sector, while other studies have found that a negative relationship exists.

**Positive findings.** Specifically with regard to studies that have produced positive findings, several researchers have found that nonprofit organizations are likely to locate in response to heterogeneous demand. De Vita, Manjarrez, and Twombly (1999), for instance, analyzed the availability of community-based resources in three low-income neighborhoods in Washington DC and found that the most diverse neighborhood in the area—in terms of racial, ethnic, and linguistic diversity—had the most nonprofit organizations, by nearly a factor of seven. Weisbrod (1986) also found that both religious and ethnic heterogeneity were significantly related to the size of the nonprofit sector across US states. Similarly, both James (1987) and Corbin (1999) found that religious diversity was positively related to the size of the nonprofit sector in certain nonprofit industries. Furthermore, Ben-Ner and Van Hoomissen (1992) found that racial

diversity across counties in New York State was significantly associated with the growth of the nonprofit sector in primary and secondary education.

In addition to studies that have found that nonprofit organizations tend to locate in response to diverse demand, studies have also found that nonprofit organizations, in some areas, also tend to locate in response to conditions of social and economic distress (Corbin, 1999; Matsunaga & Yamauchi, 2004; Peck, 2008). For example, in examining the distribution of nonprofit social service providers across US metropolitan areas, Corbin (1999) found that more social service nonprofit organizations were located in high poverty areas. Likewise, Peck (2008) found that anti-poverty nonprofit organizations in the Phoenix, Arizona metropolitan area were more likely to be located in areas of the region with higher poverty rates.

*Negative findings.* Despite these positive findings, some studies have also shown that demand-related factors are negatively associated with the level of nonprofit activity in an area (Allard, 2009; Bielefeld, 2000; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch & Geiger, 1983). In some studies, for instance, fewer nonprofit organizations, particularly social service agencies, have been shown to locate in low-income communities (Allard, 2009; Grønbjerg & Paarlberg, 2001; Wolch & Geiger, 1983). Furthermore, some studies have also shown that the social service agencies that are located in low-income areas are not always of the highest quality (Joassart-Marcelli & Wolch, 2003; Lee, Wolch, & Walsh, 1999). Lee, Wolch, and Walsh (1999), for instance, found that even when some poor communities do have a high prevalence of nonprofit organizations, the degree of social and economic distress in many of these poverty

stricken areas often means that the nonprofit organizations located there are far less service rich than those located in more affluent areas.

*The source of inconsistent findings.* It is possible that much of the inconsistency regarding the extent to which nonprofit organizations locate in response to demand-related factors may be attributable to variability in study design and differences in the operationalization of key constructs. In fact, one of the difficulties in testing demand-related explanations is that demand (as an empirical construct) is quite nebulous and a difficult concept to measure. Indeed, there is no consensus as to which proxy variables best capture all of the relevant aspects of demand. Thus, it is no surprise that studies have used several different indicators of demand, and many of these indicators have often been used as proxies for different aspects of demand. For example, some studies have focused on income as a measure of population heterogeneity, while other studies focused on income as a measure of community need. Some studies have focused on educational attainment as a measure of diversity, while other studies have focused on educational attainment as a measure of social distress. Undoubtedly, then, the choice of proxy variables that are used in any analysis will affect the sign and the statistical significance of estimates.

It is also likely that the source of inconsistent findings may be attributable to differences in overall study design. Many studies examining differences in the size and scope dimensions of the nonprofit sector, for instance, have focused on a range of spatial scales and units of analysis, such as cities, counties, states, and even nations. In addition, studies have also examined the distribution of nonprofit organizations across a variety of different nonprofit sub-sector areas, such as social services, education, and healthcare.

Nonetheless, despite the inconsistent findings that these studies have produced, what all of these studies share in common is that they reveal significant place-based variation in the distribution of nonprofit organizations and resources. In some places nonprofit organizations are located in areas where there is greater “demand” for services, while in other places they are not.

### **The Supply of Nonprofit Resources (*Supply-Related Explanations*)**

The supply of various types of human and financial resources has also been shown to influence the location decisions of nonprofit organizations. In particular, the availability of human and financial capital, and the degree of social cohesion within an area, have often been associated with differences in the distribution of nonprofit activity—both of which are described in greater detail below.<sup>7</sup>

**Resource availability.** Location decisions of nonprofit organizations may, at times, be driven by factors associated with the availability of resources, such as access to volunteer labor and monetary donations. Indeed, some studies have found that greater amounts of human capital and financial resources in an area can lead to a larger, more vibrant, nonprofit sector (Ben-Ner & Van Hoomissen, 1992; Bielefeld, 2000; Grønberg & Paarlberg, 2001; Lincoln, 1977; Salamon & Anheier, 1997). Bielefeld (2000), for instance, found that in addition to having more nonprofit organizations in general, some wealthy metropolitan areas in the US also had more amenity-type nonprofit services as

---

<sup>7</sup> An additional resource that may influence the location decisions of nonprofit organizations relates to organizational resources. Indeed, some studies have shown that the presence of other organizations in an area significantly influences the location pattern of nonprofit organizations (Lincoln, 1977). This is in line with a large body of literature within the field of organizational ecology that focuses on the agglomeration and clustering patterns of organizations (see for instance, Baum & Haveman, 1997; Hannan & Freeman, 1989).

well. Additionally, Ben-Ner and Van Hoomissen (1992) found that wealthier communities in New York State had more nonprofit *and* for-profit organizations than did low-income areas of the state.

Nonprofit organizations, however, are not only dependent on charitable donations and individual financing. Quite the contrary, government grants and contracts comprise the single largest source of income to the nonprofit sector (Kendall, Knapp, & Forder, 2006, p. 422). Thus, nonprofits may also choose to locate in areas where access to government funding is more attainable. Joassart-Marcelli and Wolch (2003), for instance, found that nonprofits in southern California cities were more prevalent in communities with higher levels of government spending.

**Social cohesion.** Size and scope dimensions of the nonprofit sector have also been positively related to the degree to which community residents are socially cohesive (Corbin, 1999; Ben-Ner & Van Hoomissen, 1992; Putnam, 2000; Saxton & Benson, 2005). Communities that lack social cohesion are assumed to lack solidarity, and this lack of solidarity is believed to prevent residents from collectively acting on behalf of the common good.

An important precursor to the development of social cohesion is the degree of social homogeneity among community members (Cohen 1982, Corbin 1999; Ben-Ner & Van Hoomissen, 1992)—that is, the degree to which residents in a community share common bonds, such as social interests and demographic characteristics. In socially homogenous communities individuals are believed to share similar values. As a result, individuals in socially homogenous communities are believed to be more prone to engage in civic activities. Indeed, both Ben-Ner and Van Hoomissen (1992) and Corbin (1999)

found that the degree of social cohesion among community residents was positively related to the size of the nonprofit sector.

### **The Role of Community Structure (*Community Structure-Related Explanations*)**

In addition to the demand and supply factors that have been associated with influencing the size and scope dimensions of the nonprofit sector, it has also been acknowledged that communities inherently possess certain structural characteristics (Grønbjerg & Paarlberg, 2001). Thus, scholars have also begun to explore whether, and to what extent, ecologic factors play a role in affecting the distribution of nonprofit organizations. The factors that have most commonly been examined include the level of urbanization and the degree of population density within an area—both of which are described in greater detail below.<sup>8</sup>

**Urbanization.** It has often been posited that the urban/rural status of a region can significantly affect the distribution of nonprofit resources (Grønbjerg & Paarlberg, 2001; Lincoln, 1977; Saxton & Benson, 2005). However, the nature and direction of this relationship is, for the most part, unresolved. For instance, in examining a variety of factors associated with the urban distribution of voluntary organizations, Lincoln (1977) hypothesized that the urban structure of a community could either result in more or less nonprofit organizations. On the one hand, he hypothesized that high levels of urbanization could limit associational opportunities and reduce a community's capacity to support a vibrant nonprofit sector (Sampson, 1988, 1991; Wirth, 1966/1938).

---

<sup>8</sup> Urbanization and population density are factors that have also been linked to social cohesion and the degree of social connectedness within communities. However, scholars have recently begun to explore how these factors are *independently* related to the size and scope dimensions of the nonprofit sector.



On the other hand, however, Lincoln (1977) also hypothesized that high levels of urbanization could result in greater associational opportunities since the diversity in urban areas could multiply “the sets of common interests which serve as a nuclei to organizational growth” (p. 473). Lincoln’s findings supported the first hypothesis, as he found that smaller communities with lower levels of urbanization had greater voluntary resources. Despite these early findings suggesting that more nonprofit organizations are likely to be found in less urbanized areas, Saxton and Benson (2005) have recently argued that “high population growth constitutes a considerable resource,” and therefore “urban environments should find it easier to develop a concentrated nonprofit community” (pg. 25).

**Population density.** Related to the urban/rural status of an area, other studies have also shown that nonprofit organizations tend to be more prevalent in communities with smaller population sizes. Gamm and Putnam (1999), for instance, found that small and stable communities generally had higher densities of membership organizations. In addition, Wolch and Geiger (1983) found that social welfare and community service nonprofits in urban areas were primarily concentrated in the “mature inner ring chartered suburbs, which [had] been growing or stable during the past decade” (p 1076). Thus, a large population density has generally been believed to decrease the level of attachment that individuals have to their communities. Again, however, the nature and direction of this relationship has also been contested (Saxton & Benson, 2005).

### **Summary of Section**

The geography of nonprofit activity varies considerably across communities. Some communities have significant voluntary resources, while other communities do not.

These differences are likely to occur as a result of several factors. Nonprofits may choose to locate in disadvantaged areas where they are better positioned to respond to the needs of the poor. Nonprofits may choose to locate in diverse communities where residents may be underserved by government and/or the private market. Nonprofits may also choose to locate in affluent areas where social ties are stronger and access to resources is more attainable. Whatever the factors are that contribute to the location decisions of nonprofit organizations, the uneven geography of nonprofit activity has led many scholars and policymakers to question the ability of nonprofits to equally serve, and add value to, local communities. These are concerns that have increased in recent years as devolution and welfare reform have significantly expanded the role of the nonprofit sector in maintaining America's social safety net, and as declining levels of civic participation have led to increased speculation about the vitality of civil society. *But how, if at all, do differences in the voluntary landscape of communities (i.e., the size and scope dimensions of the nonprofit sector) affect how individuals perceive nonprofit sector organizations?*

Despite the many benefits that nonprofit organizations are believed to provide, and the many ways that nonprofits are expected to correct for failures of both government and the private market, we do not yet know whether the uneven geography of nonprofit activity affects how individuals view nonprofit organizations—and, ultimately whether these differences affect the value that community residents place in the nonprofit sector. Yet it is entirely possible that individuals in communities with fewer nonprofit organizations, a less diversified nonprofit sector, and lower quality nonprofit resources, may have a different perception of the role of the nonprofit sector and of the ability of

nonprofit organizations to meet community needs, than residents in a community that is rich in voluntary activity. Indeed, as Never (2010) has suggested, “The third sector has had an impact on the lives of people, although which people, how much impact, and when did this impact occur, are still important questions that are left to be answered” (p. 1).

Thus, the next two sections of this literature review address the third, and final, objective of this chapter. Specifically, these sections examine research in the areas of urban sociology, community studies, and nonprofit and philanthropic studies in order to understand how the social context of communities influences both individual and group behaviors—and, subsequently, how the social context of communities, and the size and scope dimensions of the nonprofit sector, are likely to influence public attitudes toward nonprofit organizations.

### **“Neighborhood Effects” and the Social Context of Communities**

Researchers have long explored the effects of social contexts on a number of individual and community outcomes. Indeed, early sociologists Emile Durkheim (1951/1897) and Max Weber (2002/1904) were among the first to recognize the importance that social contexts had on a variety of behaviors. Durkheim (1951/1897), for instance, discovered that collective beliefs and customs were related to rates of suicide in European countries, and Weber (2002/1904) found that social and historical contexts of political systems were related to the establishment of governmental structures.

Motivated by these findings, early ecological theories of The Chicago School began to account for the influence of social contexts and various neighborhood characteristics—such as poverty, residential instability, and ethnic heterogeneity—on

crime rates and other socially deviant behaviors (Park, Burgess, & McKenzie, 1967/1925; Shaw & McKay, 1969; Wirth, 1966/1938). These accounts formed the basis for what later became known as *social disorganization theory*—a theory focused on the relationship between the lack of social control in neighborhoods and the spatial distribution of delinquency. Greater social disorganization within communities, it was believed, led to an inability of community residents to collectively solve social problems (Sampson & Groves, 1989; Shaw & McKay, 1969).<sup>9</sup>

Influenced by these early ecological theories, urban scholar Julius Wilson (1987) highlighted the impact that underlying societal conditions also had on influencing social disorder within communities. In particular, Wilson speculated that due to a number of structural factors, such as deindustrialization and the out-migration of the black middle-class from American cities, poor urban neighborhoods were left with insufficient resources to economically sustain neighborhood institutions, such as businesses, churches, and voluntary associations. As a result, many neighborhood institutions began to abandon poor communities—ultimately leaving poor urban residents concentrated in impoverished areas and isolated from both the individuals and the institutions that represented “mainstream” society.

Since this time an enormous body of literature, spanning many disciplines (e.g., public health, education, criminology, and sociology) has developed around the notion of “neighborhood effects”—or the effects of the compositional characteristics of communities on individual perceptions, attitudes, behaviors, and activities. These studies have been intended to help us better understand how the neighborhood environments in

---

<sup>9</sup> This collective ability of residents to solve social problems has been termed “collective efficacy” (Sampson, Raudenbush, & Earls, 1997).

which we reside affect our lives—affecting outcomes ranging from delinquency to educational success, to health and well-being, and even political involvement.<sup>10</sup>

Peterson, Krivo, and Harris (2000), for instance, found that a higher density of recreation organizations in a community significantly reduced the incidence of violent crime. Additionally, social scientists have consistently found a relationship between growing up in a disadvantaged neighborhood and educational attainment (Aaronson, 1997, 1998; Ainsworth, 2002; Catsambis & Beveridge, 2001; Duncan, 1994; Entwisle, Alexander, & Olson, 1994; Garner & Raudenbush, 1991; Harding, 2003). Overall, studies examining neighborhood effects have shown that the neighborhood environments in which we live are significantly correlated with a number of outcomes over and above our individual-level socioeconomic and demographic characteristics.

### **Mechanisms of Neighborhood Influence**

Undoubtedly, there are a multitude of interacting factors, mechanisms, and processes that help to explain how neighborhood environments relate to individuals. Jencks and Mayer (1990), for instance, identified five theoretical frameworks for linking individual behavior with neighborhood effects. These included: 1.) *Institutional Resources Models* that suggested that the quantity, quality, and diversity of neighborhood institutions provided socialization opportunities for residents, 2.) *Collective Socialization Models* that suggested that neighborhoods affected individuals through community social organization, 3.) *Contagion (or Epidemic) Models* that suggested that negative influences spread to the behavior of others, 4.) *Competition Models* that suggested that neighbors competed for scarce community resources, and 5.) *Relative Deprivation Models* that

---

<sup>10</sup> For a detailed review of the research on neighborhood effects, see Sampson, Morenoff, & Gannon-Rowley, 2002

suggested that individuals evaluated their neighborhood situation(s) in relation to their peers. A general framework depicting how these mechanisms were expected to influence neighborhood outcomes is shown in Figure 1.

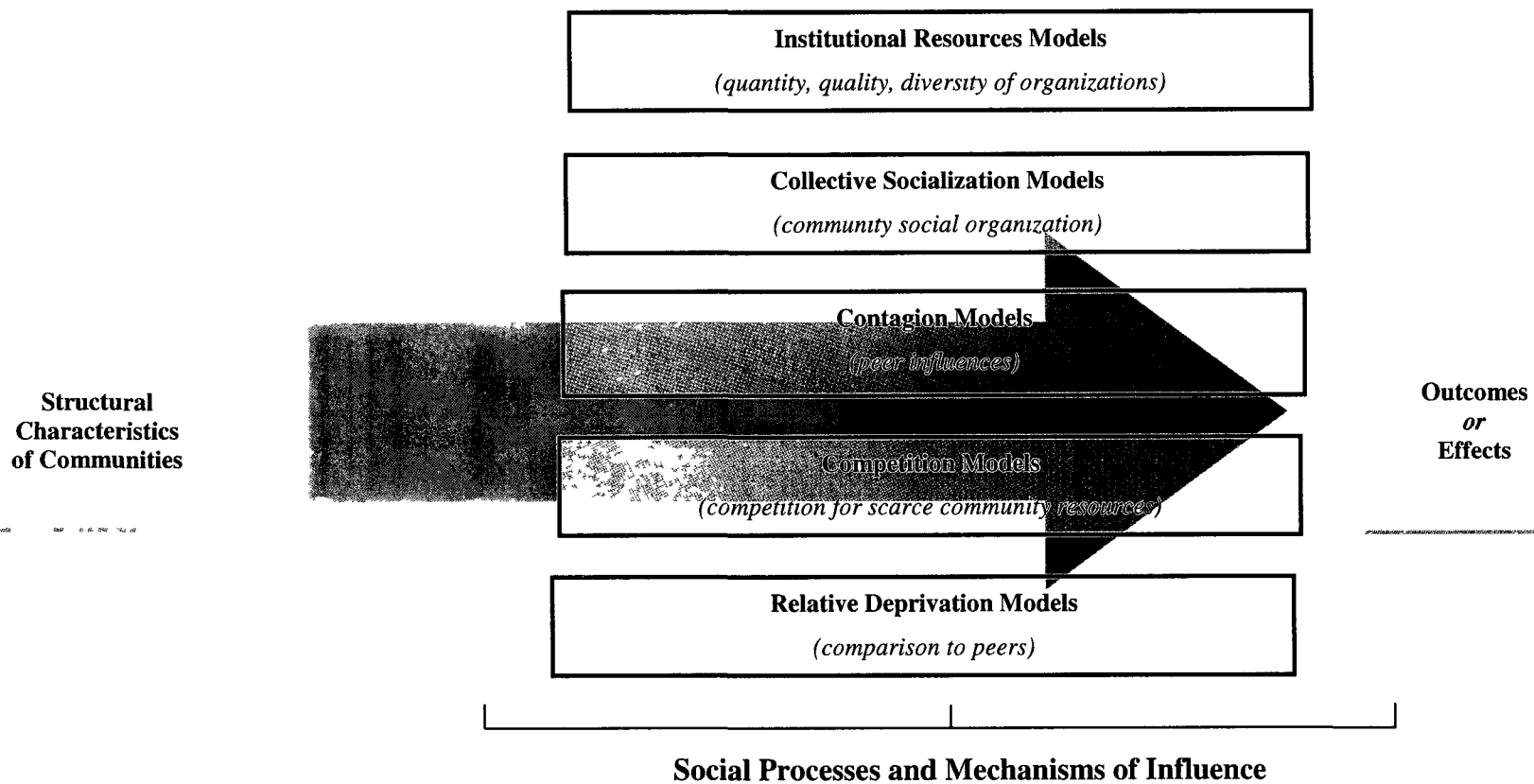
**The significance of institutional resources.** Several of the neighborhood influence models developed by Jencks and Mayer (1990) have been found to affect a number of individual outcomes. However, in recent years urban scholars have increasingly focused on the significance of institutional resources (De Vita, Manjarrez, & Twombly, 1999; Roman & Moore, 2004; Small & McDermott, 2006; Small & Stark, 2005)—particularly since one of the most important factors affecting social and economic conditions in many neighborhoods is institutional presence. A strong institutional base provides residents with greater opportunities to become involved in community life as well as more mechanisms for connecting with one another.

For instance, individuals living in a neighborhood with fewer and lower quality healthcare providers will likely need to travel a considerable distance in order to receive adequate medical attention. Additionally, children living in neighborhoods with fewer and lower quality recreational facilities will likely have fewer formal opportunities to interact with one another. Moreover, young people living in neighborhoods with fewer and lower quality cultural organizations will likely have limited exposure to cultural experiences.

Thus, the quality, quantity, and diversity of institutional resources within a community are important components of the infrastructure that help to maintain neighborhood stability and keep communities alive (Jencks & Mayer, 1990; Leventhal & Brooks-Gunn, 2000; Leventhal & Brooks-Gunn, 2003; Wilson, 1987). It is no surprise,

Figure 1

General Framework of Neighborhood Influences



then, that several studies have shown that individuals—particularly children and youth—who reside in neighborhoods with more, and/or better quality, social institutions are more likely to be connected with one another and are also more likely to have greater social opportunities than those living in less institutionally rich communities (Benasich, Brooks-Gunn, & Clewell, 1992; Lee, Brooks-Gunn, Schnur, & Liaw, 1990).

### **Does the Social Context of Communities Affect Public Attitudes Toward Nonprofit Organizations?**

Given the findings from neighborhood effects research, it is not difficult to imagine that differences in the social context of communities, and variations in the size and scope dimensions of the nonprofit sector, may affect the lives of community residents in a number of different ways. Many studies, for instance, have shown that a higher density of nonprofit organizations is related to greater accessibility to nonprofit service providers (Allard, 2009; Bielefeld, Murdoch, & Waddell, 1997; Kissane, 2003), an increased probability of utilizing nonprofit service assistance (Allard, 2009; Kissane, 2003), higher rates of citizen involvement (Putnam, 1993, 2000), and even increased values of residential home sale prices (Bielefeld, Payton, Ottensmann, McLaughlin, & Man, 2006).

While these studies certainly help us to better understand the role that nonprofit organizations play within communities in general, these studies do not provide us with any information about how differences in the size and scope dimensions of the nonprofit sector actually affect the way that residents in a community *view* nonprofit organizations. Yet, it is likely that differences in the voluntary landscape of communities play an



important role in how individuals perceive the nonprofit institutions that help to sustain their neighborhood environment. A hypothetical may help to illustrate this point.

### **A Hypothetical Illustration**

Suppose that there are two communities: Community “A” and Community “B.” Community A has a high percentage of low-income residents who have numerous and highly visible social needs. However, Community A lacks a sufficient quantity of nonprofit organizations, particularly social service nonprofits, to adequately meet the needs of residents in the area. Furthermore, the nonprofit organizations that are located in Community A are not of the highest quality. Many of the organizations are underfunded and nonprofit expenditures per capita in the area have been consistently on the decline. Community B, on the other hand, has a high percentage of affluent residents who have less pronounced and less visible social needs. Moreover, community B has greater diversity in the types of nonprofits in the area (for example, many recreational organizations, a plethora of arts and cultural organizations, and a number of private nonprofit schools), as well as a nonprofit sector that consists of more financially secure and resource rich nonprofit organizations.

Given these differences, it is possible that the residents in Community A and Community B are likely to express differing attitudes toward the nonprofit sector and toward nonprofit service provision as well. In fact, although many theoretical perspectives assume that nonprofit organizations operate based largely upon pro-social values and are responsive to local community demand (Hansmann, 1980; Weisbrod, 1986), the under-privileged residents in Community A may actually tend to express less favorable attitudes toward the nonprofit sector than their more affluent neighbors in

Community B. As a result, the residents in Community A—those who are most likely to be in the greatest need of many forms of nonprofit assistance—may actually prefer not to utilize nonprofit services. Thus, nonprofit organizations in Community A may not only lack the organizational capacity necessary to meet the needs of residents in the area, but they may also lack the social support from the surrounding community to even be effective.

### **Summary of Section**

In short, it is likely that place-based influences exist when it comes to public attitudes toward the nonprofit sector. Indeed, an individual's attitude toward the nonprofit sector, and his or her perceptions about nonprofit organizations, may not simply be a reflection of her individual expectations, but may also be a manifestation of the larger voluntary context in which he is embedded. Roman and Moore (2004), for instance, examined the role that local organizations and institutions played in building social capital in Washington DC and found that the number of establishments, such as libraries, schools, recreation centers, and parks, within a community was positively correlated with a number of factors—including how residents perceived their neighborhood environment. Thus, the final section of this literature review examines what we currently know about public perceptions of, and attitudes toward, the nonprofit sector and how beliefs about the sector are likely to differ.

### **Research on Public Attitudes Toward Nonprofit Organizations**

Although attitudes may, or may not, be an accurate reflection of reality, attitudes are certainly important. Indeed, attitudes are what largely shape our *understanding* of

“reality,” and research has consistently shown that attitudes are strong and significant predictors of behavior (Ajzen & Fishbein, 1970, 2005; Fishbein & Ajzen, 1972, 1981; LaPierre, 1934; Regan & Fazio, 1977). Thus, it is no surprise that political scientists have long explored citizen attitudes toward government in efforts to better understand voting behaviors and expectations of public policy initiatives (Kinder & Sears, 1985; Norrander & Wilcox, 2009). Nor is it surprising that market researchers have long examined consumer perceptions of firms and corporate brands in efforts to better understand consumer purchase intentions (Bloom, Hoeffler, Keller, & Basurto Meza, 2006; Richardson, Dick, & Jain, 1994; Zeithaml, 1988).

Despite the importance of attitude research, surprisingly we know very little about public attitudes toward nonprofit organizations, or about how attitudes toward the nonprofit sector differ from place-to-place. But, in a field in which actions are often dominated by perception and motivation—in other words, people will often donate to, and volunteer with, a nonprofit organization because they identify with, and believe in, the mission of the organization—research on public attitudes would seem to be of utmost concern. To date, however, research in this area has been limited—and has ultimately led to a nonprofit sector that is, in many ways, detached from the “realities” of local communities.

### **Fragmentary Information**

Although what we know about public attitudes toward the nonprofit sector is somewhat limited, there is at least fragmentary information available relating to three aspects of public attitudes that can be translated into the following questions: a) How much confidence does the public have in nonprofit organizations?, b) Can the public

identify a nonprofit organization when asked?, and c) Does the public have a preference for nonprofit services in industries where nonprofit, for-profit, and government sector organizations co-exist and compete for customers?

**Public confidence in the nonprofit sector.** It has long been recognized that trust and confidence are critical indicators of performance and legitimacy within the nonprofit sector.<sup>11</sup> Sargeant and Lee (2002), for instance, have suggested that “The concept of trust lies at the heart of charity” (p. 68). Furthermore, Light (2003) has argued that “Confidence clearly affects the public’s willingness to donate time and money, shapes the political and regulatory environment that governs charitable organizations, and has at least some influence on morale within the charitable workforce” (p. 1).

In recent years, however, there has been considerable concern regarding just how much confidence the public has in charitable organizations. These concerns have been fueled in large part by a series of national surveys indicating that public confidence in America’s nonprofit sector has consistently been on the decline (Light, 2002, 2003, 2004a, 2004b, 2005, 2008). This decline has led to speculation that the nonprofit sector in the country is currently facing a “crisis of confidence” (Fleishman, 1999; Herzlinger, 1996, Light, 2002, 2003, 2004a, 2004b, 2005, 2008; Salamon, 2002).<sup>12</sup>

---

<sup>11</sup> In the sociological literature, the concept of confidence is considered to be distinct from the related concept of trust (see Seligman, 1998). However, the concepts are often used interchangeably in day-to-day usage and in academic fields outside of sociology.

<sup>12</sup> It should be noted that the validity of the argument for a “crisis of confidence” facing the nonprofit sector has not gone without challenge. In particular, according to O’Neill (2009) in his examination of national attitude and behavior data toward nonprofit, for-profit, and government sector organizations, the purported “crisis of confidence” facing the nonprofit sector was not supported by longitudinal data. Additionally, regional reports of public confidence in the nonprofit sector have indicated that public confidence is either steady or on the rise (ASU Center for Nonprofit Leadership and Management, 2003; Grønbjerg, 2009; Keirouz, 1998; Maryland Association of Nonprofit

In addition to these general concerns about declining confidence in the nonprofit sector, specific concerns have also been raised about declining confidence among certain sub-groups within the population. Indeed, several surveys have found that individuals with characteristics that would likely render them most dependent upon charitable provision—particularly with regard to human and social services—tend to be the most skeptical of nonprofit performance in many industries. Minorities, for instance, have been found to be significantly less confident in health and human service nonprofits than whites (Schlesinger, Mitchell, & Gray, 2004; Wilson & Hegarty, 1997), and individuals with lower levels of educational attainment have been found to be considerably less likely to believe that nonprofit organizations are honest and ethical than those with higher levels of educational attainment (Keirouz, 1998).

Moreover, in a recent study of public trust in a variety of institutions in Indiana, Grønbjerg (2009) found that wealthier and affluent residents in the state were considerably more likely to express greater trust in voluntary organizations than were those with fewer economic resources and social connections. Thus, it is possible that

---

Organizations, 2002; McDougale, Deitrick, Libby, & Donmoyer, 2008; Wilson & Hegarty, 1997). Thus, it is likely that much of the discrepancy in findings regarding whether or not there is actually a crisis of confidence facing the nonprofit sector may stem from differences in survey design and vague response scales. For example, many surveys of public attitudes and expectations of nonprofit organizations have explored the concepts of trust and confidence interchangeably. Yet, the sociological literature regards these concepts as separate and distinct constructs (Seligman, 1998). As a result, there are few directly comparable studies of public attitudes toward nonprofit organizations. Furthermore, questions of public trust/confidence in the nonprofit sector are often framed in terms of a general assessment. For example, some surveys have simply asked, “How much confidence do you have in nonprofit organizations?” But, such a question makes an implicit assumption that survey respondents will share a common ideal or point of reference when evaluating nonprofit performance. A better, and more targeted, question would define confidence in terms of a specific dimension or area of nonprofit performance. For example, “How much confidence do you have in the ability of nonprofit organizations to deliver quality services?”

affluent communities may not only have a greater amount of nonprofit resources than low-income communities (Ben-Ner & Van Hoomissen, 1992; Bielefeld, 2000; Grønbjerg & Paarlberg, 2001; Lincoln, 1977), but residents in these more economically fortunate areas may also have greater confidence in the nonprofit resources that are located in their community as well.

**Public awareness of nonprofit organizations.** Ultimately whether individuals truly have confidence in the performance of nonprofit organizations is, in large part, dependent upon whether or not they can even meaningfully discriminate between nonprofit organizations and organizations in other sectors of society. Surveys have shown, however, that the public does not always know the ownership status of the organizations that they interact with, and many times the public is not even familiar with what a nonprofit organization is (Mauser, 1993, 1998; Permut, 1981; Schlesinger, Mitchell, & Gray, 2004; Van Slyke & Roch, 2004). It is, therefore, likely that if an individual is unable to distinguish a nonprofit organization from, say, a government agency, then he/she may also have difficulty evaluating the performance of nonprofit organizations. In a national survey of public confidence in charitable organizations, for instance, Light (2004b) found that when asked to state what the term “charitable organization” meant, individuals who were familiar with the term were significantly more likely to express higher confidence in charities.

Unfortunately, though, individuals who reside in communities that are lacking in nonprofit resources may have limited exposure to various types of nonprofit institutions. Thus, many individuals living in voluntary sector-poor communities, in particular, may have greater difficulty distinguishing a nonprofit organization from an organization in

another sector of society. And, according to De Vita, Fleming, and Twombly (2001), “An organization can have a vital mission, good leadership, and sufficient resources, but unless it is known in the community its impact will be limited” (p. 21). Thus, it is no surprise Kissane (2003) found that a lack of familiarity with nonprofit assistance was often one of the primary barriers that prevented poor women in low-income neighborhoods of Philadelphia from using nonprofit social services.

**Public perceptions of nonprofit services.** In many industries, nonprofit, for-profit, and government sector organizations co-exist and compete for customers, and differences in public expectations of performance in these industries may lead to differences in public preference for a particular form of service provider. For example, Mauser (1993) examined differences in parent’s attitudes toward nonprofit and for-profit childcare facilities in Wisconsin, and found that many middle-income parents preferred to use nonprofit centers. Indeed, many of the parents felt that profit was the number one priority in for-profit centers, while they believed that nonprofit centers placed a greater emphasis on quality of care.

However, Kissane (2003, 2010) examined ownership preferences for social service assistance of low-income women in Philadelphia, and found that many of the women chose not to use the nonprofit services that were located in their community. In fact, many of the women considered nonprofit assistance to be “stigmatizing,” and “humiliating” (Edin & Lein, 1997; Kissane, 2003). As a result, several of the women in the city preferred to use government welfare assistance instead. Given these findings, then, it is likely that the more favorable an individual perceives that nonprofit organizations are, the greater will be the likelihood that he/she will use nonprofit

services. Indeed, according to Allard (2009), “Greater trust and familiarity with [a nonprofit] agency will likely increase an individual’s propensity to seek help from it” (p. 37).

### **Summary of Literature Review**

Geographic dimensions of the nonprofit sector play an important role in the extent to which nonprofit organizations are able to effectively meet the needs of residents, socialize individuals into voluntary aspects of public life, and foster the community attachments often necessary to sustain civic action. Yet, there is ample evidence to indicate that (for various reasons) size and scope dimensions of the nonprofit sector vary considerably across communities. Indeed, nonprofit activity differs in quantity, quality, and diversity. Although these differences in the size and scope dimensions of the nonprofit sector are important for understanding how the capacity of the nonprofit sector varies from one community to the next, we are left to wonder whether community differences in the distribution of nonprofit activity contribute to how individuals perceive nonprofit organizations. Indeed, as De Vita, Manjarrez, and Twombly (1999) have argued, measuring the degree of voluntary activity in an area is fairly straightforward, but what really matters and “what is more difficult to measure...is the trust that community residents have in these different types of institutions and how that trust affects the building of social capital and neighborhood ties” (p. 18).



## CHAPTER 3

### METHODOLOGY

The research in this dissertation focused on San Diego County as a case study in order to answer the following questions:

1. How do size and scope dimensions of the nonprofit sector differ across communities within a particular region?
2. What community factors are associated with differences in the size and scope dimensions of the nonprofit sector, at a local level?
3. Are differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, associated with differences in public attitudes toward nonprofit organizations?

This research proceeded in several stages. The first question in this study was intended to provide a descriptive analysis of differences in the size and scope dimensions of the nonprofit sector across communities in San Diego County. The second question was intended to test, at a local level, the relevance of existing theories and concepts that attempt to explain variation in the distribution of nonprofit organizations and resources. As a final stage, the third question served as an exploratory analysis. This analysis was intended to investigate if, and to what extent, differences in the size and scope dimensions of the nonprofit sector—or the “richness” or “poorness” of a communities nonprofit sector as described by Wolch (1990)—were related to differences in public attitudes toward nonprofit organizations. This chapter addresses the methodological aspects of this study by providing a description of the data sources that were used in

answering each of the research questions, and by providing an overview of the analytic strategies that were implemented.

### **Overview of Data Sources**

Multiple data sources were used to answer the research questions in this dissertation. These data sources included: a) 2007 data from the National Center for Charitable Statistics (NCCS) on the number, types, and characteristics of 501(c)(3) public charities in San Diego County; b) 2008 data from the San Diego Association of Governments (SANDAG) on the socio-demographic and economic characteristics of ZIP codes in San Diego County; and c) individual-level data from the Caster Family Center for Nonprofit and Philanthropic Research's (CCNPR) 2007–2008 survey of Public Confidence in San Diego County Nonprofit Organizations (PCSN). Each of these data sources are described in greater detail below.

#### **National Center for Charitable Statistics (NCCS) Core Files**

The Core Files provided by the National Center for Charitable Statistics (NCCS) contains detailed financial and operating information on nonprofit organizations in the US. These files are coded and classified according to the National Taxonomy of Exempt Entities (NTEE) across twenty-six functional fields of nonprofit activity. The data contained in these files are obtained primarily from an annual tax form that nonprofit organizations must file with the IRS known as Form 990. Nonprofits, excluding most religious organizations and churches, that have annual gross receipts of \$25,000 or more

are required to file this form.<sup>13</sup> Given this filing stipulation, then, the Core Files do not provide a census of the entire nonprofit sector. Bielefeld and Linders (2004), however, have argued that while the Core Files do not provide information on *all* nonprofit organizations, “the data present an accurate picture of the major financial aspects of the sector” (p. 4). Thus, it has generally been acknowledged that the Core Files provide information regarding “formal” nonprofit organizations (Bielefeld & Linders, 2004; Grønbjerg & Paarlberg, 2002).

### **San Diego Association of Governments (SANDAG) Population Estimates**

The San Diego Association of Governments (SANDAG) serves as the forum for regional decision-making in San Diego County and provides information on a broad range of topics pertinent to the region's quality of life. In particular, SANDAG creates and maintains data on demographic, economic, land use, transportation, and criminal justice statistics for the San Diego area. Demographic data include population characteristics such as age, education, and employment statistics. SANDAG also develops annual demographic estimates and long range forecasts, and maintains census data files for the region.

### **Survey of Public Confidence in San Diego County Nonprofit Organizations (PCSN)**

The survey of Public Confidence in San Diego County Nonprofit Organizations (PCSN) was developed by a team of researchers at the Caster Family Center for

---

<sup>13</sup> Faith-based and religious organizations are only required to file a Form 990 if they receive a majority of their funding from serving the public *and* if they qualify as a public charity. For example Catholic Charities, although a religiously affiliated nonprofit organization, must file a Form 990. Yet, even though many faith-based and religious organizations are not required to file a Form 990, many of these organizations do so voluntarily.

Nonprofit and Philanthropic Research (CCNPR) at the University of San Diego (USD). The survey was conducted during December 2007–January 2008. The survey was administered via telephone using random digit dial technology.<sup>14</sup> The sample for the survey was randomly selected with oversampling for African-American and Native-American populations.<sup>15</sup> The average length of the interviews was 18 minutes. The response rate was thirty-three percent and the cooperation rate was seventy-eight percent.<sup>16</sup>

**Survey instrument.** The survey consisted of twenty-nine questions categorized into four parts: a) public confidence in nonprofit organizations, b) public perceptions of performance and management in the nonprofit sector, c) public involvement in charitable activities, and d) respondent demographics. At the beginning of the survey following the introduction, quota screenings, and consent process, respondents were asked an unaided “top-of-mind awareness” question in order to determine their overall level of awareness with local nonprofit organizations. Top-of-mind awareness has frequently been applied to studies of commercial brand awareness and relationship marketing, and has generally been described as the ability of an individual to immediately access (or identify) a brand

---

<sup>14</sup> The survey was administered by the Social Science Research Laboratory (SSRL) at San Diego State University (SDSU).

<sup>15</sup> Oversampling quotas were set for 100 African-American respondents and 50 Native-American respondents.

<sup>16</sup> Response rates differ from cooperation rates. Cooperation rates are the number of completed interviews out of the number of contacted eligible respondents. Response rates are the proportion of completed interviews out of the total number of eligible respondents. Using the surveying guidelines produced by the American Association for Public Opinion Research (2009), the cooperation rate for this survey was calculated as:  $I/(I+P+R)$ , the response rate was calculated as:  $I/((I+P)+(R+NC+O)+e(UH+UO))$ . The refusal rate (not presented above) was 16 percent and was calculated as:  $R/((I+P)+(R+NC+O))$ , where I=Complete interviews, P=Partial interviews, R=Refusals, terminations, and break-offs, NC=Non-contact, O=Other, UH=Unknown household eligibility, and UO=Unknown other.

from memory when asked. Such awareness has been shown to be a key determinant in consumer purchase intentions (Hoyer & Brown, 1990; Krugman, 1965).

The first section of the survey, *public confidence in nonprofit organizations*, included a series of questions gauging how much confidence individuals had in local nonprofit organizations in two areas of performance: a) effectively providing quality services and b) spending money wisely. This section also included questions assessing public confidence in nonprofit sub-sector performance in the ability of nonprofit organizations to effectively provide quality services.<sup>17</sup> In addition to these confidence questions, questions were also included about public perceptions of the relative performance of nonprofit organizations compared to both for-profit firms and government agencies. Moreover, a series of questions were included that assessed public preference for service providers in two specific industries where nonprofit, for-profit, and government sector organizations co-exist and compete for customers: healthcare and education.<sup>18</sup>

The second section of the survey, *public perceptions of performance and management in the nonprofit sector*, consisted of two questions: a) public perceptions of how well local nonprofit organizations ran their programs and services and b) public perceptions regarding the excessiveness (or non-excessiveness) of local nonprofit executive compensation. The third section of the survey, *public involvement in charitable*

---

<sup>17</sup> Due to time and other practical constraints, respondents were only asked about their confidence in the ability of local nonprofit sub-sector organizations in one area of performance.

<sup>18</sup> Industries such as these are generally referred to as “mixed industries.” Education and healthcare represent the two largest mixed industry sectors. As such, these two industries were specifically chosen as it was believed that competition between nonprofit, for-profit, and government sector providers in these industries would be greatest.

*activities*, consisted of a series of questions asking respondents about their volunteering and donating behaviors. This section also included a question about the sources of information that respondents consulted prior to making a financial contribution to a nonprofit organization. The fourth and final section of the survey, *respondent demographics*, consisted of a variety of background questions including the residential ZIP code of the respondent. The complete survey instrument is included in Appendix A.<sup>19</sup>

### **Overview of Analytic Strategies**

This section details the analytic strategies that were used in this study by specifying the unit of analysis, hypotheses, and data source(s) for each research question (when applicable), and subsequently by describing the variable(s) of interest and the analysis procedures that were followed.

#### **Research Question 1: Descriptive**

The first research question: *How do size and scope dimensions of the nonprofit sector differ across communities within a particular region?* was intended to provide a

---

<sup>19</sup> As with all sample surveys, there is a possibility that sampling error or other possible sources of bias may have affected survey results. For example, when answering survey questions respondents may have been influenced by events and circumstances that took place while the survey was being conducted. In San Diego, for instance, immediately prior to data collection for the PCSN survey, in October of 2007, an unexpected natural disaster—the Southern California wildfires—resulted in significant amounts of charitable resources being directed to the southern California region. Therefore, responses to the PCSN survey may have been influenced by the nonprofit response to this disaster. However, every reasonable precaution was taken in order to minimize bias. For example, the survey was pretested by Caster Center staff, as well as by several local nonprofit leaders. Furthermore, a question was included in the survey that examined respondent perceptions of the nonprofit response to these fires.

descriptive analysis of differences in the distribution of nonprofit organizations and resources across communities in San Diego County.

**Unit of analysis.** The focus of this research was on the formal 501(c)(3) nonprofit sector, at a local level, and therefore the unit of analysis was ZIP codes (which were intended to serve as proxies for neighborhoods).<sup>20</sup> There are a total of 114 ZIP codes recognized in San Diego County that have been identified by SANDAG. These ZIP codes span 19 jurisdictions—which include 18 incorporated, and one unincorporated, jurisdiction(s). Table 1 provides a listing of all ZIP codes in San Diego County along with the jurisdiction where the ZIP code is located.

There have only been a handful of studies that have assessed size and scope dimensions of the nonprofit sector at a local, or a small-scale community, level (e.g., at the level of cities, ZIP codes, census tracts, or block groups) (see for instance, Bielefeld, Murdoch, & Waddell, 1997; Corbin, 1999; Joassart-Marcelli & Wolch, 2003; Peck, 2009; Rafter, 2008). Most studies of differences in the size and scope dimensions of the nonprofit sector have been conducted across large geographic regions, such as metropolitan areas (Corbin, 1999), counties (Ben-Ner & Van Hoomissen, 1992; Grønbjerg & Paarlberg, 2001; Marcuello, 1998; Stater, 2009), states (Wolch, 1990), and even nations (James, 1987; Salamon & Anheier, 1998; Smith & Shen, 2002).

Although studies at such large spatial scales certainly provide us with useful information for understanding broad aggregate disparities in nonprofit activity, these studies also “tend to mask differences that occur across communities” (Corbin, 1999, p.

---

<sup>20</sup> It should be noted that there is, and has been, ongoing scholarly debate as to the proper unit of analysis for neighborhood level studies. However, previous research examining the presence of institutional resources has used ZIP code level data as an approximation of neighborhood boundaries (see for example, Small & McDermott, 2006).

Table 1

*ZIP Codes and Jurisdictions in San Diego County*

<b>ZIP Code</b>	<b>Jurisdiction</b>	<b>ZIP Code</b>	<b>Jurisdiction</b>	<b>ZIP Code</b>	<b>Jurisdiction</b>
91901	Alpine	92054	Oceanside	92122	San Diego
91902	Bonita	92055	Camp Pendleton	92123	San Diego
91905	Boulevard	92056	Oceanside	92124	San Diego
91906	Campo	92057	Oceanside	92126	San Diego
91910	Chula Vista	92058	Oceanside	92127	San Diego
91911	Chula Vista	92059	Pala	92128	San Diego
91913	Chula Vista	92060	Palomar Mountain	92129	San Diego
91914	Chula Vista	92061	Pauma Valley	92130	San Diego
91915	Chula Vista	92064	Poway	92131	San Diego
91916	Descanso	92065	Ramona	92132	San Diego
91917	Dulzura	92066	Ranchita	92134	San Diego
91931	Guatay	92067	Rancho Santa Fe	92135	San Diego
91932	Imperial Beach	92069	San Marcos	92136	San Diego
91934	Jacumba	92070	Santa Ysabel	92139	San Diego
91935	Jamul	92071	Santee	92140	San Diego
91941	La Mesa	92075	Solana Beach	92145	San Diego
91942	La Mesa	92078	San Marcos	92155	San Diego
91945	Lemon Grove	92081	Vista	92161	San Diego
91948	Mount Laguna	92082	Valley Center	92173	San Ysidro
91950	National City	92083	Vista	92182	San Diego
91962	Pine Valley	92084	Vista	92082	Valley Center
91963	Potrero	92086	Warner Springs	92259	Ocotillo
91977	Spring Valley	92091	Rancho Santa Fe	92536	Aguanga
91978	Spring Valley	92093	La Jolla	92672	San Clemente
91980	Tecate	92096	San Marcos		
92003	Bonsall	92101	San Diego		
92004	Borrego Springs	92102	San Diego		
92007	Cardiff by the Sea	92103	San Diego		
92008	Carlsbad	92104	San Diego		
92009	Carlsbad	92105	San Diego		
92010	Carlsbad	92106	San Diego		
92011	Carlsbad	92107	San Diego		
92014	Del Mar	92108	San Diego		
92019	El Cajon	92109	San Diego		
92020	El Cajon	92110	San Diego		
92021	El Cajon	92111	San Diego		
92024	Encinitas	92113	San Diego		
92025	Escondido	92114	San Diego		
92026	Escondido	92115	San Diego		
92027	Escondido	92116	San Diego		
92028	Fallbrook	92117	San Diego		
92029	Escondido	92118	Coronado		
92036	Julian	92119	San Diego		
92037	La Jolla	92120	San Diego		
92040	Lakeside	92121	San Diego		



302)—and, it has generally been acknowledged that nonprofit organizations are tied to local communities in important ways (Bielefeld, Murdoch, & Waddell, 1997; Wolpert, 1993a). Indeed, according to Fyfe and Milligan (2003), regional patterns of nonprofit development “hide important local variations in voluntary activity which reflect the complex interplay between broad contextual factors and local institutions and agents” (p. 400).

**Data source.** The primary data used to answer this research question was obtained from the 2007 Core File of public charities for San Diego County provided by NCCS.

**Data cleaning.** A preliminary review of the data revealed that considerable data cleaning was necessary. Therefore, prior to performing any analysis of the data, several steps were taken in order to improve, and thereafter ensure, data quality. These steps included: a) verification of the location information in the NCCS file and b) exclusion of non-standard ZIP codes and non-identifiable nonprofit organizations from the dataset. Both of these steps are detailed below.

***Verification of location information.*** Several location issues must first be addressed before attempting to use the Core Files for any locational analysis. In particular, the location information provided in the Core Files is not always reliable. Previous studies, for instance, have shown that more than one-quarter of the nonprofit organizations listed in the Core Files have incorrect address information (cited in Joassart-Marcelli & Wolch, p. 76, from a study cited in Hagar, Galaskiewicz, & Bielefeld, 1996). Additionally, many larger nonprofit organizations often file aggregate tax returns and use the address of the organization’s headquarters to account for affiliate,

subsidiary, and/or satellite sites. Furthermore, some nonprofit organizations do not include their actual operating address on their annual tax returns. Instead, many of these organizations use a Post Office (PO) box address. However, PO box addresses generally provide the location for a centralized delivery system (such as a postal provider) as opposed to the actual location of the organization. Therefore, relying on the PO box address as a proxy for an organization's location may, at times, be inappropriate.

All of these issues are problematic for researchers when attempting to use the Core Files for locational-based analysis. As such, in order to check whether the nonprofit organizations that were listed in the 2007 Core File of public charities for San Diego County had correct ZIP code information *and* to determine whether nonprofit organizations that provided a PO box address had an actual operating address, all location information for each nonprofit organization in this file was verified through extensive internet searches (n=3,199). This included searches of, both, the organization's website (if available) and other internet sources as found through the search engine Google.

Through this process nearly eight percent of the nonprofit organizations (n=243) that were listed in the Core File were found to have incorrect ZIP code information. Additionally, ten percent of the nonprofit organizations (n=311) that were listed in the Core File with only a PO box address were found to have an actual operating address.<sup>21</sup> In total, then, approximately seventeen percent (n=554) of the nonprofit organizations that were listed in the 2007 Core File of public charities for San Diego County were found to have incorrect or missing location information. All incorrect location

---

<sup>21</sup> If a nonprofit did not have an actual physical location, but instead had a consistent meeting location (as specified on their website), then I used the meeting location to represent the location for the organization.

information was corrected, and all missing location information was added to the dataset. If a nonprofit organization was unable to be located (and verified) *and* had address information already listed in the Core File, then the address information provided was retained, as is.

Nonprofit organizations listed in the Core File that operated at multiple service locations (either at affiliate, subsidiary, and/or satellite sites) were also identified through this internet search process.<sup>22</sup> Inclusion of these organizations increased the size of the dataset by nearly ten percent (n=311). Although this is quite a considerable increase in the *quantity* of nonprofit organizations, financial data for nonprofits that operate at multiple service locations is often aggregated and listed in the Core Files as a single entity. Therefore, when attempting to obtain site-specific financial information this aggregation can become problematic. For the purposes of this analysis, then, all financial information for nonprofit organizations operating at multiple service locations was distributed equally across locations. This equal distribution of finances undoubtedly creates some bias in the data with regard to financial measures. However, in the aggregate this bias is not assumed to be substantial.

***Excluded ZIP codes and nonprofit organizations.*** ZIP (or Zone Improvement Plan) codes were created by the US Postal Service (USPS) as a tool to help deliver the mail more efficiently. In recent years, market researchers and others interested in spatial analysis have begun to use ZIP codes as a standard geographic area—much like a city or

---

<sup>22</sup> Although it is unlikely that *all* affiliate, subsidiary, and/or satellite sites were identified through this process, this procedure improves upon methods from previous studies that have analyzed the size and scope dimensions of the nonprofit sector and have relied solely on information obtained from the Core Files—ignoring the issue of multiple service locations.

a county. However ZIP codes are not, nor were they ever, intended to be spatially defined areas. Thus, there are important data considerations to keep in mind when working with ZIP code level data, particularly across multiple datasets that include different time periods.

First, a fundamental problem with using ZIP codes as a unit of analysis is the fact that true spatial boundaries of ZIP codes are generally unknown. As a result, a single ZIP code can be non-contiguous. For example, a large ZIP code may be spatially divided in order to account for the network of streets served by the mail carriers assigned to that area. Second, ZIP codes can often change from time to time—and in some instances, ZIP code changes can be quite dramatic. For example, in parts of the country where there is rapid population growth, changes in ZIP codes are needed in order to adjust for changing population density. Third, reliable and up-to-date demographic and economic data at the ZIP code level are rather limited (that is, in comparison to data available at other levels of geography). In fact, given that ZIP codes were developed merely as a means to help deliver the mail more efficiently, developers of the ZIP code did not create demographic profiles of these areas, nor did they take into account problems that may arise when utilizing ZIP codes in data collection and analysis.

Despite these limitations with the use of ZIP codes in research and data analysis, ZIP codes do offer compelling reasons for their use—particularly for small scale or community level studies. Indeed, Rushton, Armstrong, Gittler, Greene, Pavlik, West, and Zimmerman, (2008) have argued that “the main advantages of the ZIP code are its size and availability. ZIP codes represent small geographic areas, which allow for high quality maps offering more local detail than those relying on the county or other large geographic

units” (p. 40). Furthermore, individuals with similar background characteristics will often cluster together at small neighborhood scales; and since ZIP codes are contained within larger administrative boundaries—such as municipalities, school districts, and community planning areas—demographic characteristics of ZIP codes tend to provide insight into how communities differ within these boundaries.

*ZIP codes excluded from the analysis.* Considering the many issues involved with the use of ZIP codes in research and data analysis, certain ZIP codes were excluded from this study. First, in order to determine the residential status (e.g., standard, PO box, or “unique”) of each of the 114 ZIP codes in San Diego County, I used the USPS’s online searchable database of ZIP codes in order to check, and verify, each one. Through this process, 15 of the 114 ZIP codes in San County were identified as either a PO box address or a “unique” service address. All 15 of these ZIP codes were non-residential, and were thus excluded from this study. Table 2 lists each of the excluded ZIP codes and the specific reason for exclusion.

Second, in order to determine what ZIP code changes occurred within the County since 2000 (since this analysis relies on data from multiple time periods) I searched the USPS’s Postal Bulletin Changes from 2001 to 2010. Since this time, six ZIP code changes occurred in San Diego County—with only four of those changes resulting in the establishment of new ZIP code service areas.<sup>23</sup>

---

<sup>23</sup> Specifically, these changes were: a) In 2003, ZIP code 92081 was established from ZIP code 92083; b) In 2005, ZIP code 92011 was established from ZIP code 92009; c) In 2005, ZIP code 92010 was established from ZIP code 92008; and d) In 2007, ZIP code 92058 was established from ZIP code 92054.

Table 2

*Excluded Non-Residential ZIP Codes*

<b>ZIP Code</b>	<b>Reason for Exclusion</b>
<b>91931</b>	PO Box Address
<b>91948</b>	PO Box Address
<b>92060</b>	PO Box Address
<b>92067</b>	PO Box Address
<b>92093</b>	USPS Unique Address (University of California, San Diego)
<b>92096</b>	USPS Unique Address (California State University, San Marcos)
<b>92132</b>	USPS Unique Address (Naval Supply Center)
<b>92134</b>	USPS Unique Address (Naval Hospital)
<b>92136</b>	USPS Unique Address (Naval Station)
<b>92140</b>	USPS Unique Address (Marine Corps Recruit Depot San Diego)
<b>92145</b>	USPS Unique Address (Naval Air Station, Miramar)
<b>92155</b>	USPS Unique Address (Naval Amphibious Base)
<b>92161</b>	USPS Unique Address (Veteran's Administration Hospital)
<b>92182</b>	USPS Unique Address (San Diego State University)
<b>92259</b>	PO Box Address

*Nonprofit organizations excluded from the analysis.* Several nonprofit organizations were excluded from this analysis as well. First, nonprofit organizations with a PO box address that I was unable to find an address for via the internet search strategy previously outlined were excluded. Second, nonprofit organizations that were located outside of San Diego County were excluded from the analysis. Third, since USPS designated “unique” ZIP codes were removed from the analysis, by default then, all nonprofit organizations that were located in these ZIP codes were also excluded. Finally, nonprofit organizations that had a rule date of 2009 (i.e., the date that the organization was granted tax-exempt status) were excluded from the analysis as well (since these organizations would not have been in existence during the study period).<sup>24</sup>

In total, 426 nonprofit organizations (or thirteen percent of the total number of nonprofit organizations from the original NCCS file) were excluded from this analysis. Therefore, the final dataset of the formal 501(c)(3) nonprofit sector within San Diego County that was used in this analysis contained 3,084 nonprofits. Table 3 provides an overview of how the excluded nonprofit organizations were distributed across the twenty-six NTEE functional categories of nonprofit activity.

**Measurement.** Nonprofit activity, or the size and scope dimensions of the nonprofit sector, was measured in several ways. This included:

*Nonprofit density.* The density of nonprofit organizations across communities was calculated as the total count of IRS registered 501(c)(3) nonprofit organizations (i.e., charitable filers) located within each ZIP code in San Diego County.

---

<sup>24</sup> Only one nonprofit organization had a 2009 rule date.

Table 3

*Excluded Nonprofit Organizations, by NTEE Sub-Sector Category*

NTEE Sub-Sector Category	Number of Excluded Nonprofit Organizations
A: Arts, Culture & Humanities	61
B: Education	44
C: Environment	15
D: Animal-Related	16
E: Health Care	7
F: Mental Health & Crisis Prevention	6
G: Diseases, Disorders & Medical Disciplines	12
H: Medical Research	4
I: Crime & Legal-Related	9
J: Employment	1
K: Food, Agriculture & Nutrition	3
L: Housing & Shelter	13
M: Public Safety, Disaster Preparedness & Relief	6
N: Recreation & Sports	57
O: Youth Development	8
P: Human Services	33
Q: International, Foreign Affairs & National Security	28
R: Civil Rights, Social Action & Advocacy	4
S: Community Improvement & Capacity Building	23
T: Philanthropy, Voluntarism & Grantmaking Foundations	12
U: Science & Technology	3
V: Social Science	1
W: Public & Societal Benefit	5
X: Religion-Related	51
Y: Mutual & Membership Benefit	1
Z: Unknown	3
Total	426



**Nonprofit heterogeneity.** Following the work of Stater (2009), nonprofit heterogeneity was calculated as:

$$\text{Nonprofit Heterogeneity} = 1 - \sum \left( \frac{x_i}{x} \right)^2$$

where,  $x_i$  is the total number of nonprofit organizations per sub-sector (as classified by the twenty-six functional sub-sector categories of the NTEE) in a particular ZIP code, and  $x$  is the total number of nonprofit organizations in that same ZIP code. This calculation is based on a Herfindahl Index, and creates a percentage of nonprofit heterogeneity (ranging from 0 to 1), where one-hundred percent heterogeneity indicates that nonprofit organizations within a particular community (ZIP code in this instance) are equally distributed across the mission-based fields of nonprofit activity within that area.<sup>25</sup>

**Nonprofit quality.** Any attempt at measuring nonprofit quality will generally be less than satisfactory—particularly since individual notions of what constitute “quality” are often subjective and value-laden. Therefore, several nonprofit scholars have used proxies for nonprofit quality associated with nonprofit financial strength. For instance, in assessing the quality and equitability of nonprofit social service provision, Joassart-Marcelli and Wolch (2003) and Peck (2008), used nonprofit expenditures as an indicator

---

<sup>25</sup> As conveyed via an e-mail exchange with Keely Stater (personal communication, September 21, 2010), the heterogeneity of a community’s nonprofit sector can be thought of in the following manner: In a given region with a total of three nonprofit organizations (e.g., 1 “A” nonprofit and 2 “B” nonprofits), the degree of heterogeneity would be calculated as:  $1 - [(1/3)^2 + (2/3)^2] = 1 - (.11 + .44) = 1 - .55 = .45$ . This suggests that in this particular region the nonprofit heterogeneity score is 45 percent. In other words, an individual would have nearly a 4 out of 9 chance of running into a different type of nonprofit organization in two consecutive tries in this community.

of nonprofit quality and service activity within an area. As such, total nonprofit expenditures were also used as a measure of nonprofit quality in this study as well.<sup>26</sup>

### **Research Question 2: Theoretical**

The second research question: *What community factors are associated with differences in the size and scope dimensions of the nonprofit sector, at a local level?* was intended to test the relevance of existing theories and concepts that attempt to explain variation in the distribution of nonprofit organizations and resources.

**Unit of analysis.** The unit of analysis was ZIP codes (n=99).

**Data sources.** The data used to answer this research question was obtained from the 2007 Core File of public charities for San Diego County provided by NCCS, and from 2008 socio-demographic and economic estimates of San Diego County ZIP codes provided by SANDAG.

**Measurement.** A series of Ordinary Least Squares (OLS) regression models were estimated. The dependent and independent variables in these models were operationalized as follows:

**Dependent variables.** Outcome variables for measures of the size and scope dimensions of the nonprofit sector were obtained from the findings that were generated in research question one. These included measures of: a) nonprofit density, b) nonprofit heterogeneity, and c) nonprofit quality.

---

<sup>26</sup> As Joassart-Marcelli and Wolch (2003) have pointed out, it is important to remember that high per capita expenditure figures may not necessarily be representative of total nonprofit spending in an area. In fact, it is possible that the presence of a few large nonprofit organizations with significant financial resources may confound the actual extent of nonprofit spending.

*Independent variables.* The independent variables were selected a priori based upon a review of relevant literature regarding factors that were expected to influence the distribution of nonprofit organizations and resources across localities. These variables were derived from the theories and concepts that were reviewed in Chapter two, specifically: a) demand-related explanations that focus on theories of market and government failure, b) supply-related explanations that focus on the availability of resources and the degree of social cohesion within an area, and c) explanations for the distribution of nonprofit organizations that focus on the role of community structure.

*Demand-related explanations.* Demand-related explanations for the distribution of nonprofit organizations and resources suggest that levels of community disadvantage, and social and economic distress, as well as the degree of population heterogeneity within an area, will be positively related to the size and scope of the nonprofit sector (Ben-Ner & Van Hoomissen, 1992; Corbin, 1999; James, 1987; Peck, 2008; Weisbrod, 1986). In particular, according to market failure theory and the concept of contract failure, for-profit firms will generally fail to meet the needs and expectations of disadvantaged segments of the population, since there will likely be little or no profit potential in doing so (Hansmann, 1980). As a result, nonprofit organizations are expected to be more prevalent in disadvantaged and low-income communities since nonprofits, in many instances, are able to offer low-cost services which are often subsidized through tax-deductible contributions. Thus, I hypothesized that:

*Hypothesis 1a: Size and scope dimensions of the nonprofit sector will be greater in disadvantaged communities.*

Additionally, according to government failure theory and the demand heterogeneity concept, government agencies are generally expected to fail to meet the

needs and expectations of minority segments of the population, since government agencies will typically operate in response to majority interests and voter expectations (Weisbrod, 1975, 1988). As a result, individuals in less homogenous communities are likely to have greater dissatisfaction with the level of government service provision. Nonprofit organizations, therefore, are expected to fulfill the unmet needs of individuals in these communities.<sup>27</sup> Thus, I hypothesized that:

*Hypothesis 1b: Size and scope dimensions of the nonprofit sector will be greater in communities with greater amounts of diversity.*

*Supply-related explanations.* Supply-related explanations for the distribution of nonprofit organizations and resources suggest that nonprofits will locate in areas where residents are more socially cohesive and where access to capital, and other resources, is more attainable (Ben-Ner & Van Hoomissen, 1992; Bielefeld, 2000; Corbin, 1999; Grønbjerg & Paarlberg, 2001; Lincoln, 1977; Putnam, 2000; Salamon & Anheier, 1997). Gamm and Putnam (1999), for instance, found that smaller and more stable communities

---

<sup>27</sup> It should be noted that Corbin (1999) has suggested that a direct (or a “true”) test of market failure theory would require an analysis of the relative market shares of nonprofit and for-profit firms. Additionally, he has suggested that a direct (or a “true”) test of government failure theory would require inclusion of a measure of government spending on the poor. However, since this study seeks to test the relevance of theories and concepts for explaining community differences in the size and scope dimensions of the nonprofit sector *as a whole*, it would be difficult to determine the relative market share of for-profit firms in each area of nonprofit activity that is categorized by the NTEE. For example, nonprofits that are classified as “public/societal benefit” organizations are unlikely to have a direct for-profit counterpart. As a result, this study is not intended to be direct (or a “true”) test of market failure theory (as per Corbin (1999)), but rather a test of various concepts that are derived from market failure theory. Furthermore, although studies have shown that nonprofit organizations are also responsive to government funding patterns (Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Luksetich, 2008), given the absence of any municipal level government structure in the US it is nearly impossible to obtain estimates of government spending on the poor in each community (at the ZIP code level). As a result, this study is also not intended to be a direct (or a “true”) test of government failure theory (as per Corbin (1999)) either, but only be a test various concepts that are derived from the theory.

had higher densities of voluntary associations—due in part, they claimed, to the higher degree of social capital found in these communities. Thus, I hypothesized that:

*Hypothesis 2a: Size and scope dimensions of the nonprofit sector will be greater in communities where residents are more socially cohesive.*

Supply-related explanations also suggest that the size of the nonprofit sector will be larger in communities where human and financial capital is higher. Indeed, wealthier and more educated individuals, in particular, are often more likely to make charitable contributions, and are also often more likely to participate in voluntary activities (Bekkers & Wiepking, 2007; Grønbjerg & Paarlberg, 2001; Smith, 1994). Thus, these expectations led to the following set of hypotheses:

*Hypothesis 2b: Size and scope dimensions of the nonprofit sector will be greater in communities where income levels are higher.*

*Hypothesis 2c: Size and scope dimensions of the nonprofit sector will be greater in communities where individuals have higher levels of educational attainment.*

*Community structure-related explanations.* Explanations for the distribution of nonprofit organizations that focus on the role of community structure suggest that nonprofits will be more prevalent depending on the population density and the degree of urbanization within an area (Gamm & Putnam, 1999; Lincoln, 1977). The nature and direction of this relationship, however, has been contested. Indeed, on the one hand, some scholars have suggested that smaller and more stable communities may result in greater social cohesion among residents and, thus, a larger nonprofit sector (Gamm & Putnam, 1999). On the other hand, however, scholars have also suggested that the diversity in large urban areas may generate competing interests and may consequently

lead to a larger more vibrant nonprofit sector as well (Lincoln, 1977; Saxton & Benson, 2005). Thus, these expectations led to the following set of non-directional hypotheses:

*Hypothesis 3a: Size and scope dimensions of the nonprofit sector will differ depending on the population density within communities.*

*Hypothesis 3b: Size and scope dimensions of the nonprofit sector will differ depending on the degree of urbanization within communities.*

### **Research Question 3: Exploratory**

The third research question: *Are differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, associated with differences in public attitudes toward nonprofit organizations?* was intended to serve as an exploratory analysis.

**Units of analysis.** This question focused on two units of analysis. First, I used the findings from the ZIP code level data (n=99) that were generated in research question two in order to develop a neighborhood typology of voluntary sector community types. Second, in order to determine how public attitudes toward nonprofit organizations differed across the voluntary sector community types identified through the typology, I used individual level data (n=1,002) on public attitudes toward the nonprofit sector.

**Data sources.** Several data sources were used in this analysis. First, individual-level data on public attitudes toward the nonprofit sector was obtained from the 2007–2008 PCSN survey of public attitudes toward nonprofit organizations in San Diego County. Next, socio-demographic and economic data on characteristics of communities in San Diego County (at the ZIP code level) was obtained from 2008 SANDAG population estimates. Finally, data on the size and scope dimensions of the nonprofit

sector in the area was obtained from the 2007 Core File of public charities for San Diego County provided by NCCS.

**Measurement.** This analysis proceeded in several stages. First, I used a cluster analysis procedure in order to develop a neighborhood typology of voluntary sector community types. Cluster analysis is a statistical technique that divides a heterogeneous sample into homogenous sub-groups based upon a set of specified criteria (Kaufman & Rousseeuw, 1990). These typologies were created using the community characteristics that were found to significantly influence the distribution of nonprofit activity across ZIP codes in research question two. Second, I examined differences in public attitudes toward nonprofit organizations across clusters using contingency tables and Pearson  $\chi^2$  tests of significance. Finally, I used logistic and logit regression analysis in order to identify individual-level predictors of public attitudes toward nonprofit organizations in each voluntary sector community type.<sup>28</sup> The dependent and independent variables used in each of these regression models are described below. Due to the exploratory nature of this analysis, specific hypotheses were not tested.

---

<sup>28</sup> Although this is inherently a multi-level question, it is not recommended to use multi-level modeling, such as hierarchical linear modeling (HLM) with these data. Indeed, for the purposes of accurate estimation with respect to the coefficients and standard errors, an analysis using HLM would require a substantial number of respondents at the group level (i.e., Level 2) (Raudenbush & Bryk, 2002). Given that the PCSN survey used in this study was a countywide random sample of San Diego County residents, some ZIP codes had very few respondents, and some ZIP codes had no respondents at all. For example, there were no survey respondents in 16 of the 99 ZIP codes in the County. Furthermore, 56 of the 99 ZIP codes in the County had less than 10 survey respondents. Therefore, using HLM on these data could lead to misleading results. Leventhal and Brooks-Gunn (2000), for instance, examined the effects of neighborhood residence on child and adolescent outcomes and found that minimal clustering of study participants across neighborhoods led to an underestimation of neighborhood effects in nationally-based samples that had relatively few cases per neighborhood.

*Dependent variables.* There are no standard measures that are used to assess public attitudes toward nonprofit organizations. As such, the outcome variables in this analysis were obtained from the individual-level responses to the PCSN survey, and related to three different aspects of public attitudes that were reviewed in Chapter two. These included:

- Public confidence in the nonprofit sector,
- Public awareness of nonprofit organizations, and
- Public perceptions of the relative performance of nonprofit service providers.

*Public confidence in the nonprofit sector.* Public confidence in the nonprofit sector was assessed using the following two survey questions:

- Generally speaking, how much confidence would you say you have that San Diego County nonprofits effectively provide quality services on the public's behalf?
- Generally speaking, how much confidence would you say you have that San Diego County nonprofits spend money wisely?

The response options for both of these questions were: a great deal of confidence, a fair amount of confidence, not too much confidence, or no confidence at all. Don't know and refuse to answer options were also provided.

*Public awareness of nonprofit organizations.* Public awareness of nonprofit organizations was assessed using a single survey question that asked:

- When you think about local San Diego County nonprofit organizations, which ones come to mind? Please tell me the first three organizations that come to mind.



In order to verify the accuracy of the responses to this question, I used online search engines (primarily Google) to locate any information about the organization and to determine whether the organization identified was, in fact, a nonprofit organization. After verification of the organizations, responses were then coded as either “a nonprofit organization” or “not a nonprofit organization,” and awareness was assessed in the following manner:

- 0 correct identifications = No awareness
- 1 correct identification = Low awareness
- 2 correct identifications = Moderate awareness
- 3 correct identifications = High awareness

*Public perceptions of nonprofit services.* Public perceptions of the relative performance of nonprofit organizations, compared to for-profit organizations and government agencies, were assessed using three survey questions that asked:

- Thinking about the government, for-profit business, and nonprofit sectors here in San Diego County, which sector do you believe does the best job helping people?
- Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job spending money wisely?
- Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job representing the public interest?

The response options for each of these questions were: government sector, for-profit business sector, or nonprofit sector. Don't know and refuse to answer options were also provided.<sup>29</sup>

*Independent variables.* The independent variables in each of these models included socio-demographic and background characteristics, such as: age, sex, minority status, income, and education.

---

<sup>29</sup> I considered combining the two confidence questions and creating a two-item scale of public confidence. Similarly, I considered combining the three perception questions and creating a three-item scale of public perceptions. The coefficient for the two-item scale of public confidence was moderately high enough to reasonably scale these items ( $\alpha=.73$ ). However, the coefficient for the three-item scale of public perceptions indicated that responses to these questions were considerably different, and thus should not be scaled ( $\alpha=.60$ ). Therefore, I evaluated all questions separately.

## CHAPTER 4

### RESULTS

Chapter three provided an overview of the data sources, hypotheses, methodologies, and analytic strategies that were used in order to answer each of the research questions in this dissertation. This chapter presents the results of the study and describes how these results answer each of the research questions in this dissertation. First, however, an overview of the study site is presented. Following this overview, results of the descriptive analysis for research question one are described. Next, results of the bivariate and multivariate analyses are presented in the context of the corresponding hypotheses for research question two. Finally, bivariate and multivariate results of the exploratory analysis are presented to answer research question three.

#### Overview of Study Site<sup>30</sup>

San Diego County provides an excellent opportunity to explore the research questions in this dissertation. Indeed, the county of San Diego is a racially, geographically, and economically diverse area. As a result of this diversity, prior research on geographic differences in nonprofit activity has focused on San Diego as a region highly variable in several dimensions believed to influence nonprofit capacity (see for instance, Bielefeld, 2000; Bielefeld & Murdoch, 2004).

Based on 2008 estimates, for example, San Diego County had a total population count of approximately 3,103,897 residents. Fifty-four percent of these three-plus

---

<sup>30</sup> All data estimates were obtained from the San Diego Association of Governments (SANDAG) Profile Warehouse, and do not include data from ZIP codes that were excluded from this analysis.

million residents were white, twenty-eight percent were Hispanic, seven percent were Asian and Pacific Islanders, five percent were black, two percent were American Indian, and four percent identified as “other” race/ethnicity. Gender-wise, the population of San Diego County was fifty percent female, and the median household income in the County (adjusted for inflation in 1999 dollars) was approximately \$52,887.

### **Economic and Demographic Profile of San Diego County**

Ninety-nine San Diego County ZIP codes were used in this analysis (after excluded ZIP codes were removed, see Chapter three). The total population count of these ZIP codes ranges in size from a high of nearly 80,000 residents to a low of 68 residents. On average, the total population count per ZIP code is 31,352 residents. Twenty-four percent of the ZIP codes in the County have a total population count of less than 10,000 residents, and seven percent of the ZIP codes in the County have a total population count of less than 1,000 residents. Four of the ZIP codes with a total population count of less 1,000 residents also have more than one-quarter of vacant land available for development.

In 2008, the average median household income per ZIP code in San Diego County was approximately \$56,712; and according to the 2000 US Census of the Population and Housing, the average percentage of the population (per ZIP code) that was considered to be living below the federal poverty line (in 1999 dollars) was approximately eleven percent. Furthermore, the average percentage of the adult population (age 25 or older) who had obtained a bachelor’s degree, or higher, was approximately thirty percent per ZIP code.

There are a number of socio-demographic and economic differences between ZIP codes in San Diego County. For instance, the ZIP code affiliated with the highest percentage of white residents in the County (92091) is also among one of the ZIP codes with the highest median household income values. The ZIP code affiliated with the highest percentage of Hispanic residents in the County (92173), however, is among one of the ZIP codes with the highest percentage of the population living below the federal poverty line. This ZIP code (92173) is also among one of the ZIP codes in the County with the lowest percentage of the adult population who has obtained a bachelor's degree or higher. Table 4 provides basic socio-demographic and economic summary statistics for San Diego County ZIP codes.

### **Size and Scope Dimensions of the Formal 501(c)(3) Nonprofit Sector in San Diego County**

The formal 501(c)(3) nonprofit sector in San Diego County consists of a variety of organizations. These organizations vary in size, scope, and function. Data obtained from the 2007 Core File of public charities for San Diego County (cleaned and modified as outlined in Chapter three) indicates that there are 3,084 charitable filers (i.e., formal 501(c)(3) nonprofit organizations) located within San Diego County. Total expenditures for these nonprofit organizations represent approximately \$2,985 per capita. The average expenditure value for all charitable filers within the County is just over three million dollars (\$3,005,048). The median expenditure value for all formal 501(c)(3) nonprofit organizations is approximately \$132,973. When the two largest nonprofit sub-sectors

Table 4

*Socio-Demographic and Economic Summary Statistics for San Diego County ZIP Codes<sup>a</sup>*

	Mean	S. D.	Min.	Max.	N
Total Population	31,352	21,822	68	79,796	99
Household Population	30,529	21,512	68	77,964	99
Occupied Households	10,815	7,323	31	25,675	99
Average Household Size	2.75	.50	1.66	4.04	99
Median Household Income (1999\$)	\$56,712.52	\$18,246.15	\$25,868.00	\$125,000.00	99
% Below Poverty (1999\$)	.11	.07	.02	.36	99
% of Vacant Land	.11	.11	.00	.56	99
% of Carpoolers	.13	.05	.06	.32	99
% 65 Years +	.12	.05	.00	.26	99
% Bachelor's Degree or +	.30	.17	.03	.73	99
% of Population, by Race					
<i>White</i>	.54	.20	.03	.85	99
<i>Black</i>	.05	.04	.00	.26	99
<i>Hispanic</i>	.28	.17	.06	.92	99
<i>Asian or Pacific Islander</i>	.07	.02	.02	.11	99
<i>Native American</i>	.02	.04	.00	.21	99
<i>Other</i>	.03	.01	.01	.09	99

Notes: The data contained in this table were obtained from 2008 socioeconomic and population estimates of San Diego County provided by SANDAG. Total population is defined as the total number of persons (i.e., residents) in an area. Occupied households is defined as the number of housing units that are occupied by a person or persons who do not have a primary place of residence elsewhere. Household population is defined as all persons living in a household (i.e., an occupied housing unit). Average household size is defined as the average number of persons living in a housing unit. Median household income is adjusted for inflation in 1999 dollars. The following variables: a) % of the population below the federal poverty line, b) % of the population age 25 or more with a Bachelor's degree or higher, and c) % of carpoolers were provided by SANDAG, but were obtained from estimates of San Diego County derived from the 2000 US Census of Population and Housing Summary File 3 (SF 3). As indicated by SANDAG, "The 2000 Census was conducted in April, 2000. Some questions were asked of all households (Summary File 1), others were asked of only a sample of households (Summary File 3)." Therefore, some data provided by SANDAG may not match 2000 Census information published by the US Census Bureau since sample census data have been controlled to match one-hundred percent count (Summary File 1) data, and some minor adjustments were made to SANDAG data (such as correcting the location of housing units that were erroneously allocated by the Census Bureau to roads and open space) in order to more accurately reflect the region's true population and housing distribution.

<sup>a</sup> Given that four San Diego County ZIP codes that are currently in existence (92058, 92010, 92011, and 92081) were not established in 2000, estimates for these ZIP codes were obtained from the ZIP codes that they were formed from.

(colleges/universities and hospitals) are *excluded* from the analysis (n=66) total nonprofit expenditures for all charitable filers decreases to approximately \$1,483 per capita.<sup>31</sup>

Table 5 displays the distribution of formal 501(c)(3) nonprofit organizations in the County, and their average expenditures, by NTEE sub-sector category.

### **Research Question 1: Descriptive**

The results for research question one provide greater insight into how the nonprofit organizations and resources identified in this study were distributed across communities (i.e., ZIP codes) in San Diego County.

**Nonprofit density.** As summarized in Table 6, the density of nonprofit organizations varies considerably. In particular, when colleges/universities and hospitals are *included* in the analysis, the density of nonprofit organizations across ZIP codes in the County ranges from a high of 207 to a low of 0. Even when these two nonprofit sub-sectors are *excluded* from the analysis, the range in the density of nonprofit organizations decreases only slightly (from a high of 206 to a low of 0). The average number of nonprofit organizations per ZIP code is 31, with a median of 25.

Not surprisingly, perhaps, ZIP codes with the *lowest* household population density also tend to have the *lowest* density of nonprofit organizations—and would likely be considered among the most voluntary sector-poor communities in the County. What *is* perhaps surprising, however, is that many ZIP codes with *high* household population densities also tend to have *low* densities of nonprofit organizations. In fact, nearly fifteen percent of ZIP codes with a household population density of greater than 50,000 residents also have less than a total of twenty formal 501(c)(3) nonprofit organizations located

---

<sup>31</sup> Excluded NTEE nonprofit sub-sector codes included: B40, B41, B42, B43, B50, E20, E21, E22, and E24.

Table 5

*Distribution of Formal 501(c)(3) Nonprofit Organizations in San Diego County, by NTEE Sub-Sector Category*

<b>NTEE Sub-Sector Category</b>	<b>Total Number of Nonprofit Organizations</b>	<b>Total Nonprofit Expenditures Per Capita</b>
A: Arts, Culture & Humanities	335	\$74.53
B: Education	651	\$365.28
C: Environment	57	\$15.19
D: Animal-Related	49	\$68.97
E: Health Care	194	\$1,484.70
F: Mental Health & Crisis Prevention	89	\$73.46
G: Diseases, Disorders & Medical Disciplines	106	\$18.86
H: Medical Research	42	\$170.22
I: Crime & Legal-Related	54	\$13.45
J: Employment	63	\$38.31
K: Food, Agriculture & Nutrition	18	\$5.01
L: Housing & Shelter	98	\$34.23
M: Public Safety, Disaster Preparedness & Relief	30	\$1.13
N: Recreation & Sports	289	\$22.85
O: Youth Development	77	\$20.62
P: Human Services	340	\$319.14
Q: International, Foreign Affairs & National Security	73	\$40.91
R: Civil Rights, Social Action & Advocacy	9	\$1.45
S: Community Improvement & Capacity Building	138	\$61.49
T: Philanthropy, Voluntarism & Grantmaking Foundations	159	\$71.73
U: Science & Technology	20	\$40.44
V: Social Science	1	\$0.07
W: Public & Societal Benefit	24	\$28.05
X: Religion-Related	160	\$22.48
Y: Mutual & Membership Benefit	2	\$0.02
Z: Unknown	6	\$2.23

Notes: When colleges/universities are excluded, total expenditures for education nonprofits decreases to \$179.49 per capita. When hospitals are excluded, total expenditures for healthcare nonprofits decreases to \$158.97 per capita.



Table 6

*Summary Statistics of Nonprofit Density, Nonprofit Heterogeneity, and Nonprofit Quality*

<b>Nonprofit Activity</b>	<b>Mean</b>	<b>S. D.</b>	<b>Median</b>	<b>Min.</b>	<b>Max.</b>	<b>N</b>
<b><i>Colleges/Universities and Hospitals Included</i></b>						
NP Density	31	31	25	0	207	99
NP Heterogeneity	.73	.27	.84	.00	.92	99
NP Quality	\$3,893.90	\$11,510.12	\$852.51	\$0.00	\$98,153.10	99
<b><i>Colleges/Universities and Hospitals Excluded</i></b>						
NP Density	31	30	25	0	206	99
NP Heterogeneity	.73	.27	.83	.00	.92	99
NP Quality	\$2,012.81	\$4,197.07	\$598.18	\$0.00	\$23,904.01	99

within the area.

Six ZIP codes have zero nonprofit density. The total household population of these ZIP codes ranges in size from a high of nearly 4,000 residents to a low of 68 residents. All six of these ZIP codes have a median household income above \$30,000.

***Density of amenity-type nonprofit organizations.*** Several studies have shown that “amenity-type” nonprofit organizations, in particular, are often more likely to locate in wealthier areas (Bielefeld, 2000; Wolch & Geiger, 1983; Wolpert 1993b). Therefore, I also examined differences in the density of nonprofit organizations, both overall and by sub-sector, across the average median income level of ZIP codes.

Figure 2 displays the average number of nonprofit organizations sorted by the average median income level per ZIP code. The ZIP codes are divided into quintiles. The bottom quintile shows the average number of formal 501(c)(3) nonprofit organizations in the poorest fifth of all ZIP codes in the County. As shown, ZIP codes in the *poorest* quintile categories tend to have the *lowest* total number of nonprofit organizations. As the average median income level of ZIP codes *increases*, the number of formal 501(c)(3) nonprofit organizations *increases* as well.

Figure 3 shows the average number of nonprofit organizations per (selected) NTEE sub-sector category by the average median income level of ZIP codes. As shown in this figure, ZIP codes in the *highest* quintile categories in the County (or wealthier areas) do in fact tend to have a *higher* density of amenity-type nonprofit services, and a *higher* density of *nonamenity*-type nonprofit services as well. In particular, wealthier ZIP codes have higher densities of arts and cultural nonprofit organizations, education-related nonprofit organizations, and even human service nonprofit organizations.

Figure 2

*Average Number of Nonprofit Organizations in San Diego County ZIP Codes, by Average Median Household Income Level*

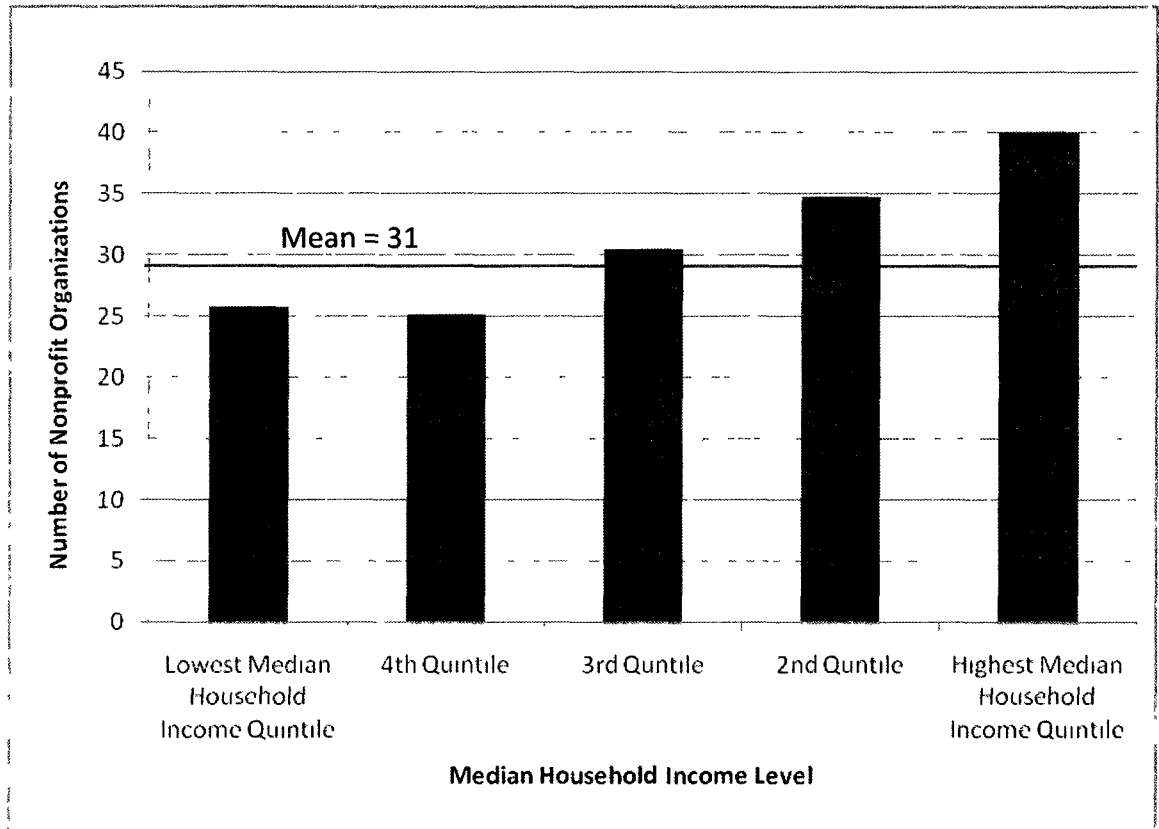
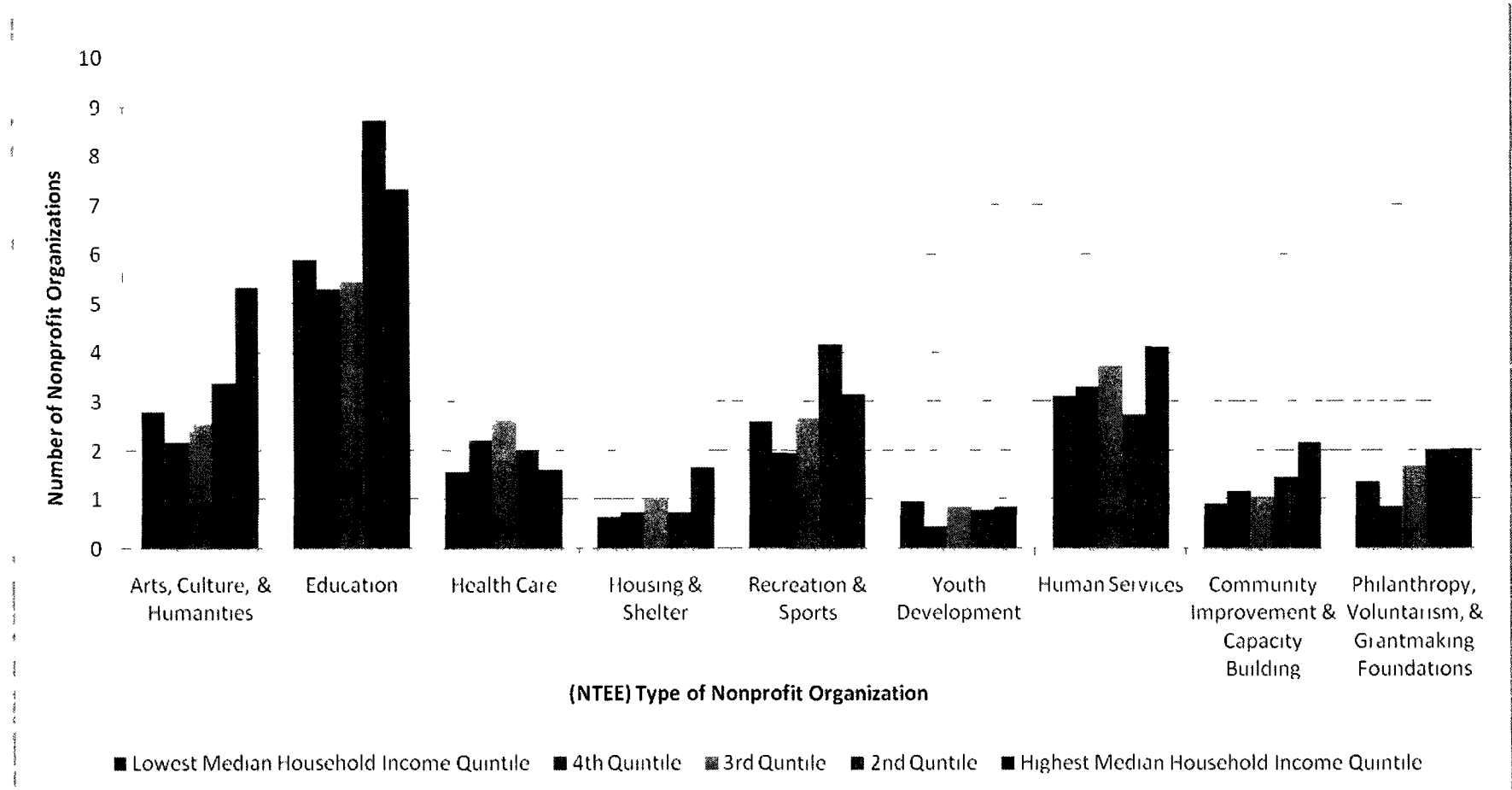


Figure 3

*Average Number of Nonprofit Organizations in San Diego County ZIP Codes per Selected NTEE Sub-Sector Category, by Average Median Household Income Level*



**Nonprofit heterogeneity.** The diversity of nonprofit organizations across ZIP codes in San Diego County ranges from a high of .92 to a low of .00 (or ninety-two percent to zero percent heterogeneity). This range is generally the same whether colleges/universities and hospitals are *included* in, or *excluded* from, the analysis. The average degree of nonprofit heterogeneity in the County is seventy-three percent. For ZIP codes with a household population of less than 1,000 residents, the highest degree of nonprofit heterogeneity is fifty percent. Interestingly, the four ZIP codes that have the *lowest* median household income values (92113, 92173, 92105, and 92102) have among the *highest* values of nonprofit heterogeneity (ranging from seventy-nine percent to ninety-one percent).

**Nonprofit quality.** Total nonprofit expenditures per capita vary considerably across San Diego County ZIP codes as well. Again, this variation is present whether the two largest nonprofit sub-sectors—colleges/universities and hospitals—are *included* in, or *excluded* from, the analysis. However, the *magnitude* of this variation is substantially less pronounced when these two nonprofit sub-sectors are *excluded*. Specifically, as shown in Table 6 (pg. 83), when colleges/universities and hospitals are *included* in the analysis, total nonprofit expenditures per capita range from a high of approximately \$98,153 to a low of \$0. Furthermore the mean value of total expenditures, when these two nonprofit sub-sectors are *included* in the analysis, is approximately \$3,893 per capita. When colleges/universities and hospitals are *excluded* from the analysis the mean value of total nonprofit expenditures decreases to approximately \$2,012 per capita (ranging from a high of \$23,904 per capita to a low of \$0 per capita). Not surprisingly, perhaps, the ZIP code that has the highest total expenditures per capita (92123) also has the most

colleges/universities and hospitals located in the area. However, even when these two nonprofit sub-sectors are *excluded* from the analysis, this ZIP code still has the second highest amount of total nonprofit expenditures per capita in the County.

**Summary of results.** Overall, the results obtained from research question one indicate that a substantial amount of within-county variation exists in the distribution of nonprofit organizations and resources. These differences relate to all three areas of nonprofit activity examined in this study: a) the density of nonprofit organizations, b) the heterogeneity of the nonprofit sector, and c) the quality of nonprofit resources. Given differences in all of these areas, then, it seems reasonable to assume that not all communities in San Diego County are equally served by nonprofit organizations. Therefore, the second research question in this dissertation was intended to provide greater insight into the contextual factors that most influenced the distribution of nonprofit organizations and resources across communities.

### **Research Question 2: Theoretical**

This research question was intended to test—at a local level—the relevance of theories and concepts that attempt to explain why the distribution of nonprofit organizations and resources differs across localities. Table 7 provides a description of each of the variables used to answer this question.

**Dependent variables.** Three outcome (or dependent) variables were used. These included nonprofit density, nonprofit heterogeneity, and nonprofit quality. Nonprofit density was calculated as the total number of nonprofit organizations per ZIP code. To control for differences in population density across ZIP codes the number of nonprofit

Table 7

*Description of Variables Used in the Analysis of Research Question 2*

<b>Dependent Variables</b>	<b>Measure</b>	<b>Data Source</b>
NP Density	Natural log ( $X_i + .01$ ), where $X_i$ = total number of NPOs per 1,000 persons in a particular ZIP code	2007 NCCS Core File of Public Charities for San Diego County
NP Heterogeneity	Degree of nonprofit diversity, based on Herfindahl Index	2007 NCCS Core File of Public Charities for San Diego County
NP Quality	Natural log ( $X_i + 10$ ), where $X_i$ = total nonprofit expenditures per capita in a particular ZIP code	2007 NCCS Core File of Public Charities for San Diego County
<b>Independent Variables</b>	<b>Measure</b>	<b>Data Source</b>
Poverty	% of households below the federal poverty line	2000 US Census of the Population and Housing Estimates ( <i>provided by SANDAG</i> )
Racial Heterogeneity	Degree of racial diversity, based on the Shannon-Wiener Diversity Index	2008 SANDAG Population Estimates
Social Cohesion	% of carpoolers	2000 US Census of the Population and Housing Estimates ( <i>provided by SANDAG</i> )
Income	Natural log (median household income)	2008 SANDAG Population Estimates
Educational Attainment	% of adult population (25 years, or older) with a bachelor's degree of higher	2000 US Census of the Population and Housing Estimates ( <i>provided by SANDAG</i> )
Population Density	Natural log (household population)	2008 SANDAG Population Estimates
Urbanization	% of urban development (calculated as, vacant land available for development divided by total land available for development)	2008 SANDAG Population Estimates

As indicated by SANDAG, "The 2000 Census was conducted in April, 2000. Some questions were asked of all households (Summary File 1); others were asked of only a sample of households (Summary File 3)." Therefore, some data provided by SANDAG may not match 2000 Census information published by the US Census Bureau since sample census data have been controlled to match one-hundred percent count (Summary File 1) data; and some minor adjustments were made to SANDAG data (such as correcting the location of housing units that were erroneously allocated by the Census Bureau to roads and open space) in order to more accurately reflect the region's true population and housing distribution.

organizations per 1,000 residents was calculated.<sup>32</sup> The heterogeneity (or diversity) of the nonprofit sector across ZIP codes within the County was calculated based on a Herfindahl Index, as described in Chapter three. Total nonprofit expenditures were used as a proxy to account for the quality of nonprofit resources across communities. To control for population size, per capita figures were calculated.<sup>33</sup>

**Independent variables.** The explanatory variables consisted of a variety of measures related to theories and concepts that attempt to explain why the distribution of nonprofit organizations and resources differs across communities.

*Measures of demand.* Two measures of demand were used in this analysis. These measures were intended to capture the level of disadvantage and the degree of diversity within communities. Specifically, the degree of disadvantage was assessed using the percentage of households, per ZIP code, below the federal poverty line. It is likely that individuals in poorer communities will have greater demand for many types of nonprofit services—particularly social services.<sup>34</sup> Demand heterogeneity was assessed

---

<sup>32</sup> As is customary in studies of organizational density (and in the social sciences in general), I used the natural log (ln) of nonprofit organizations per 1,000 residents in order to impose a constant percentage change effect of the independent variables on nonprofit density. Moreover, the distribution of the level form of this variable (i.e., the untransformed nonprofit density variable) was positively (left) skewed, and significantly non-normal—as indicated by the Kolmogorov-Smirnov (K-S) test of normality ( $D(99)=0.16, p < .001$ ). Therefore, a natural log transformation (with an added constant of 0.01 to account for zero values) better approximated a normal distribution.

<sup>33</sup> Similar to the case of the nonprofit density variable, the distribution of this variable was positively (left) skewed, and significantly non-normal—as indicated by the K-S test of normality ( $D(99)=0.37, p < .001$ ). Therefore, a natural log transformation (with an added constant of 10 to account for zero values) better approximated a normal distribution.

<sup>34</sup> It should be noted that although poverty is certainly a considerable component of disadvantage, scholars have argued that disadvantage is conceptually a much broader concept than simply the level of poverty within an area. Indeed, Elliot, Wilson, Huizinga, Sampson, Elliott, and Rankin (1996) have suggested that neighborhood disadvantage is



using the degree of racial diversity per ZIP code. Following the work of Corbin (1999), I calculated racial diversity using an entropy index (specifically, the Shannon-Wiener Diversity Index), such that:

$$\text{Racial Diversity} = -\sum_{k=1}^K (P_k \ln P_k)$$

where  $P_k = N_k/N$ , and  $N_k$  = number of persons in  $k^{\text{th}}$  group, and  $N$  = total population size.<sup>35</sup> Values of this index can range from 0 to approximately 4.6 using the natural log. Higher values reflect greater amounts of diversity, and presumably (at least, according to government failure theory) more dissatisfaction with the level of government service provision.

*Measures of supply.* Three measures of supply were included in this analysis. These measures were intended to capture the level of social cohesion within an area, as well as the human and financial resources available to nonprofits. The degree of social cohesion was measured as the percentage of working individuals who carpool as a means of transportation to work. Presumably individuals who carpool are likely to do so with those with whom they already know and trust. Previous research, for instance, has shown that carpooling can serve as a reasonable indicator of the social capital that individuals have with others in their neighborhood (Charles & Kline, 2006).

---

grounded in a multi-dimensional cluster of both poverty and other neighborhood traits, such as rates of unemployment, population stability, the prevalence of single parent families with children, and cultural heterogeneity. As such, some researchers have suggested using an index of factors in order to more accurately reflect the concept of disadvantage. However, Small and Newman (2001) have argued that indexing measures of disadvantage causes difficulties when attempting to replicate studies and also makes it difficult to determine exactly which neighborhood characteristics are significant and which are not (p. 31). Therefore, I rely on poverty as an indicator of only *one* aspect of social disadvantage.

<sup>35</sup> Although Corbin (1999) uses the log values of  $P_k$ , I use natural log values of  $P_k$  in order to more accurately reflect the Shannon-Wiener Index of diversity.

To account for the potential pool of donative resources and volunteer labor available to nonprofits, income and education levels were also included. Previous research has shown that individuals with higher income levels and those who are more educated are more likely to donate to, and volunteer with, nonprofit organizations (Bekkers & Wiepking, 2007; Smith, 1994). Income levels were assessed using median household income values per ZIP code. The level of educational attainment, per ZIP code, was assessed using the percentage of the adult population (age 25 and older) who had obtained a bachelor's degree or higher form of diploma.

*Measures of community structure.* Two measures of community structure were included. These measures were intended to capture the population density and the degree of urbanization within communities. Total household population size within each ZIP code was used as a measure of population density. Urbanization was measured as a percentage that was calculated by taking the total amount of vacant land available for development in an area and dividing it by the total amount of overall land available for development in that same area. Higher values represented lower degrees of urbanization.

**Analysis.** Descriptive analyses were conducted on each of the dependent and independent variables in order to determine the central tendencies, spread, and associations among variables. Table 8 provides summary statistics for each of the variables that were used to test the theoretically-derived hypotheses in this analysis (see Chapter three for a review of these hypotheses). Analyses were performed using SPSS v. 17 and Stata v. 9. Regression models were estimated using Ordinary Least Squares (OLS) with robust standard errors to account for significant heteroscedasticity, when present.

Table 8

*Summary of Variables Used in OLS Regression Models*

	Mean	S. D.	Median	Min.	Max.	N
<b><i>Dependent Variables</i></b>						
NP Density	31	31	25	0	207	99
NP Heterogeneity	.73	.27	.84	.00	.92	99
NP Quality	\$3,893.90	\$11,510.12	\$852.51	\$0.00	\$98,153.10	99
<b><i>Independent Variables</i></b>						
Poverty	.11	.07	.10	.02	.36	99
Racial Heterogeneity	1.05	.23	1.08	.00	1.51	99
Social Cohesion	.13	.05	.14	.06	.32	99
Income	\$56,712.52	\$18,246.15	\$52,887.00	\$25,868.00	\$125,000.00	99
Educational Attainment	.30	.17	.25	.03	.73	99
Population Density	30,529	21,512	28,804	68	77,564	99
Urbanization	.11	.11	.07	.00	.56	99

**Results.** As a first step in understanding how community characteristics were related to each of the outcome variables, bivariate relationships between the dependent and independent variables were examined. Table 9 displays the Pearson zero-order correlation coefficients between these variables. These results show that, with the exception of income and the index of racial diversity, each of the independent variables is significantly related to at least one of the dependent measures of nonprofit activity. In particular, two measures of supply (social cohesion and educational attainment) and both measures of community structure are significantly related to the density of nonprofit organizations, as well as to the heterogeneity of the nonprofit sector. Additionally, all of these same measures, plus one measure of demand (poverty), are also significantly related to the quality of nonprofit resources.

Next, OLS regression models were estimated in order to determine the joint significance of each of the independent variables on the dependent variable of interest.<sup>36</sup> Two models were fitted for each area of nonprofit activity. The first model contained each of the explanatory variables in linear form. However, to account for non-linear effects, I also fitted a second model to test whether income and population levels, specifically, peaked at certain points by including quadratic functions for both median income and population density. Previous research has tested for the possibility of a “middle-income bulge” (see Joassart-Marcelli & Wolch, 2003); however, no such effect has yet been tested with regard to population density. A significant finding on either variable would indicate that an increase/decrease in income levels or population size, was

---

<sup>36</sup> Bivariate Pearson ( $r$ ) correlation coefficients indicated that the three measures of nonprofit activity (i.e., nonprofit density, nonprofit heterogeneity, and nonprofit quality) were not highly correlated enough to preempt using each as a separate indicator of nonprofit activity ( $r_{(\text{heter}), (\ln(\text{density}))} = .72$ ;  $r_{(\ln(\text{exp})), (\ln(\text{density}))} = .56$ ;  $r_{(\text{heter}), (\ln(\text{exp}))} = .51$ ).

Table 9

*Bivariate (Zero-Order) Pearson Correlations between Nonprofit Density, Nonprofit Heterogeneity, Nonprofit Quality and Community Characteristics*

	Zero-Order Correlation		
	NPO Density	NPO Heterogeneity	NPO Quality
Poverty	.07	.08	.18*
Racial Diversity	-.01	.03	.01
Social Cohesion	-.41***	-.31***	-.30***
Income	-.02	-.03	-.02
Educational Attainment	.40***	.29***	.30***
Population Density	.72***	.76***	.24**
Urbanization	-.39***	-.39***	-.18*

Note Both income and population density are presented using the natural log form of these variables Nonprofit density is presented using the natural log form of the total number of nonprofit organizations per 1,000 residents Nonprofit quality is presented using the natural log of total nonprofit expenditures per capita  
N=99

\*  $p < .10$ , \*\*  $p < .05$ ; \*\*\*  $p < .01$

associated with a corresponding increase/decrease in nonprofit activity—however, these increasing/decreasing returns, if found to be significant, would occur only until a certain “turnaround” point was reached.

Table 10 displays the results regarding variation in the density of nonprofit organizations (per 1,000 residents) across San Diego County ZIP codes. Results of this analysis provide support for several of the explanatory variables included in the model. However, not all of the estimated slope coefficients have the anticipated sign. In particular, the first column of Table 10 (linear model) shows that percentage changes in poverty levels, education levels, and population size are all positively and significantly related to percentage changes in the density of nonprofit organizations, as expected. Indeed, as poverty levels, the degree of educational attainment within ZIP codes, and population density *increase*, the density of nonprofit organizations within ZIP codes *increases* as well. However, percentage changes in the degree of racial diversity, social cohesion, urbanization, and the median income level of ZIP codes are all negatively related to percentage changes in the density of nonprofit organizations, though not significantly.

Model 2 in Table 10 shows that inclusion of the quadratic terms is a significant improvement to the model ( $F = 7.718, p = < .01$ ) and increases the overall amount of variability explained in nonprofit density by nearly six percent. Moreover, an inverted U-shaped relationship is shown to exist between ZIP median income levels and nonprofit density. Specifically, as the percentage change in ZIP median income levels *increase*, the percentage change in the density of nonprofit organizations *increases* as well. This increase occurs until ZIP median income levels reach approximately \$46,000.

Table 10

*OLS Regression Models: Nonprofit Density*

	<b>Model (1)</b>	<b>Model (2)</b>
	Coefficient	Coefficient
Poverty	2.026** (0.988)	2.627*** (0.928)
Racial Diversity	-0.131 (0.199)	-0.028 (0.177)
Social Cohesion	-0.414 (1.554)	-0.390 (2.023)
Log(Income)	-0.141 (0.275)	12.781 (8.544)
Log(Income) <sup>2</sup>		-0.595 (0.386)
Education	1.561*** (0.516)	2.083*** (0.543)
Log(Population)	0.266*** (0.033)	-0.830*** (0.227)
Log(Population) <sup>2</sup>		0.063*** (0.013)
Urbanization	-0.074 (0.466)	-0.512 (0.453)
Intercept	-4.967 (3.110)	-70.800 (47.358)
Observations	99	99
Breusch-Pagan $\chi^2$	0.45	6.89***
R <sup>2</sup>	0.63	0.68

Note: Robust standard errors were calculated in the presence of significant heteroscedasticity—indicated by the Breusch-Pagan  $\chi^2$  test.

N=99

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

After this point, *increasing* ZIP median income levels are predicted to result in *decreasing* nonprofit density. However, these results are only marginally significant, as both the median income and median income squared variables are significant at low, and unconventional, levels of significance.

Despite this limited evidence of a middle-income bulge, the high significance and signs of the coefficients on the population density and population density squared variables indicate that a U-shaped relationship exists between population size and nonprofit density. In particular, these results show that as the percentage change in population size *increases*, the percentage change in the density of nonprofit organizations actually *decreases*. However, when population size reaches 800 residents nonprofit density begins to *increase*. Thus, the population density quadratic term indicates that the density of nonprofit organizations is higher in communities with larger population sizes, as opposed to less populous areas. Figure 4 depicts this relationship.<sup>37</sup>

Although these are certainly interesting findings—including a finding about population size that has not been explored in previous research—care should be taken when interpreting these results, particularly the results relating to population size. Indeed, few of the ZIP codes in this analysis (approximately seven percent) have a population size of less than 800 residents. Therefore, the significance of these findings is quite constrained, and may only be relevant for this small number of cases. Furthermore, given the macro-level focus of this analysis, the significant coefficients and the relatively high  $R^2$  values ( $R^2=.63$  and  $.68$  for the linear model and the quadratic model, respectively) are likely influenced by the small number of observations. Nonetheless, the potentially

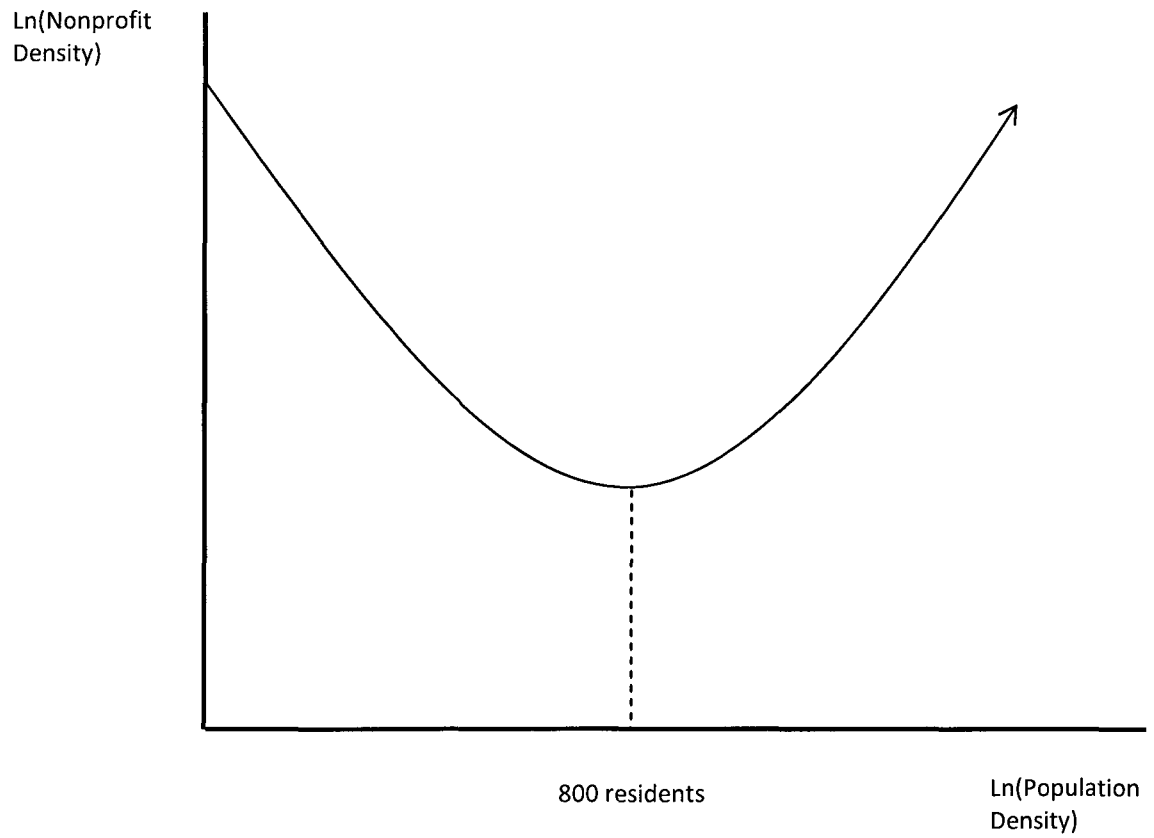
---

<sup>37</sup> The turning point for each of the quadratic functions was obtained using the following formula:  $\exp(\beta_1/(2 \times \beta_2))$ .



Figure 4

*Ln(Nonprofit Density) as a Quadratic Function of Ln(Population Density)*



U-shaped relationship that exists between population size and nonprofit density is an interesting finding that should certainly be explored further in future research.

Table 11 concerns variation in the heterogeneity of the nonprofit sector. The results in model 1 (linear model) indicate that nonprofit heterogeneity (or diversity) is significantly influenced by poverty levels and population density. Inclusion of the quadratic terms, as shown in model 2, is a significant improvement to the model ( $F = 4.916, p < .01$ ) and increases the overall amount of variability explained in nonprofit heterogeneity by approximately four percent. These results also reveal that an inverted U-shaped relationship exists between the median income level of ZIP codes and nonprofit heterogeneity, as well as between the population size of ZIP codes and nonprofit heterogeneity. In particular, the signs of the coefficients on the median income and the median income squared variables indicate that as the percentage change in ZIP median income levels *increase*, the percentage change in the heterogeneity of the nonprofit sector *increases* as well. However, when ZIP median income levels reach just over \$75,000 the heterogeneity of the nonprofit sector begins to *decrease*. Figure 5 depicts this relationship.

The signs of the coefficients on the population density and population density squared variables in Table 11 (model 2) are also significant and suggest that an inverted U-shaped relationship exists between population size and nonprofit heterogeneity as well. However, the turning point at which changes in population size begin to *decrease* the amount of nonprofit heterogeneity in an area is well beyond the range of this data (over 750,000 residents). Therefore, the population density squared term can, for all purposes, be ignored—as increasing population size always has a positive effect on the diversity of

Table 11

*OLS Regression Models: Nonprofit Heterogeneity*

	<b>Model (1)</b>	<b>Model (2)</b>
	<b>Coefficient</b>	<b>Coefficient</b>
Poverty	0.859* (0.518)	1.252** (0.623)
Racial Diversity	-0.041 (0.088)	-0.121 (0.105)
Social Cohesion	0.444 (0.690)	0.893 (0.653)
Log(Income)	0.126 (0.140)	7.574* (4.084)
Log(Income) <sup>2</sup>		-0.337* (0.184)
Education	0.309 (0.206)	0.285 (0.200)
Log(Population)	0.127*** (0.019)	0.353*** (0.127)
Log(Population) <sup>2</sup>		-0.013* (0.007)
Urbanization	-0.161 (0.205)	-0.291 (0.218)
Intercept	-2.059 (1.637)	-44.073** (22.534)
Observations	99	99
Breusch-Pagan $\chi^2$	31.28***	40.91***
R <sup>2</sup>	0.63	0.67

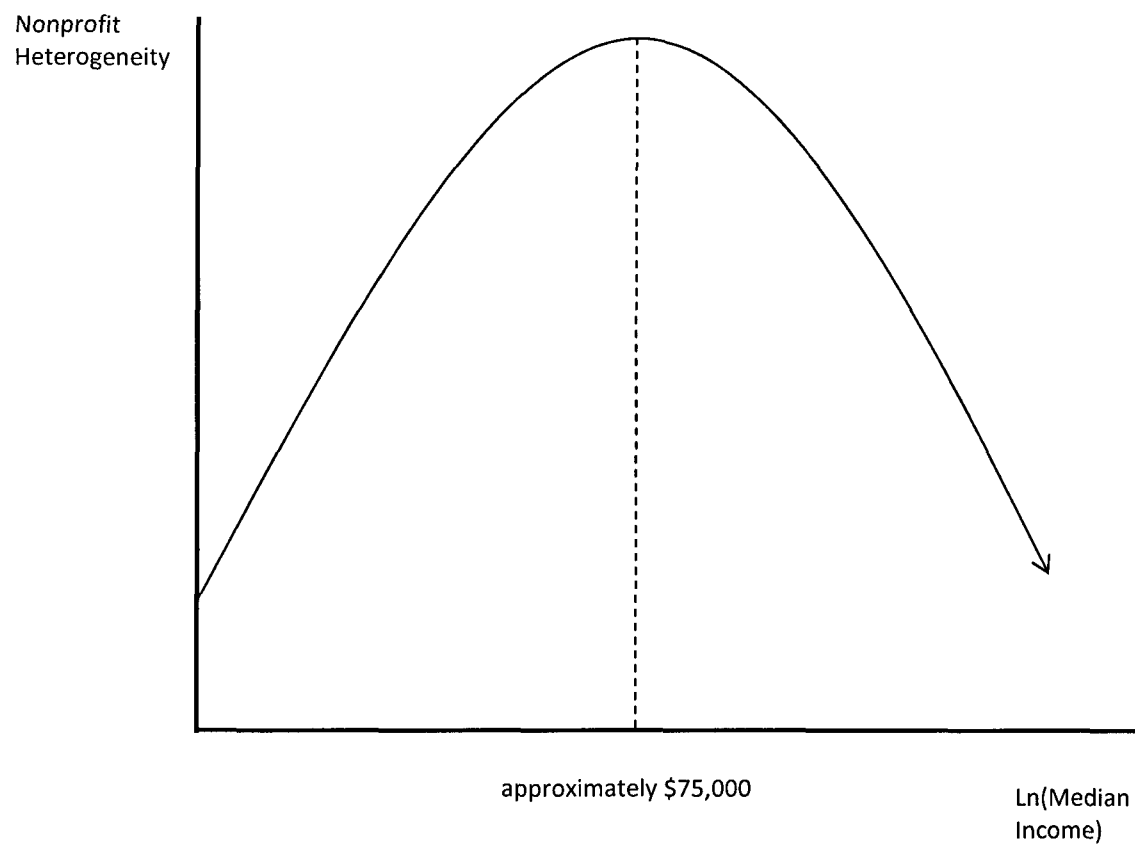
Note: Robust standard errors were calculated in the presence of significant heteroscedasticity—indicated by the Breusch-Pagan  $\chi^2$  test.

N=99

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

Figure 5

*Nonprofit Heterogeneity as a Quadratic Function of Ln(Median Income)*



the nonprofit sector throughout its relevant range.

Finally, Table 12 concerns variation in nonprofit quality (i.e., total nonprofit expenditures per capita). Similar to results that were found with regard to nonprofit density and nonprofit heterogeneity, poverty and education levels are both found to significantly influence nonprofit activity. Indeed, these results show that higher poverty and education levels positively influence the degree of nonprofit spending across communities. As shown in model 1 (linear model), a one-percentage point increase in the ZIP poverty level, holding all other factors constant, increases the amount of nonprofit spending by approximately eleven percent. Additionally, a one-percentage point increase in the ZIP education level, holding all other factors constant, increases the amount of nonprofit spending by approximately four percent.

In model 2, inclusion of the quadratic terms is again a significant improvement to the model ( $F = 4.205, p < .05$ ) and increases the overall amount of variation explained in nonprofit quality by approximately six percent. The signs of the coefficients on the population density and population density squared variables in model 2 indicate that an inverted U-shaped relationship exists between population size and nonprofit quality. Specifically, as the percentage change in population size *increases*, the percentage change in the amount of nonprofit spending per capita *increases* as well; however, when population size begins to reach approximately 7,500 residents nonprofit spending per capita begins to *decrease*. Figure 6 depicts this relationship.

The signs of the coefficients on the median income and median income squared variables in model 2 also indicate that an inverted U-shaped relationship exists between ZIP median income levels and nonprofit spending. When ZIP median income levels

Table 12

*OLS Regression Models: Nonprofit Quality*

	<b>Model (1)</b>	<b>Model (2)</b>
	<b>Coefficient</b>	<b>Coefficient</b>
Poverty	11.484*** (3.358)	14.333*** (4.108)
Racial Diversity	0.351 (0.779)	-0.374 (0.794)
Social Cohesion	-8.433 (6.071)	-4.752 (6.069)
Log(Income)	-0.350 (1.076)	52.762 (33.886)
Log(Income) <sup>2</sup>		-2.398 (1.541)
Education	4.089** (2.017)	3.558* (2.027)
Log(Population)	0.089 (0.129)	2.642** (1.174)
Log(Population) <sup>2</sup>		-0.148** (0.067)
Urbanization	0.357 (1.819)	-0.436 (1.924)
Intercept	7.846 (12.149)	-296.184 (185.823)
Observations	99	99
Breusch-Pagan $\chi^2$	0.28	1.09
R <sup>2</sup>	0.27	0.33

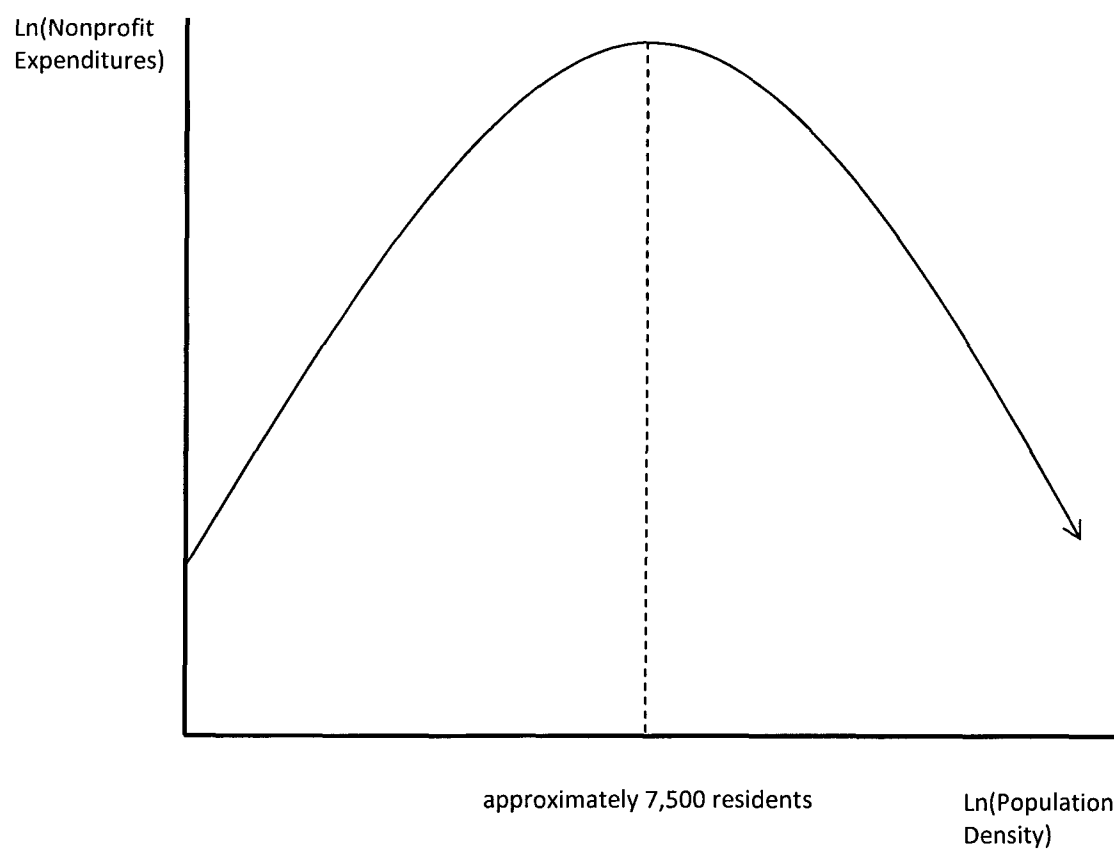
Note: Robust standard errors were calculated in the presence of significant heteroscedasticity—indicated by the Breusch-Pagan  $\chi^2$  test.

N=99

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

Figure 6

*Ln(Nonprofit Expenditures) as a Quadratic Function of Ln(Population Density)*



reach approximately \$60,000 nonprofit expenditures per capita begin to *decrease*.

However, these findings are relevant only at a low level of significance.

**Diagnostics.** The results of the regression models in this analysis appear to indicate that there is, in fact, a relationship between several theoretically derived variables and the distribution of nonprofit organizations and resources. However, in order to evaluate model fit, and to ensure that these results are not spurious, I conducted several diagnostic analyses and performed robustness checks. First, diagnostic measures were used to evaluate the degree of multicollinearity between the independent variables—particularly since including a squared version of another variable produces significant collinearity. In general, however, such high correlation among variables should not produce biased coefficient estimates, but can affect the standard errors. Therefore, I ran all of the regression models in this analysis with both the linear and the quadratic forms of median income and population density centered at their mean value. Mean deviating (or centering) a variable before squaring produces a linear transformation and identical coefficients. These variables were not centered while using the natural log transformation simply due to the difficulties in interpreting the coefficient of a mean deviated natural log transformed variable.

The standard errors in the models using the mean deviated variables were, indeed, substantially much lower than the standard errors in the models using the natural log transformed variables. Additionally, the degree of correlation between the quadratic and the linear forms of the median income and the population density variables was



substantially reduced.<sup>38</sup> However, using the centered form of the variables also reduced the overall amount of variability explained in each of the models. Therefore, all results for research question two were presented using the un-centered natural log transformed variables.

The degree of collinearity between the explanatory variables was further analyzed by examining bivariate correlations between each pair of independent variables. Table 13 displays these correlations. Correlation coefficients of .80 or greater were examined more closely and these variables were reconsidered. Additionally, each independent variable in all of the models was regressed on the other independent variables, and the resulting  $R^2$  values were recorded.  $R^2$  values above .80 were, again, examined more closely and reconsidered. Finally, variance inflation factor (VIF) and tolerance statistics were obtained for variables in each of the models. Tolerance is an indicator of how much of the variability of a particular independent variable is not explained by the other independent variables in the model, and is calculated as  $1-R^2$  for each variable. VIF statistics are the inverse of tolerance values. VIF values above 10, and tolerance values below .2, would indicate that a high degree of multicollinearity existed among the independent variables (Field, 2005). With the exception of the quadratic variables and their linear counterparts, however, there were no variables above these values.

To assess outlier influence, I examined residual plots and calculated influence statistics (specifically, leverage values and Cook's D statistics) for each model using a sensitivity analysis. First, full models were fitted for each of the dependent variables, and

---

<sup>38</sup> The correlation between the natural log transformed variables was:  $r_{\ln(inc), \ln(inc)}^2 = .99$ ;  $r_{\ln(pop), \ln(pop)}^2 = .99$ ; compared to the correlation between the mean deviated variables,  $r_{c(inc), c(inc)}^2 = .53$ ;  $r_{c(pop), c(pop)}^2 = .17$ .

Table 13

*Bivariate (Zero-Order) Pearson Correlation Matrix between Independent Variables*

	Poverty	Racial Diversity	Social Cohesion	Median Income	Median Income <sup>2</sup>	Education	Population Density	Population Density <sup>2</sup>	Urbanization
Poverty	1.00								
Racial Diversity	.132	1.00							
Social Cohesion	.474	.138	1.00						
Median Income	-.749	-.201	-.542	1.00					
Median Income <sup>2</sup>	-.777	-.205	-.541	.999	1.00				
Education	-.491	-.205	-.804	.678	.680	1.00			
Population Density	.0464	.125	-.313	-.141	-.143	.190	1.00		
Population Density <sup>2</sup>	.054	.108	-.283	-.149	-.151	.160	.995	1.00	
Urbanization	.055	-.050	.368	.050	.046	-.287	-.435	-.412	1.00

regression coefficients and model fit statistics were recorded. Second, cases with leverage

values  $> \frac{(2k+2)}{n}$ , where  $k$  is the number of predictors and  $n$  is the number of observations, were removed from the analysis. Finally, new models were fitted—with the high leverage cases omitted—and compared to the initial model. This procedure was

repeated for cases with Cook's D statistics  $> \frac{4}{n}$  as well. These results were not substantially different from those presented, and therefore no cases were permanently deleted from the analysis. Finally, to determine the impact that the two largest nonprofit sub-sectors had on influencing the relationship between nonprofit activity and the indicators of demand, supply, and community structure that were used in this analysis, each of the OLS regression models were repeated with both of these sub-sectors excluded. The results, again, were nearly identical to those presented.

**Summary of results.** Overall, the results from research question two provide support for several of the hypotheses in this study (see Chapter three for a review of these hypotheses). Nonprofit activity was found to be significantly influenced by poverty levels, education levels, population density, and the median income level of ZIP codes. However, contrary to what government failure theory would suggest (that nonprofit organizations are more likely to locate in, and respond to, population diversity), the results of this analysis show that higher diversity, as measured by an index of racial diversity, was not a statistically significant predictor of nonprofit activity—and was actually associated with a *lower* percentage change in both the density of nonprofit organizations and the heterogeneity of the nonprofit sector. Additionally, contrary to what supply-related explanations would suggest (that nonprofit organizations are more

likely to locate in, and respond to, socially cohesive communities) the social cohesiveness of communities was not a highly significant predictor of nonprofit activity either.

Still, despite these findings, certain aspects of demand, supply, and community structure were found to significantly, and positively, influence the distribution of nonprofit organizations and resources at a local level. In particular, nonprofit activity was found to be higher in poorer areas of the County as well as in areas with more educated residents. These findings, on the one hand, seem to contradict previous studies indicating that nonprofit organizations are less likely to locate in poorer areas (Allard, 2009; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003). On the other hand, however, these findings also seem to support, at least in part, the notion that nonprofit organizations are drawn to areas where they are better able to mobilize certain types of resources—particularly through the presence of well-educated residents (Corbin, 1999; Grønbjerg & Paarlberg, 2001).

Interestingly, although population size was found to be highly statistically significant in influencing each area of nonprofit activity, the variable assessing social cohesion across communities was not found to be highly statistically significant in any of the models. Therefore, it is likely that although population size may be an important factor in the distribution of nonprofit activity, the degree of connectedness among residents in these communities may not be important.

### **Research Question 3: Exploratory**

The final research question in this dissertation was intended to serve as an exploratory analysis, and as a first step in understanding the relationship between the voluntary landscape of a community and individual-level outcomes. More specifically,

the focus was on the association between the social context of a community, and the size and scope dimensions of the nonprofit sector, and public attitudes toward nonprofit organizations.

**Part 1: Development of a neighborhood typology.** To determine the voluntary sector community types that existed in San Diego County, I used a cluster analysis procedure in order to classify various aspects of neighborhood characteristics. One of the primary advantages to using a cluster approach, rather than treating each community characteristic individually, is that the combined contextual effects of these measures can be captured more effectively. If cluster groups are meaningful, they should generally align with the natural structure of the data (Tan, Steinbach, & Kumar, 2005).

In conducting any cluster analysis procedure, there are a series of steps that should be taken in order to ensure that accurate and reliable cluster formation occurs (Lorr, 1983; Rapkin & Luke, 1993). These steps include: a) appropriate variable selection, b) examination of outliers and missing data, c) selection of the clustering algorithm and the corresponding similarity/distance measures, d) determination of the number of clusters, and e) determination of cluster reliability and validity. In the first step of the analysis, the selection of variables should be guided by theories that support variable inclusion (Aldenderfer & Blashfield, 1984). Inclusion of too many variables is likely to make interpretation of results difficult. Furthermore, random inclusion of variables is likely to increase the possibility that non-relevant variables will obscure cluster classification. Therefore, the variables that I included in this cluster analysis were the four community characteristics from research question two that were significantly found to influence the distribution of nonprofit activity across communities—specifically,

poverty levels, population density, median household income levels, and education levels.<sup>39</sup>

After selecting the relevant variables to include in the analysis, I then examined outliers (since there were no missing data). Outliers can strongly influence the results of a cluster analysis as variables with large standard deviations will contribute more to cluster formation than variables with smaller standard deviations. Therefore, I calculated standardized scores for each variable and examined the resulting distribution of the variable. In any normally distributed data five percent of the data would be expected to have an absolute value of greater than 1.96, one percent of the data would be expected to have an absolute value of greater than 2.58, and no data would be expected to have an absolute value of greater than 3.29. As such, standardized scores that were above these values were identified and examined prior to implementing any clustering procedure in order to determine whether these outliers needed to be deleted—or retained in the analysis for theoretical reasons. After removal of outlier cases and careful consideration of outlier influence, all cases were eventually retained in the analysis, as each ZIP code was believed to add a unique contribution to cluster formations.

There are numerous clustering algorithms or ways that clusters can be formed. In general, however, the most commonly used ways include: Hierarchical, K-Means, and Two-Step Clustering. For this analysis I chose a hierarchical agglomerative clustering procedure using Ward's method and squared-Euclidean distances (with standardized variables). I chose this procedure, over other procedures, due in part to the small number

---

<sup>39</sup> Although the variable *median household income* was not found to be significant in influencing nonprofit density nor in influencing nonprofit quality, the variable was included in order to capture the degree of affluence across ZIP codes.

of cases on which clustering was performed (n=99 ZIP codes). It has generally been acknowledged that hierarchical clustering works best with a small number of cases (Norušis, 2010). In hierarchical agglomerative clustering each object is initially treated as a single entity, and at successive steps in the clustering procedure similar clusters are merged. This process continues until a single cluster solution is formed that contains all objects. Therefore, in order to obtain the optimal number of clusters, either a single solution or a range of solutions must be specified.

In selecting the cluster solution that was most appropriate for this analysis, I examined a range of possible solutions (between 2 and 7) and eventually selected a three-cluster solution. This selection was determined by examination of the cluster dendrogram and the coefficients in the agglomeration schedule (i.e., the similarity statistics that were used to form each cluster). The ZIP codes in each of the clusters in this solution grouped together in a natural pattern. Larger cluster solutions, although more defined than the three cluster solution that was selected, were considerably unbalanced as outlier cases often clustered together in separate groups. Therefore, I believe that this three-cluster solution best represents a typical mix of characteristics that one would likely find in any number of different neighborhoods. Furthermore, given that this is an exploratory analysis, the clusters in this solution are large enough to sufficiently examine differences across a broad array of neighborhood characteristics. However, future research should certainly attempt to unpack the intricacies of each of these neighborhood types.

The three neighborhood types that were identified can be characterized as follows:

- **Cluster 1 (n=22 ZIP codes):** On average, had average education levels, average poverty levels, low population densities, and average median income levels. These areas could therefore be considered: *working class rural areas*.
- **Cluster 2 (n=38 ZIP codes):** On average, had average education levels, higher poverty levels, high population densities, and lower median income levels. These areas could therefore be considered: *disadvantaged urban areas*.
- **Cluster 3 (n=39 ZIP codes):** On average, had high education levels, low poverty levels, average population densities, and high median income levels. These areas could therefore be considered: *upper middle class suburban areas*.

The distribution of nonprofit activity across each of these neighborhood types differed by the number of nonprofit organizations in the area, the degree of nonprofit heterogeneity, and the quality of nonprofit resources. On average, ZIP codes in Cluster 1 (working class rural areas) had the lowest densities of nonprofit organizations, the least heterogeneous nonprofit sectors, and the lowest amounts nonprofit of spending per capita. Thus, ZIP codes in these working class rural communities would likely be considered *voluntary sector-poor*. ZIP codes in Cluster 2 (disadvantaged urban areas) had, on average, high densities of nonprofit organizations, high nonprofit heterogeneity, but lower amounts of nonprofit spending per capita. Thus, ZIP codes in these disadvantaged urban communities would likely be considered *voluntary sector-mixed*—in other words, voluntary sector-poor in some respects (for example, with regard to the quality of nonprofit resources), and voluntary sector-rich in other respects (for example,



with regard to nonprofit density and nonprofit heterogeneity). ZIP codes in Cluster 3 (upper middle class suburban areas) had, on average, high densities of nonprofit organizations, average nonprofit heterogeneity, and high amounts of nonprofit spending per capita. As such, ZIP codes in these upper middle class suburban communities would likely be considered *voluntary sector-rich*. Table 14 provides average summary statistics for each of these voluntary sector communities, and Table 15 provides a listing of each ZIP code, by cluster.

**Part 2: Assessment of public attitudes toward nonprofit organizations.** The second part of this analysis was intended to explore how public attitudes toward nonprofit organizations differed across the neighborhood types that were identified. Data on public attitudes toward the nonprofit sector was obtained from the 2007–2008 PCSN survey of public confidence in San Diego County. Respondent demographics by cluster are presented in Table 16.

Voluntary sector-poor communities (n=168 individuals) contained the highest percentage of married respondents, the highest percentage of respondents who identified as Republicans, and the highest percentage of Protestant religious affiliates. Voluntary sector-mixed communities (n=636 individuals) contained the highest percentage of respondents with an annual household income of less than \$25,000, the highest percentage of respondents with less than a high school degree, and the highest percentage of respondents that were single, never married. Voluntary sector-rich communities (n=197 individuals) contained the highest percentage of full-time employed respondents, the highest percentage of respondents earning \$150,000 or more in annual household income, and the highest percentage of respondents with a graduate degree or higher level

Table 14

*Means of Neighborhood Characteristics and Nonprofit Activity, by Cluster*

	<b>Cluster 1: Working Class Rural Areas (Voluntary Sector- Poor (VSP)) (N = 22)</b>	<b>Cluster 2: Disadvantaged Urban Areas (Voluntary Sector- Mixed (VSM)) (N = 38)</b>	<b>Cluster 3: Upper Middle Class Suburban Areas (Voluntary Sector- Rich (VSR)) (N = 39)</b>
NP Density	5	38	39
NP Heterogeneity (%)	.42	.85	.78
NP Quality	\$1,729.10	\$1,566.16	\$7,383.11
Educational Attainment (%)	.17	.20	.47
Poverty (%)	.13	.20	.07
Population Density	5,152	48,435	27,396
Income	\$49,679.00	\$45,763.45	\$71,348.46

Note: When colleges/universities and hospitals are *excluded* from the analysis average nonprofit quality (i.e., total nonprofit expenditures per capita) decreases for Cluster 2 (to approximately \$1,501) and also decreases for Cluster 3 (to approximately \$3,109).

Table 15

*San Diego County ZIP Codes, by Cluster*

	<b>ZIP Code</b>	<b>Jurisdiction</b>	<b>ZIP Code</b>	<b>Jurisdiction</b>	<b>ZIP Code</b>	<b>Jurisdiction</b>
<b>Cluster 1</b>	91901	Alpine	91978	Spring Valley	92070	Santa Ysabel
	91905	Boulevard	91980	Tecate	92082	Valley Center
	91906	Campo	92004	Borrego Springs	92086	Warner Springs
	91916	Descanso	92036	Julian	92173	San Ysidro
	91917	Dulzura	92055	Camp Pendleton	92536	Aguanga
	91934	Jacumba	92059	Pala	92672	San Clemente
	91962	Pine Valley	92061	Pauma Valley		
	91963	Poterero	92066	Ranchita		
<b>Cluster 2</b>	91910	Chula Vista	92028	Fallbrook	92101	San Diego
	91911	Chula Vista	92040	Lakeside	92102	San Diego
	91932	Imperial Valley	92054	Oceanside	92104	San Diego
	91941	La Mesa	92056	Oceanside	92105	San Diego
	91945	Lemon Grove	92057	Oceanside	92111	San Diego
	91950	National City	92058	Oceanside	92113	San Diego
	91977	Spring Valley	92065	Ramona	92114	San Diego
	92019	El Cajon	92069	San Marcos	92115	San Diego
	92020	El Cajon	92071	Santee	92116	San Diego
	92021	El Cajon	92078	San Marcos	92117	San Diego
	92025	Escondido	92081	Vista	92139	San Diego
	92026	Escondido	92083	Vista	92145	San Diego
	92027	Escondido	92084	Vista		
<b>Cluster 3</b>	91902	Bonita	92024	Encinitas	92119	San Diego
	91913	Chula Vista	92029	Escondido	92120	San Diego
	91914	Chula Vista	92037	La Jolla	92121	San Diego
	91915	Chula Vista	92064	Poway	92122	San Diego
	91935	Jamul	92075	Solana Beach	92123	San Diego
	91942	La Mesa	92091	Rancho Santa Fe	92124	San Diego
	92003	Bonsall	92103	San Diego	92126	San Diego
	92007	Cardiff by the Sea	92106	San Diego	92127	San Diego
	92008	Carlsbad	92107	San Diego	92128	San Diego
	92009	Carlsbad	92108	San Diego	92129	San Diego
	92010	Carlsbad	92109	San Diego	92130	San Diego
	92011	Carlsbad	92110	San Diego	92131	San Diego
	92014	Del Mar	92118	Coronado	92135	San Diego

Table 16

*Summary Statistics of PCSN Survey Respondents, by Cluster*

	Cluster 1: VSP (n = 168)	Cluster 2: VSM (n = 636)	Cluster 3: VSR (n = 197)
<b>Female</b>	51%	47%	58%
<i>n</i>	168	636	197
<b>Average Age</b>	55	50	53
<i>n</i>	168	634	193
<b>Employment Status</b>			
Full Time	46%	45%	50%
Part Time	16%	14%	9%
Student	1%	4%	2%
Homemaker	8%	5%	7%
Retired	24%	22%	28%
Disabled	4%	5%	3%
Unemployed	2%	4%	2%
<i>n</i>	168	634	195
<b>Household Income</b>			
Under \$25,000	17%	23%	7%
\$25,000 to \$49,999	21%	27%	16%
\$50,000 to \$74,999	20%	21%	19%
\$75,000 to \$99,999	21%	16%	23%
\$100,000 to \$124,999	11%	6%	12%
\$125,000 to \$149,999	4%	4%	7%
\$150,000 or more	7%	3%	16%
<i>n</i>	161	585	180
<b>Educational Attainment</b>			
High School or Less	20%	25%	12%
At Least 1 Year of College	43%	39%	27%
Bachelors Degree	14%	17%	24%
Graduate Degree	24%	19%	38%
<i>n</i>	168	635	197
<b>Marital Status</b>			
Single, Never Married	6%	20%	13%
Married	72%	53%	63%
Living with Partner	4%	5%	3%
Separated	1%	4%	4%
Divorced	8%	9%	10%
Widowed	9%	9%	8%
<i>n</i>	168	631	195
<b>Political Affiliation</b>			
Democrat	19%	29%	28%
Republican	49%	29%	35%
Other	2%	4%	3%
Nonpartisan	9%	14%	17%
Not Registered	21%	25%	16%
<i>n</i>	162	600	184
<b>Religious Affiliation</b>			
None	8%	10%	11%
Non-Denominational	21%	17%	16%
Protestant	29%	27%	25%
Catholic	29%	31%	29%
Jewish	1%	2%	6%
Muslim	---	1%	1%
Other	14%	12%	12%
<i>n</i>	168	620	193

of education.

To examine how public attitudes toward nonprofit organizations differed across each of the voluntary sector communities that were identified I examined the following measures relating to public attitudes across clusters:

- Public confidence in the nonprofit sector,
- Public awareness of nonprofit organizations, and
- Public perceptions of the relative performance of nonprofit service providers.

Differences were represented in contingency tables and analyzed with a Pearson  $\chi^2$  statistic. As shown in Table 17, no statistically significant differences were found to exist across clusters with regard to public confidence in the ability of nonprofit organizations to effectively provide quality services, or with regard to public perceptions of the relative performance in the abilities of nonprofit, for-profit, and government sector organizations to represent the public's interest. However, significant differences *were* found to exist between the clusters with regard to public confidence in the ability of nonprofit organizations to spend money wisely, public awareness of nonprofit organizations, and public perceptions of the relative performance in the abilities of nonprofit, for-profit, and government sector organizations when it comes to both helping people and spending money wisely.

In particular, twenty-seven percent of respondents in Cluster 1 (voluntary sector-poor communities) and twenty-eight percent of respondents in Cluster 2 (voluntary sector-mixed communities) expressed either *not too much confidence* or *no confidence at all* in the ability of nonprofit organizations to spend money wisely (compared to only seventeen percent of respondents in voluntary sector-rich communities who expressed

Table 17

*Contingency Tables of Differences in Public Attitudes across Clusters*

	<b>Cluster 1: VSP (n = 168)</b>	<b>Cluster 2: VSM (n = 636)</b>	<b>Cluster 3: VSR (n = 197)</b>	<b>p-value</b>
<b>How much confidence would you say you have that San Diego County nonprofits effectively provide quality services on the public's behalf?</b>				
A Great Deal of Confidence	24%	28%	29%	
A Fair Amount of Confidence	62%	57%	61%	
Not Too Much Confidence	14%	13%	9%	
No Confidence at All	1%	2%	2%	
<i>n</i>	161	618	188	.309
<b>Generally speaking, how much confidence would you say you have that San Diego County nonprofits spend money wisely?</b>				
A Great Deal of Confidence	16%	15%	16%	
A Fair Amount of Confidence	58%	58%	66%	
Not Too Much Confidence	24%	22%	15%	
No Confidence at All	3%	6%	2%	
<i>n</i>	161	610	183	.086
<b>When you think about local San Diego County nonprofit organizations, which ones come to mind? Please tell me the first three organizations that come to mind.</b>				
High Awareness	41%	46%	64%	
Moderate Awareness	30%	20%	20%	
Low Awareness	12%	13%	9%	
No Awareness	17%	20%	7%	
<i>n</i>	168	636	197	.000
<b>Thinking about the government, for-profit business, and nonprofit sectors here in San Diego County, which sector do you believe does the best job helping people?</b>				
Nonprofit Sector	61%	63%	67%	
For-Profit Business Sector	24%	16%	21%	
Government Sector	15%	21%	13%	
<i>n</i>	158	575	173	.028
<b>Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job spending money wisely?</b>				
Nonprofit Sector	52%	54%	54%	
For-Profit Business Sector	42%	35%	40%	
Government Sector	7%	12%	7%	
<i>n</i>	159	563	168	.102
<b>Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job representing the public interest?</b>				
Nonprofit Sector	57%	58%	59%	
For-Profit Business Sector	23%	18%	15%	
Government Sector	20%	24%	26%	
<i>n</i>	152	577	176	.373

Note: Percents may not add up to 100 due to rounding error.

this same level of confidence). Additionally, in assessing public awareness of nonprofit organizations, nearly one-third (twenty-nine percent) of respondents in Cluster 1—the cluster with the lowest density of nonprofit organizations—demonstrated either *low* or *no* nonprofit awareness (compared to twenty-three percent of respondents in voluntary sector-mixed communities, and only sixteen percent of respondents in voluntary sector-rich communities, who demonstrated this same level of nonprofit awareness). Finally, when assessing public perceptions of the relative performance of nonprofit organizations, compared to both for-profit business and government agencies, more respondents in voluntary sector-mixed communities were likely to believe that government agencies did a better job of helping people, and a better job of spending money wisely, than respondents in any other voluntary sector community type.

*Individual attitudes across neighborhood types.* To examine differences in individual attitudes across neighborhoods, I estimated a series of logistic and logit regression models. These models were intended to examine how individual characteristics were related to public attitudes toward the nonprofit sector in each voluntary sector community. Since little prior research has been conducted on public attitudes toward nonprofits, there are no theoretically-derived predictors of public attitudes toward the nonprofit sector. Despite the lack of research in this area, though, when we combine what little we know about public attitudes toward nonprofits with what we know about public perceptions of government services, we begin to develop an idea of some of the predictors that may be important.

Specifically, researchers have consistently identified a series of individual-level predictors of public perceptions of government. For instance, Burns, Scholzman, and

Verba (2001) and Thompson (1997) found that age, education, and sex were significant predictors of public satisfaction with many government services. Furthermore, several studies have shown that blacks and other minorities are significantly less likely to express favorable attitudes toward government than whites (Brown & Coulter, 1983; Durand, 1976; Jacob, 1972).

Similarly, in the nonprofit literature, research has also shown that minorities are significantly less likely to express favorable perceptions of nonprofit organizations than whites as well (Keirouz, 1998; Schlesinger, Mitchell, & Gray, 2004; Wilson & Hegarty, 1997). Keirouz (1998), for instance, in examining public confidence in Indiana's nonprofit sector found that blacks expressed more negative attitudes about nonprofit effectiveness and were also more likely to believe that nonprofits in the state were neither honest nor ethical. Even in national surveys of public confidence in nonprofit organizations, minorities have been found to have lower levels of confidence in the nonprofit sector. Indeed, Light (2005) identified five positive and significant socio-demographic predictors of public confidence in America's nonprofit sector: higher education, higher income, older, female, and white.

In addition to these individual-level factors influencing *public perceptions* of nonprofit organizations, studies have also shown that certain sub-groups within the population are also more likely to have greater *familiarity* with the nonprofit sector as well. Indeed, in their survey experiment examining public understanding of nonprofit ownership, Schlesinger, Mitchell, and Gray (2004) found that individuals with higher levels of educational attainment were more likely, than those with lower levels of educational attainment, to have a better understanding of what the term "nonprofit"



meant. Additionally, Mauser (1998) found that in selecting childcare services, educated and informed consumers were more likely to choose a nonprofit service provider.

Therefore, the independent variables in each of the models in this analysis included:

income level, minority status, educational attainment, sex, and age. Table 18 provides a description of each of the dependent and independent variables.

*Public confidence in the nonprofit sector.* Table 19 presents results for the models examining individual differences in public confidence across voluntary sector community types in the ability of nonprofit organizations to spend money wisely. Given the small cell frequencies at the extremes, I collapsed categories of confidence into a dichotomous variable (i.e., *higher confidence* and *lower confidence*) and estimated the models using a binominal logistic regression. As shown in Table 19, no individual characteristics significantly influence public confidence in the ability of nonprofit organizations to spend money wisely in voluntary sector-poor communities.

In voluntary sector-mixed communities, both, older respondents and males are predicted to be significantly *less* likely to express higher levels of confidence in the ability of nonprofit organizations to spend money wisely, while minorities and individuals with higher levels of educational attainment are predicted to be significantly *more* likely to express higher levels of confidence in the ability of nonprofit organizations in this area of performance. In voluntary sector-rich communities, higher educational attainment is significantly associated with a higher likelihood of expressing higher levels of confidence in the ability of nonprofit organizations to spend money wisely—by more than two times as much.

Table 18

*Description of Variables Used in the Analysis of Research Question 3*

<b>Dependent Variables</b>	<b>Scale</b>	<b>Coded</b>
Confidence in Nonprofit Organizations	Dichotomous	1 = <i>Higher Confidence (i.e., a great deal or a fair amount)</i> 0 = <i>Lower Confidence (i.e., not too much or none)</i>
Awareness of Nonprofit Organizations	Ordinal	4 = <i>High Awareness (i.e., 3 correct nonprofit identifications)</i> 3 = <i>Moderate Awareness (i.e., 2 correct nonprofit identifications)</i> 2 = <i>Low Awareness (i.e., 1 correct nonprofit identification)</i> 1 = <i>No Awareness (i.e., 0 correct nonprofit identifications)</i>
Perceptions of Relative Performance ( <i>Helping People</i> )	Nominal	1 = <i>Government Sector</i> 2 = <i>For-Profit Business Sector</i> 3 = <i>Nonprofit Sector</i>
Perceptions of Relative Performance ( <i>Spending Money Wisely</i> )	Nominal	1 = <i>Government Sector</i> 2 = <i>For-Profit Business Sector</i> 3 = <i>Nonprofit Sector</i>
<b>Dependent Variables</b>	<b>Scale</b>	<b>Coded</b>
Age	Interval	Continuous measure
Education	Dichotomous	1 if four-year college degree 0 if otherwise
Minority	Dichotomous	1 if minority 0 if white
Low Income	Dichotomous	1 if income < \$49,999 0 if otherwise
Middle Income	Dichotomous	1 if income \$50,000 - \$99,999 0 if otherwise
High Income	Dichotomous	1 if income \$100,000 0 if otherwise
Male	Dichotomous	1 if male 0 if female

Table 19

Binomial Logistic Regression Results, Individual Predictors of Public Confidence (Ability of Nonprofit Organizations to Spend Money Wisely)

	<b>Cluster 1: VSP</b>	<b>Cluster 2: VSM</b>	<b>Cluster 3: VSR</b>
	Odds Ratio	Odds Ratio	Odds Ratio
Age	0.987 (0.015)	0.987** 0.006	1.020 (0.014)
Male	0.978 (0.364)	0.753* 0.149	0.600 (0.283)
Minority	0.767 (0.371)	1.513** 0.324	0.384 (0.242)
Low Income <sup>a</sup>	0.960 (0.425)	1.092 0.249	0.959 (0.525)
High Income	0.506 0.242	1.016 0.340	1.388 0.751
Education	1.396 (0.569)	1.712** 0.388	2.473** (1.135)
Observations	154	556	166
$\chi^2$	4.62	15.05**	9.03
-2Log Likelihood	-88.889	-314.636	-67.536

Note: Standard errors in parentheses. Confidence coded 1 for *Higher* confidence, and 0 for *Lower* confidence

<sup>a</sup> Middle income category is the reference group.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

*Public awareness of nonprofit organizations.* The next set of models examined differences in public awareness of nonprofit organizations across voluntary sector community types (Tables 20–22). These differences were examined using a series of ordered logit models—as a test of the parallel lines assumption for each of these models was non-significant, indicating that an ordered logit regression analysis was appropriate.<sup>40</sup> In Table 20 results are shown for voluntary sector-poor communities. These results indicate that both age and education are positive and significant predictors of an individual demonstrating high awareness of the nonprofit sector in these areas. However, lower income status is a negative predictor of an individual demonstrating high awareness of the nonprofit sector in these areas.

In particular, when all other independent variables are held at their mean value, individuals with a college degree are predicted to be nearly twenty-four percent *more* likely, than those without a college degree, to correctly identify three nonprofit organizations when asked. Additionally, at the mean value of all other independent variables, a one-year increase in age *increases* the probability of demonstrating high nonprofit awareness by approximately one-percentage point. However, when compared to individuals of middle-income status, lower income individuals in these areas are predicted to be nearly fourteen percent *less* likely to be able to correctly identify three nonprofit organizations when asked.

In Table 21 results are shown for voluntary sector-mixed communities. In these areas, age, education, and minority status are all positive and significant predictors of an individual demonstrating high awareness of the nonprofit sector, while being a man and

---

<sup>40</sup> The tests of parallel lines assumption for the models were: Cluster 1:  $\chi^2 = 10.78$ ,  $df = 12$ ,  $p = .55$ ; Cluster 2:  $\chi^2 = 18.23$ ,  $df = 12$ ,  $p = .11$ ; Cluster 3:  $\chi^2 = 19.29$ ,  $df = 12$ ,  $p = .08$ .

Table 20

Cluster 1 (VSP Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations

	Coefficient	Change in Predicted Probabilities <sup>a b</sup>			
		No Awareness	Low Awareness	Moderate Awareness	High Awareness
Age	0.039*** (0.012)	-0.005	-0.003	-0.001	0.009
Male	-0.345 (0.308)	0.039	0.029	0.013	-0.082
Minority	0.180 (0.376)	-0.021	-0.015	-0.006	0.042
Low Income	-0.593* (0.355)	0.071	0.050	0.016	-0.137
High Income	0.160 0.416	-0.018	-0.013	-0.007	0.038
Education	0.990*** (0.339)	-0.104	-0.080	-0.052	0.235
Observations	160				
$\chi^2$	37.62***				
-2Log Likelihood	-186.260				

Note The top entries are ordered logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

Table 21

Cluster 2 (VSM Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations

	Logit Coefficients	Change in Predicted Probabilities <sup>a b</sup>			
		No Awareness	Low Awareness	Moderate Awareness	High Awareness
Age	0.018*** (0.005)	-0.003	-0.001	-0.000	0.004
Male	-0.344** (0.161)	0.051	0.025	0.009	-0.085
Minority	0.883*** (0.173)	-0.128	-0.061	-0.025	0.215
Low Income	-0.854*** (0.189)	0.126	0.059	0.022	-0.208
High Income	-0.159 0.271	0.024	0.011	0.003	-0.039
Education	0.458** (0.183)	-0.065	-0.033	-0.015	0.113
Observations	581				
$\chi^2$	117.93				
-2Log Likelihood	-681.293				

Note The top entries are ordered logit coefficients Standard errors are in parentheses

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value

\*  $p < 10$  \*\*  $p < 05$  \*\*\*  $p < 001$

having lower income levels are both negative predictors of an individual demonstrating high nonprofit awareness in these areas. Interestingly, minorities in these areas are predicted to be nearly twenty-two percent *more* likely than whites to demonstrate high nonprofit awareness; and as previously shown (in Table 20), minorities in these areas are also significantly *more* likely to express higher levels of confidence in the ability of nonprofit organizations to spend money wisely. Therefore, although nonprofit spending per capita (or the quality of nonprofit resources) in voluntary sector-mixed communities may be low, minorities in these areas appear to be both highly aware of the nonprofit sector *and* highly confident in how nonprofit organizations spend their money. In voluntary sector-rich communities (Table 22), age and education are both positive and significant predictors of an individual demonstrating high awareness of the nonprofit sector, while lower income status is a negative predictor of an individual demonstrating high nonprofit awareness in these areas.

*Public perceptions of nonprofit services.* The final set of differences in public attitudes across voluntary sector community types examined public perceptions of the relative performance of nonprofit, for-profit, and government sector organizations in the two areas of relative performance that were found to significantly differ across the clusters. These models were estimated using a series of multinomial logit regressions. Tables 23–25 show results for differences in public perceptions of the relative performance between the sectors in their ability to help people. Tables 26–28 show results for differences in public perceptions of the relative performance between the sectors in their ability to spend money wisely.

Table 22

Cluster 3 (VSR Communities): Ordered Logit Results, Individual Predictors of Public Awareness of Nonprofit Organizations

	Logit Coefficients	Change in Predicted Probabilities <sup>a, b</sup>			
		No Awareness	Low Awareness	Moderate Awareness	High Awareness
Age	0.031*** (0.010)	-0.002	-0.002	-0.004	0.007
Male	0.027 (0.324)	-0.001	-0.002	-0.003	0.006
Minority	0.230 (0.382)	-0.013	-0.018	-0.023	0.055
Low Income	-0.832** (0.394)	0.057	0.071	0.074	-0.202
High Income	0.237 0.371	-0.013	-0.018	-0.025	0.055
Education	0.665** (0.329)	-0.040	-0.053	-0.065	0.158
Observations	178				
$\chi^2$	24.16				
-2Log Likelihood	-174.247				

Note: The top entries are ordered logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$



In the relative ability of the sectors to *help people*, individual predictors for voluntary sector-poor communities are displayed in Table 23. These results show that when all other independent variables are held at their mean values, males in these areas are predicted to be nearly forty percent *less* likely than females to believe that nonprofit organizations do a better job of helping people than either government agencies or for-profit organizations. Minorities in voluntary sector-poor communities are predicted to be nearly ten percent *more* likely than whites to believe that nonprofit organizations do a better job of helping people than government agencies, in particular.

In voluntary sector-mixed communities (Table 24), age, gender, and minority status are all found to significantly influence public perceptions of the relative performance between the sectors; and similar to the results in voluntary sector-poor communities, men in voluntary sector-mixed communities are *again* predicted to be significantly *less* likely (by approximately five percent) to believe that nonprofit organizations do a better job of helping people (than government agencies, in particular). Minorities in voluntary sector-mixed communities are *again* predicted to be significantly *more* likely to believe that nonprofit organizations do a better job of helping people than government agencies—by approximately twelve percent.

Finally, in voluntary sector-rich communities (Table 25), the areas with the highest degree of nonprofit activity, both older respondents and males are predicted to be significantly *more* likely to believe that nonprofit organizations do a better job of helping people. In particular, older respondents believe that nonprofits do a better job than for-profit organizations, while males believe that nonprofits do a better job than government agencies.

Table 23

Cluster 1 (VSP Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Helping People)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a b</sup>		
	NP v FP	NP v. GOV	FP v GOV	NP	FP	GOV
Age	0.011 (0.017)	0.018 (0.021)	0.008 (0.022)	0.003	-0.001	-0.002
Male	-1.816*** (0.448)	-1.819*** (0.569)	-0.002 (0.647)	-0.397	0.264	0.133
Minority	-0.083 (0.543)	1.121* (0.607)	1.204* (0.651)	0.094	0.054	-0.148
Low Income	0.467 (0.515)	0.456 (0.662)	-0.010 (0.715)	0.105	-0.071	-0.034
High Income	-0.340 (0.550)	-0.725 (0.661)	-0.385 (0.686)	-0.114	0.038	0.076
Education	0.132 (0.462)	-0.293 (0.569)	-0.425 (0.598)	-0.004	-0.033	0.036
Observations	152					
$\chi^2$	38.70					
-2Log Likelihood	-123.448					

Note: The top entries are multinomial logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

Table 24

Cluster 2 (VSM Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Helping People)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a b</sup>		
	NP v FP	NP v GOV	FP v GOV	NP	FP	GOV
Age	0.006 (0.008)	0.022*** (0.007)	0.016* (0.010)	0.003	-0.000	-0.003
Male	-0.028 (0.253)	-0.403* (0.231)	-0.375 (0.302)	-0.054	-0.009	0.062
Minority	0.228 (0.247)	0.786*** (0.259)	0.558* (0.335)	0.121	-0.006	-0.114
Low Income	0.097 (0.300)	0.093 (0.266)	-0.004 (0.352)	0.022	-0.010	-0.012
High Income	-0.407 (0.375)	0.109 (0.395)	0.516 (0.482)	-0.034	0.063	-0.029
Education	0.348 (0.283)	0.272 (0.259)	-0.076 (0.342)	0.069	-0.037	-0.032
Observations	529					
$\chi^2$	34.79***					
-2Log Likelihood	-459.881					

Note The top entries are multinomial logit coefficients Standard errors are in parentheses

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value

\*  $p < 10$ , \*\*  $p < 05$ , \*\*\*  $p < 001$

Table 25

Cluster 3 (VSR Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Helping People)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a b</sup>		
	NP v. FP	NP v. GOV	FP v GOV	NP	FP	GOV
Age	0.026* (0.014)	0.007 (0.016)	-0.019 (0.020)	0.004	-0.004	-0.000
Male	-0.323 (0.446)	0.826* (0.501)	1.150* (0.603)	0.037	0.070	-0.106
Minority	0.463 (0.483)	-0.124 (0.662)	-0.587 (0.727)	0.056	-0.081	0.025
Low Income	0.533 (0.593)	0.216 (0.679)	-0.316 (0.824)	0.083	-0.071	-0.012
High Income	0.206 (0.469)	-0.253 (0.557)	-0.459 (0.652)	0.004	-0.038	0.034
Education	0.273 (0.442)	-0.233 (0.545)	-0.506 (0.632)	0.018	-0.049	0.032
Observations	159					
$\chi^2$	13.52					
-2Log Likelihood	-131.211					

Note: The top entries are multinomial logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

In the relative ability of the sectors to *spend money wisely*, individual predictors for voluntary sector-poor communities are displayed in Table 26. These results show that when all other independent variables are held at their mean values, males and individuals with higher educational attainment are predicted to be significantly *less* likely to believe that nonprofit organizations do a better job of spending money wisely. Specifically, males believe that for-profit organizations do a better job of spending money wisely than nonprofit organizations, while individuals with higher levels of education believe that government agencies do a better job of spending money wisely than nonprofit organizations. Lower income individuals in voluntary sector-poor communities are predicted to be twenty-three percent *more* likely, than middle income individuals, to believe that nonprofit organizations do a better job of spending money wisely than for-profit organizations, in particular.

In voluntary sector-mixed communities (Table 27), minorities and males are both predicted to be significantly *less* likely to believe that nonprofit organizations do a better job of spending money wisely than either government agencies or for-profit organizations. Older individuals in these areas, though, are predicted to be significantly *more* likely to believe that nonprofits do a better job of spending money than either government agencies or for-profit organizations, and individuals of lower income status are predicted to be significantly *more* likely to believe that nonprofits do a better job of spending money wisely than for-profit organizations, in particular.

Interestingly, minorities in Cluster 2 are significantly *more* likely to believe that for-profit organizations do a better job of spending money than nonprofit organizations.

Table 26

Cluster 1 (VSP Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Spending Money Wisely)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a, b</sup>		
	NP v. FP	NP v. GOV	FP v. GOV	NP	FP	GOV
Age	-0.000 (0.014)	0.022 (0.030)	0.022 (0.030)	0.000	0.001	-0.001
Male	-0.932** (0.360)	-0.934 (0.766)	-0.002 (0.770)	-0.228	0.205	-0.006
Minority	0.246 (0.454)	0.250 (0.909)	0.003 (0.896)	0.062	-0.055	-0.006
Low Income	0.948** (0.429)	1.074 (0.962)	0.126 (0.971)	0.233	-0.205	-0.028
High Income	0.100 (0.475)	0.569 (0.954)	0.469 (0.940)	0.035	-0.014	-0.021
Education	-0.171 (0.394)	-1.334* (0.819)	-1.164 (0.816)	-0.077	0.008	0.069
Observations	151					
$\chi^2$	20.49					
-2Log Likelihood	-121.597					

Note: The top entries are multinomial logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

Table 27

Cluster 2 (VSM Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Spending Money Wisely)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a, b</sup>		
	NP v. FP	NP v. GOV	FP v. GOV	NP	FP	GOV
Age	0.021*** (0.007)	0.016* (0.009)	-0.005 (0.010)	0.004	-0.004	-0.001
Male	-0.341* (0.202)	-0.687** (0.299)	-0.346 (0.320)	-0.100	0.056	0.044
Minority	-0.467** (0.220)	1.328*** (0.401)	1.795*** (0.417)	-0.025	0.143	-0.118
Low Income	0.486** (0.236)	-0.461 (0.362)	-0.947** (0.381)	0.072	-0.122	0.050
High Income	-0.447 (0.299)	0.549 (0.800)	0.996 (0.799)	-0.074	0.119	-0.046
Education	-0.061 (0.221)	0.292 (0.355)	0.353 (0.375)	0.002	0.022	-0.024
Observations	515					
$\chi^2$	81.90***					
-2Log Likelihood	-451.058					

Note: The top entries are multinomial logit coefficients. Standard errors are in parentheses.

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value.

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value.

\*  $p < .10$  \*\*  $p < .05$  \*\*\*  $p < .001$

However, as shown earlier, minorities in this cluster are also both highly aware of the nonprofit sector *and* highly confident in how nonprofit organizations spend their money. Apparently, then, minorities in voluntary sector-mixed communities—although confident in the ability of nonprofit organizations to spend their money wisely—are even *more* confident in how for-profit organizations spend their money.

In voluntary sector-rich communities (Table 28), older individuals and lower income respondents are both predicted to be significantly *more* likely to believe that nonprofit organizations do a better job of spending money wisely, while males in these areas are *less* likely to believe that nonprofit organizations do a better job of spending money wisely than for-profit organizations, in particular.

**Summary of results.** Nonprofit activity in this study was found to vary considerably across communities, and several community characteristics were found to significantly influence the local distribution of nonprofit organizations and resources. This final research question was intended to explore whether differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, were related to differences in public attitudes toward nonprofit organizations. Results of a cluster analysis procedure revealed three distinct voluntary sector community types in San Diego County: voluntary sector-rich, voluntary sector-mixed, and voluntary sector-poor.

Differences in public attitudes toward nonprofit organizations across these community types were found to exist in specific areas of performance. In particular, significant differences were found to exist in the amount of confidence individuals in each community type expressed in the ability of nonprofit organizations to spend money



Table 28

Cluster 3 (VSR Communities): Multinomial Logit Results, Individual Predictors of Public Perceptions of the Relative Performance of Nonprofit, For-Profit and Government Organizations (Spending Money Wisely)

	Multinomial Logit Coefficients			Change in Predicted Probabilities <sup>a b</sup>		
	NP v FP	NP v GOV	FP v GOV	NP	FP	GOV
Age	0.036*** (0.014)	0.090*** (0.030)	0.054* (0.031)	0.010	-0.007	-0.003
Male	-0.960** (0.391)	-0.619 (0.770)	0.341 (0.781)	-0.219	0.210	0.009
Minority	-0.495 (0.469)	-0.507 (0.840)	-0.011 (0.878)	-0.117	0.107	0.010
Low Income	0.894* (0.590)	-0.616 (0.928)	-1.510 (0.967)	0.161	-0.202	0.041
High Income	-0.183 (0.409)	-0.868 (0.957)	-0.685 (0.954)	-0.061	0.029	0.032
Education	-0.081 (0.390)	0.990 (0.784)	1.071 (0.792)	0.006	0.035	-0.041
Observations	154					
$\chi^2$	31.63***					
-2Log Likelihood	-118.651					

Note The top entries are multinomial logit coefficients Standard errors are in parentheses

<sup>a</sup> Change in the predicted probability of demonstrating each level of awareness for an increase in the marginal effect of age, while holding all other independent variables constant at their mean value

<sup>b</sup> Change in the predicted probabilities of demonstrating each level of awareness for an increase from the minimum to the maximum value of each independent variable (excluding age), while holding all other independent variables constant at their mean value

\*  $p < 0.10$  \*\*  $p < 0.05$  \*\*\*  $p < 0.001$

wisely. Indeed, residents in both voluntary sector-poor and voluntary sector-mixed communities were more likely to express lower levels of confidence in the ability of nonprofit organizations in this area of performance. No significant differences were found to exist across community types in public confidence in the ability of nonprofit organizations to effectively provide quality services.

In examining differences in public awareness of nonprofit organizations, significant differences across community types were found to exist in the ability of individuals to correctly identify a nonprofit organization when asked. Indeed, approximately one-third of residents in voluntary sector-poor communities demonstrated either *low* or *no* awareness of what a nonprofit organization was. This is compared to only twenty-three percent of respondents in voluntary sector-mixed communities and only sixteen percent of respondents in voluntary sector-rich communities who demonstrated this same level of limited nonprofit awareness.

In examining differences in public perceptions of the relative performance between the sectors, significant differences across community types were found to exist in the ability of the sectors to help people and in the ability of the sectors to spend money wisely. In particular, nearly an equal percentage of respondents in each community type believed that the nonprofit sector did a better job in both areas of performance. However, a greater percentage of respondents in voluntary sector-mixed communities were likely to believe that government agencies outperformed either the for-profit or the nonprofit sector in both areas. No significant differences were found to exist across community types in the ability of the sectors to represent the public's interest.

Individual predictors of public attitudes toward nonprofit organizations were found to significantly differ across community types as well. In particular, lower income respondents in voluntary sector-poor communities demonstrated lower nonprofit awareness, but these individuals *still* believed that nonprofit organizations did a better job of spending money wisely than for-profit organizations, specifically.

In voluntary sector-mixed communities, older respondents expressed lower levels of confidence in the ability of nonprofit organizations to spend money wisely, and demonstrated higher nonprofit awareness. Despite their lack of confidence, older respondents still believed that nonprofit organizations did a better job of, both, spending money wisely and helping people than either government agencies or for-profit organizations. Males in voluntary sector-mixed communities demonstrated low nonprofit awareness and expressed the least favorable attitudes toward the nonprofit sector, while minorities in voluntary sector-mixed communities demonstrated high nonprofit awareness and expressed the most favorable attitudes toward nonprofit organizations. However, even though minorities in voluntary sector-mixed communities expressed the most confidence in the ability of nonprofit organizations to spend money wisely, they expressed even *more* confidence in the ability of for-profit organizations to spend money wisely.

In voluntary sector-rich communities, older respondents were more likely to express highly favorable attitudes toward nonprofit organizations. The individual-level findings from research question three are summarized in tabular form in Table 29.

Table 29

*Summary of Significant Individual Predictors of Public Attitudes Toward Nonprofit Organizations*

	Voluntary Sector-Poor		Voluntary Sector-Mixed		Voluntary Sector-Rich	
<b>Public confidence</b> (Spending money wisely) <sup>a</sup>	<u>Predictor</u>	<u>High</u>	<u>Predictor</u>	<u>High</u>	<u>Predictor</u>	<u>High</u>
			Older	-	Higher education	+
			Male	-		
			Minority	+		
			Higher education	+		
<b>Public awareness</b> <sup>b</sup>	<u>Predictor</u>	<u>High</u>	<u>Predictor</u>	<u>High</u>	<u>Predictor</u>	<u>High</u>
	Older	+	Older	+	Older	+
	Low income	-	Male	-	Low income	-
	Higher education	+	Minority	+	Higher education	+
			Low income	-		
			Higher education	+		
<b>Relative performance</b> (Helping people) <sup>c</sup>	<u>Predictor</u>	<u>Nonprofit</u>	<u>Predictor</u>	<u>Nonprofit</u>	<u>Predictor</u>	<u>Nonprofit</u>
	Male	- (F)(G)	Older	+ (G)	Older	+ (F)
	Minority	+ (G)	Male	- (G)	Male	+ (G)
			Minority	+ (G)		
<b>Relative performance</b> (Spending money wisely) <sup>c</sup>	<u>Predictor</u>	<u>Nonprofit</u>	<u>Predictor</u>	<u>Nonprofit</u>	<u>Predictor</u>	<u>Nonprofit</u>
	Male	- (F)	Older	+ (F)(G)	Older	+ (F)(G)
	Low income	+ (F)	Male	- (F)(G)	Male	- (F)
	Higher education	- (G)	Minority	- (F)(G)	Low income	+ (F)
			Low income	+ (F)		

Note (F) indicates that nonprofit organizations were believed to outperform organizations in the for-profit business sector (G) indicates that nonprofit organizations were believed to outperform organizations in the government sector

<sup>a</sup> Sign of the relationship between the predictor and the likelihood of expressing high confidence in the ability of nonprofit organizations to spend money wisely

<sup>b</sup> Sign of the relationship between the predictor and the likelihood of demonstrating high nonprofit awareness

<sup>c</sup> Sign of the relationship between the predictor and the likelihood of believing that nonprofit organizations do a better job in a particular area of performance

## CHAPTER 5

### DISCUSSION

Nonprofit organizations have traditionally served a distinctive role within American society. Indeed, scholars have long emphasized that as generators of social capital and providers of collective-type goods and services, nonprofit organizations often occupy a significant role within local communities (Kramer, 1981). Ott (2001), for instance, has suggested that nonprofits “encourage the benevolent donation of money, property, and time and effort to eliminate or prevent the causes of social problems and injustices and to otherwise improve the quality of life all around us” (p. 49). Additionally, Wolpert (1993a) has stated that “nonprofits serve pluralistic tastes and add variety to our local quality of life.”

Not only do nonprofit organizations occupy a significant social role within American society, but the sector also has a sizeable (and quite positive) impact on the functioning of our national economy. This impact is clearly evidenced by the magnitude of the sector’s operations. Consisting of more than 1.5 million organizations, the nonprofit sector in the US employs on average 12.5 million full- and part-time employees, has an estimated \$3.4 trillion dollars in assets, and relies on nearly 63.3 million volunteer workers (Wing, Pollak, & Blackwood, 2008). It should come as no surprise, then, that nonprofit organizations are an essential part of our everyday lives—supplying a wide variety of services including healthcare, education, economic development, advocacy, and cultural activities.

Despite the social and the economic significance of the nonprofit sector, research has consistently shown that nonprofit activity is not always distributed evenly across communities (Bielefeld, Murdoch & Waddell, 1997; Grønbjerg & Paalberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch & Geiger, 1983; Wolpert, 1993a). Wolch (1990), for instance, highlighted the existence of “voluntary sector-rich” and “voluntary sector-poor” metropolitan areas, and several studies have shown that the distribution of nonprofit organizations and resources often differs substantially across localities (Allard, 2009; Bielefeld, Murdoch, & Waddell, 1997; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003; Wolch, 1990; Wolch & Geiger, 1983). Thus, the purpose of this study was to examine how, and why, size and scope dimensions of the nonprofit sector differed across communities within a particular region. Moreover this study was intended to explore whether, and to what extent, differences in the social context of communities—and in the size and scope dimensions of the nonprofit sector—were related to differences in public attitudes toward nonprofit organizations.

### **Significance of Research**

There are several reasons, both practical and theoretical, why understanding the locational dynamics of nonprofit organizations, and differences in public attitudes toward the nonprofit sector, is important. First, nonprofit organizations play an essential role in maintaining America’s social safety net; and communities of concentrated poverty and social exclusion, in particular, often heavily rely upon the sector to provide a variety of critical services. However, the uneven geography of nonprofit activity raises several concerns about nonprofit accessibility and the ability of nonprofit organizations to realistically meet the needs of residents in all areas. Indeed, several studies have shown

that residents in disadvantaged communities are more likely to use nonprofit services when they are located in close proximity to where they live (Allard, 2009; Allard, Tolman, & Rosen, 2004; Bielefeld, Murdoch, & Waddell, 1997). But, if nonprofit services are lacking from these areas, then it is likely that residents in these disadvantaged communities will be unable to receive the nonprofit support that they need.

Second, the presence of organizational resources—and the presence of nonprofit organizations, in particular—has long been linked to the overall health and vitality of communities. Communities with high densities of nonprofit organizations have been shown to have high civic engagement (Putnam, 1993, 2000), high social capital (Putnam, 1993, 2000), and lower crime rates (Peterson, Krivo, & Harris, 2000). Moreover, urban scholars have long speculated about the consequences of social institutions, including nonprofit organizations, abandoning poor and urban neighborhoods (Jencks & Mayer, 1990; Leventhal & Brooks-Gunn, 2000; Leventhal & Brooks-Gunn, 2003; Wilson, 1987). Thus, differences in the size and scope dimensions of the nonprofit sector also raise serious concerns about the degree of “charitable equity” across communities—that is, the extent to which nonprofit activity equally benefits individuals in all areas. If certain communities are disproportionately underserved by nonprofit organizations—i.e., these communities have lower densities of nonprofits, a less heterogeneous nonprofit sector, and lower quality nonprofit resources—then the positive benefits often associated with the presence of nonprofit organizations will likely not be found in these areas.

Finally, much of the theoretical work that attempts to explain the distribution of nonprofit organizations has been premised on notions of favorable public attitudes.

Market failure theory and the concept of contract failure, for instance both suggest that nonprofit organizations will be more prevalent in disadvantaged communities due to public perceptions of greater trustworthiness (Hansmann, 1980; Hansmann, 1987; Holtmann & Ullman, 1993; Weisbrod, 1988; Rose-Ackerman, 1996; Anheier & Ben-Ner, 1997). Additionally, government failure theory and the concept of demand heterogeneity, suggest that citizens who are unsatisfied with the level of government service provision (and whose preferences differ from those of the majority of citizens) will choose to satisfy their needs and preferences through nonprofit organizations (Weisbrod, 1975, 1986, 1988). Despite what these theoretical perspectives suggest, though, very little research has actually examined differences in public attitudes toward nonprofit organizations. Thus it is uncertain whether, and *for whom*, nonprofits are truly favored.

### **Summary of Findings**

Given the importance of research examining the size and scope dimensions of the nonprofit sector, the intent of this study was to go beyond merely assessing the presence or absence of nonprofit organizations from a community. Indeed, this study was intended to serve as a first step in understanding the *implications* of a varied voluntary landscape on individual-level outcomes—those being the attitudes of community residents. Without an understanding of public attitudes toward nonprofits it will be difficult to know whether nonprofit organizations are being effective in meeting the needs of communities, or the needs of the residents living in those areas. Thus, the findings from each research question in this study can be summarized as follows:

**Research question 1.** *How do size and scope dimensions of the nonprofit sector differ across communities within a particular region?* Substantial variation was



found to exist in nonprofit activity, and in the size and scope dimensions of the nonprofit sector, across communities in the region examined in this study, i.e., San Diego County. In general, wealthier ZIP codes in the County were found to have higher densities of nonprofit organizations, both overall and per (selected) nonprofit sub-sectors. Nonprofit heterogeneity in the County was found to differ substantially across ZIP codes as well. Indeed, ZIP codes with the lowest population density levels were generally found to have the lowest degrees of nonprofit heterogeneity. The quality of nonprofit resources across ZIP codes in the County (i.e., total nonprofit expenditures per capita) was strongly influenced by the presence of colleges/universities and hospitals (the two largest nonprofit sub-sectors). Not surprisingly, then, ZIP codes with greater densities of colleges/universities and hospitals in the area were found to have the greatest amounts of nonprofit expenditures.

**Research question 2.** *What community factors are associated with differences in the size and scope dimensions of the nonprofit sector, at a local level?* Several theoretically-derived community predictors of nonprofit activity were found to influence the distribution of nonprofit activity. In particular, poverty levels, education levels, and population density were all found to be significant predictors of nonprofit density, while income levels, and population density were found to be significant predictors of nonprofit heterogeneity. Nonprofit quality was also found to be significantly influenced by a number of factors, such as poverty levels, education levels, and population density.

In each of these areas of nonprofit activity evidence was found of either a U-shaped relationship or an inverted U-shaped relationship with regard to population density and median income levels. Specifically, a U-shaped relationship was found to

exist between nonprofit density and population size—with a lower peak at 800 residents, suggesting that more nonprofit organizations are located in areas with higher population densities. An inverted U-shaped relationship was found to exist between nonprofit heterogeneity and median income levels—with an upper peak at approximately \$75,000, suggesting that the diversity of nonprofit organizations across ZIP codes decreases as ZIP income levels increase. Similarly, an inverted U-shaped relationship was found to exist between nonprofit quality and population density—with an upper peak at approximately 7,500 residents, suggesting that nonprofit expenditures per capita across ZIP codes decreases as the population density of ZIP codes increases.

**Research question 3.** *Are differences in the social context of communities, and in the size and scope dimensions of the nonprofit sector, associated with differences in public attitudes toward nonprofit organizations?* Three distinct voluntary sector community types were identified in this study: voluntary sector-poor, voluntary sector-mixed, and voluntary sector-rich. Public attitudes toward nonprofit organizations differed across each of these community types. In particular, residents in voluntary sector-rich communities expressed the most confidence in nonprofit organizations and demonstrated the most awareness of the nonprofit sector, while residents in voluntary sector-poor communities expressed the least confidence in nonprofit organizations and demonstrated the lowest awareness of the nonprofit sector. More residents in voluntary sector-mixed communities (than in any other community type) were likely to believe that government agencies did a better job of, both, helping people and spending money wisely. Finally, a number of individual predictors were found to be significant factors influencing public attitudes toward nonprofit organizations in each community type.

## **Practical Implications of this Study**

There are several ways that the findings from this study can provide nonprofit administrators with better insight into the neighborhood environments in which they operate. Thus, there are a number of practical implications that emerge from this study.

**Building partnerships, bridging gaps.** Collaboration between nonprofit organizations located in different voluntary sector community types can help to close service gaps in nonprofit capacity—particularly between nonprofit organizations located in less institutionally rich communities and those located in more institutionally rich communities. Indeed, it is quite obvious that residents in communities with low nonprofit activity do not always receive the same level and/or quality of nonprofit service assistance that residents in communities with high nonprofit activity receive. Moreover, according to the findings in this study, residents in communities with low nonprofit activity, in many instances, are not even confident in the level and/or quality of nonprofit service assistance that they *do* receive. As such, building better partnerships in order to close the gaps in nonprofit service provision across community types may result in greater public confidence in, and satisfaction with, nonprofit services.

**Strategic action, public satisfaction.** Public attitudes toward nonprofit organizations, and public awareness of the nonprofit sector, were found to significantly differ across the voluntary sector community types identified in this study. Indeed, not all segments of the population expressed positive attitudes toward nonprofit organizations, nor did all segments of the population demonstrate high nonprofit awareness. As such, understanding *who* is most likely to have negative attitudes and/or low awareness of nonprofit organizations provides nonprofit administrators with valuable

information that can be used in order to strategically target services and benefits to specific populations. This is particularly important for many smaller nonprofit organizations—organizations that often operate on a limited budget. For many of these organizations, strategically targeting resources can allow them to maximize their effectiveness.

**Early intervention, community vitality.** Understanding the locational dynamics of nonprofit organizations and differences in public attitudes toward the nonprofit sector also provides nonprofit administrators with several opportunities to be proactive in community initiatives. For example, if a nonprofit organization is located in a voluntary sector-poor community, then understanding the implications of being located in this social environment gives nonprofit administrators the ability to develop action plans and strategies early on in their efforts to overcome any operational shortcomings that they may likely experience. Such early intervention and planning should be helpful for nonprofit organizations as they strive to maintain, and, hopefully, increase the vitality of communities. Indeed, before any actions can be made to *improve* local communities, one must first have an understanding of the organizational and the environmental context of the area.

### **Limitations**

As with any study, there are a number of limitations to this research. It is, therefore, important to understand the boundaries of this study. First, the nonprofit dataset used in this analysis was the 2007 Core File of public charities for San Diego County provided by NCCS; and as described in Chapter three, there are a number of limitations associated with using this file. Second, public attitudes toward the nonprofit

sector may be distinct from legal boundaries, and it is likely that public attitudes toward nonprofit organizations are not confined within the arbitrary boundaries of “community.” Finally, and potentially most importantly, the concept of “community” is extremely abstract. Indeed, I clearly recognize that an administrative boundary, such as a ZIP code, may not align with a resident’s perception of his/her neighborhood (see for example, Coulton, Kornbin, Chan, & Su, 2001)—this is an obvious limitation of neighborhood level studies in general.

Thus, the findings from this study should not be seen as the complete story of how the voluntary context of a community may, or may not, influence individual attitudes toward the nonprofit sector. Quite the contrary, I consider this research to be only a first step in the ongoing process of understanding the direct and indirect impact of living in a “voluntary sector-rich,” a “voluntary sector-mixed,” and a “voluntary sector-poor” community. In fact, it is unlikely that neighborhood-level analyses will ever be able to fully *explain* individual attitudes toward nonprofit organizations—or any individual-level type outcomes for that matter. However, these studies can begin to help us *describe* environmental factors that contribute to a variety of ways that individuals interact with, and perceive, nonprofit organizations.

### **Directions for Future Research**

There are a number of areas for future research that can provide greater insight into understanding how the social context of a community, and differences in the size and scope dimensions of the nonprofit sector, influence individual outcomes. A few of these areas are highlighted below.

**Ecometrics.** Raudenbush and Sampson (2002) developed the concept of “ecometrics” as a quantitative method to the assessment of ecological settings such as neighborhoods. In particular, they highlighted the value in creating valid and reliable measures of community characteristics and environmental conditions (similar to the notion of psychometrics in individual-level research). Creating reliable and valid voluntary sector community types can be useful to researchers interested in nonprofit geography as they attempt to assess, and compare, the size and scope dimensions of the nonprofit sector across localities—particularly in different areas of the country.

**Multi-level analyses.** Although the data used in this study was not well-suited for multi-level analysis (see footnote 28), there is certainly great value in examining differences across communities in a much more robust manner—as opposed to merely using clusters of voluntary sector community types. Traditional regression analysis ignores the average variation between entities, or groups (ZIP codes in this instance). Therefore, multi-level analysis would allow study effects that vary by groups.

**Alternative measures of social cohesion and racial diversity.** Given that the measures of social cohesion and racial diversity used in this study were not found to be highly statistically significant, future research should develop alternative measures of these variables—or even alternative proxies for these concepts. For example, the degree of demand heterogeneity may be better estimated by examining income heterogeneity or some other measure of heterogeneity in a community. Additionally, social cohesion may be better estimated by a measure of community homogeneity—such as racial or income homogeneity.

**Supplemental data sources.** To develop a more comprehensive understanding of the size and scope dimensions of the nonprofit sector in a given area, future research should also explore using a variety of supplemental data sources. For instance, this supplemental information could include data on arts organizations obtained from NCCS' Unified Database of Arts Organizations, data on religious organizations obtained from infoUSA.com (formerly the American Church List), data obtained from grants to nonprofit organizations by local foundations and federated appeals, data obtained from canvassing neighborhoods and systematic social observations of neighborhoods (Raudenbush & Sampson, 2002), data obtained from local surveys of residents and nonprofit organizations, and data obtained from local telephone directories.

Using infoUSA.com alone, I was able to identify more than 1,500 churches, temples, and mosques that are located in San Diego County, but are not listed in the 2007 Core File of public charities for the County. Additionally, the IRS Business Master File (BMF) lists over 11,000 nonprofit organizations located in San Diego County. Not all of these organizations, though, are 501(c)(3)s. Moreover, many of these organizations are very small, and some are likely even defunct. Thus there are, no doubt, any numbers of limitations associated with using these supplemental data sources. Nonetheless, there are a variety of ways to supplement the information obtained through the Core Files.

**Comprehensive attitude scales.** The research in this study used single-item measures of public attitudes toward nonprofit organizations. However, development of comprehensive scales to assess public attitudes toward nonprofit organizations is needed—particularly for determining the predictive validity of attitude measures. More comprehensive scales will be better able to capture public attitudes more accurately.

**Longitudinal analyses.** Finally, individuals move and neighborhoods change. As such, longitudinal studies can provide greater insights into the dynamics of changing environmental conditions on public attitudes toward nonprofit organizations.



## REFERENCES

- Aaronson, D. (1997). Sibling estimates of neighborhood effects. In J. Brooks-Gunn, G. J. Duncan & J. L. Aber (Eds.), *Neighborhood poverty Volume 2: Implications in studying neighborhoods* (pp. 80-93). New York, NY: Russell Sage Foundation.
- Aaronson, D. (1998). Using sibling data to estimate the impact of neighborhoods on children's educational outcomes. *Journal of Human Resources*, 33(4), 915-946.
- Ainsworth, J. W. (2002). Why does it take a village? The mediation of neighborhood effects on educational achievement. *Social Forces*, 81(1), 117-152.
- Ajzen, I., & Fishbein, M. (1970). The prediction of behavior from attitudinal and normative variables. *Journal of Experimental Social Psychology*, 6(4), 466-487.
- Ajzen, I., & Fishbein, M. (2005). The influence of attitudes on behavior. In D. Albarracín, B. T. Johnson & M. P. Zanna (Eds.), *The handbook of attitudes* (pp. 173-221). Mahwah, NJ: Erlbaum.
- Aldenderfer, M. S., & Blashfield, R. K. (1984). *Cluster analysis*. San Francisco: Sage Publications.
- Alexander, J. (1999). The impact of devolution on nonprofits: A multiphase study of social service organizations. *Nonprofit Management and Leadership*, 10(1), 57-70.
- Allard, S. W. (2007). The changing face of welfare during the Bush administration. *The Journal of Federalism*, 37(3), 304-332.
- Allard, S. W. (2009). *Out of reach: Place, poverty, and the new American welfare state*. New Haven, CT: Yale University Press.
- Allard, S. W., Tolman, R., & Rosen, D. (2003). The geography of need: Spatial distribution of barriers to employment in metropolitan Detroit. *Policy Studies Journal*, 31(3), 293-307.
- American Association for Public Opinion Research (2009). *Standard definitions: Final dispositions of case codes and outcome rates for surveys*. Retrieved September 04, 2010, from: [http://www.aapor.org/AM/Template.cfm?Section=Standard\\_Definitions&Template=/CM/ContentDisplay.cfm&ContentID=1819](http://www.aapor.org/AM/Template.cfm?Section=Standard_Definitions&Template=/CM/ContentDisplay.cfm&ContentID=1819).
- Anheier, H., & Ben-Ner, A. (1997). Shifting boundaries: Long-term changes in the size of the for-profit, nonprofit, cooperative, and government sectors. *Annals of Public and Cooperative Economics*, 68(3), 335-353.

- Arrow, K. J. (1963). Uncertainty and the welfare economics of medical care. *American Economic Review*, 53(5), 941-973.
- ASU Center for Nonprofit Leadership and Management (2003). *2003 Arizona giving and volunteering report*. Retrieved November 17, 2009, from: <http://www.asu.edu/copp/nonprofit/res/Arizona%20Giving%20and%20Volunteering.pdf>.
- Baum, J. A. C., & Haveman, H. A. (1997). Love thy neighbor? Differentiation and agglomeration in the Manhattan hotel industry, 1898–1990. *Administrative Science Quarterly*, 42(2), 304-338.
- Bekkers, R., & Wiepking, P. (2007). *Generosity and philanthropy: A literature review*. Paper written with financial support of the John Templeton Foundation and grant #451-04-110 of the Netherlands Organization for Scientific Research (NWO) to Bekkers. Retrieved October 20, 2010, from: <http://ssrn.com/abstract=1015507>.
- Ben-Ner, A., & Van Hoomissen, T. (1991). Nonprofit organizations in the mixed economy: A demand and supply analysis. *Annals of Public and Cooperative Economics*, 62(4), 519-550.
- Ben-Ner, A., & Van Hoomissen, T. (1992). An empirical investigation of the joint determination of the size of the for-profit, non-profit and government sectors. *Annals of Public and Cooperative Economics*, 63(3), 391-415.
- Benasich, A. A., Brooks-Gunn, J., & Clewell, B. C. (1992). How do mothers benefit from early intervention programs? *Journal of Applied Developmental Psychology*, 13(3), 311-362.
- Bennett, M. D., & Fraser, M. W. (2000). Urban violence among African American males: Integrating family, neighborhood, and peer perspectives. *Journal of Sociology and Social Welfare*, 27(3), 93-117.
- Bielefeld, W. (2000). Metropolitan nonprofit sectors: Findings from NCCS data. *Nonprofit and Voluntary Sector Quarterly*, 29(2), 298-314.
- Bielefeld, W., & Linders, K. (2004). *Financial comparisons of the nonprofit sector in Indianapolis and eight other metropolitan areas* (04-C05). Center for Urban Policy and the Environment: School of Public and Environmental Affairs, Indiana University–Purdue University Indianapolis.
- Bielefeld, W., & Murdoch, J. (2004). The locations of nonprofit organizations and their for-profit counterparts. *Nonprofit and Voluntary Sector Quarterly*, 33(2), 221-246.

- Bielefeld, W., Murdoch, J., & Waddell, P. (1997). The influence of demographics and distance on nonprofit location. *Nonprofit and Voluntary Sector Quarterly*, 26(2), 207-225.
- Bielefeld, W., Payton, S., Barreto, T., Ottensmann, J., McLaughlin, W., & Man, J. (2006). *The location of nonprofit organizations influences residential housing prices: A study in Marion County*. Paper presented at the annual meeting of the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA), November 20–22, 2003, Denver, Colorado. Retrieved September 09, 2010, from <http://www.policyarchive.org/handle/10207/bitstreams/80.pdf>.
- Bloom, P. N., Hoeffler, S., Keller, K. L., & Basurto Meza, C. E. (2006). How social-cause marketing affects consumer perceptions. *MIT Sloan Management Review*, 47(2), 49-55.
- Boris, E. T. (2001). Next steps for building capacity in nonprofit organizations. In C. J. De Vita & C. Fleming (Eds.), *Building capacity in nonprofit organizations* (pp. 85-91). Washington DC: The Urban Institute Press.
- Boris, E. T., & Steurele, C. E. (Eds.). (1999). *Nonprofits and government: Collaboration and conflict*. Washington DC: The Urban Institute Press.
- Brown, L. D. (1998). Creating social capital: Nongovernment development organizations and intersectoral problem solving. In W. W. Powell & E. S. Clemens (Eds.), *Private action and the public good* (pp. 228-241). New Haven, CT: Yale University Press.
- Brown, K., & Coulter, P. (1983). Subjective and objective measures of police service delivery. *Public Administration Review*, 43 (1), 50-58.
- Burns, N., Scholzman, K. L., & Verba, S. (2001). *The private roots of public action: Gender, equality, and political participation*. Cambridge, MA: Harvard University Press.
- Catsambis, S., & Beveridge, A. (2001). Does neighborhood matter? Family, neighborhood and school influences on eighth-grade mathematics achievement. *Sociological Focus*, 43(4), 435-457.
- Chang, C. F., & Tuckman, H. P. (2010). Income diversification. In B. A. Seaman & D. R. Young (Eds.), *Handbook of research on nonprofit economics and management* (pp. 5-17). Edward Elgar Publishing.
- Charles, K. K., & Kline, P. (2006). Relational costs and the production of social capital: Evidence from carpooling. *Economic Journal*, 116(511), 581-604.

- Chaskin, R. J., Brown, P., Venkatesh, S., & Vidal, A. (2001). *Building community capacity*. New York, NY: Aldine de Gruyter.
- Clotfelter, C. (1992). *Who benefits from the nonprofit sector?* Chicago, IL: University of Chicago Press.
- Cnaan, R., Wineburg, R. J., & Boddie, S. C. (1999). *The newer deal: Social work and religion in partnership*. New York, NY: Columbia University Press.
- Cohen, G. (1982). Community cohesion and space planning. In R. Frankenberg (Ed.), *Custom and conflict in British society* (pp. 258-285). Manchester, UK: Manchester University Press.
- Corbin, J. J. (1999). A study of factors influencing the growth of nonprofits in social services. *Nonprofit and Voluntary Sector Quarterly*, 28(3), 296-313.
- Coulton, C. J., Korbin, J., Chan, T., & Su, M. (2001). Mapping residents' perceptions of neighborhood boundaries: A methodological note. *American Journal of Community Psychology*, 29(2), 371-383.
- De Vita, C. J., & Fleming, C. (Eds.). (2001). *Building capacity in nonprofit organizations*. Washington DC: The Urban Institute.
- De Vita, C. J., Fleming, C., & Twombly, E. C. (2001). Building nonprofit capacity: A framework for addressing the problem. In C. J. De Vita & C. Fleming (Eds.), *Building capacity in nonprofit organizations* (pp. 5-32). Washington DC: The Urban Institute.
- De Vita, C. J., Manjarrez, C., & Twombly, E. C. (1999). *Organizations and neighborhood networks that strengthen families in the District of Columbia: Final report to the Annie E. Casey Foundation* (Grant No. 98/1578). Washington DC: The Urban Institute (Center for Nonprofits and Philanthropy).
- Douglas, J. (1987). Political theories of nonprofit organization. In W. W. Powell (Ed.), *The nonprofit sector: A research handbook* (pp. 43-54). New Haven, CT: Yale University Press.
- Duncan, G. J. (1994). Families and neighbors as sources of disadvantage in the schooling decisions of white and black adolescents. *American Journal of Education*, 103(1), 20-53.
- Durand, R. (1976). Some dynamics of urban service evaluations among blacks and whites. *Social Science Quarterly*, 56(3), 698-706.
- Durkheim, E. (1951 [1897]). *Suicide: A study in sociology*. New York, NY: The Free Press.

- Easley, D., & O'Hara, M. (1983). The economic role of the nonprofit firm. *The Bell Journal of Economics*, 14(2), 531-538.
- Edin, K., & Lein, L. (1997). *Making ends meet how single mothers survive welfare and low wage work*. New York, NY: Russell Sage Foundation.
- Eikenberry, A. (November, 2005). *Creating social equity: What role for nonprofits?* Paper prepared for the National Academy of Public Administration Standing panel on social equity in governance. Fifth social equity leadership conference. University of Nebraska-Omaha.
- Elliott, D. S., Wilson, W. J., Huizinga, D., Sampson, R. J., Elliott, A., & Rankin, B. (1996). The effects of neighborhood disadvantage on adolescent development. *Journal of Research on Crime and Delinquency*, 33, 389-426.
- Entwisle, D. R., Alexander, K. L., & Olson, L. S., (1994). The gender gap in math: Its possible origins in neighborhood effects. *American Sociological Review*, 59(6), 822-838.
- Field, A. (2005). *Discovering statistics using SPSS*. London: Sage Publications.
- Fishbein, M., & Ajzen, I. (1972). Attitudes and opinions. *Annual Review of Psychology*, 23, 487- 544.
- Fishbein, M., & Ajzen, I. (1981). Attitudes and voting behaviour: An application of the theory of reasoned action. In G. M. Stephenson & J. M. Davis (Eds.), *Progress in applied social psychology Volume 1* (pp. 95-125). London: Wiley.
- Fleishman, J. L. (1999). Public trust in not-for-profit organizations and the need for regulatory reform. In C. T. Clotfelter & T. Ehrlich (Eds.), *Philanthropy and the nonprofit sector in a changing America*. (pp. 172-197). Bloomington, IN: Indiana University Press.
- Fyfe, N., & Milligan, C. (2003). Out of the shadows: exploring contemporary geographies of the welfare voluntary sector. *Progress in Human Geography*, 27(4), 397-413.
- Gamm, G., & Putnam, R. D. (1999). The growth of voluntary associations in America, 1840-1940. *Journal of Interdisciplinary History*, 29(4), 511-557.
- Garner, C. L., & Raudenbush, S. W. (1991). Neighborhood effects on educational attainment: A multilevel analysis. *Sociology of Education*, 64(4), 251-262.
- Gottdiener, M., & Hutchinson, R. (2006). *The new urban sociology, 3<sup>rd</sup> ed.* Cambridge, MA: Westview Press.

- Grønbjerg, K. A. (2009). *Indiana nonprofits scope and community dimensions: Are nonprofits trustworthy?* A report from the School of Public and Environmental Affairs. Bloomington, IN: Indiana University.
- Grønbjerg, K. A., & Cheney, L. (2007). *Nonprofit capacity assessment: Indiana charities, 2007*. A report from the School of Public and Environmental Affairs. Bloomington, IN: Indiana University.
- Grønbjerg, K. A., & Paarlberg, L. (2001). Community variations in the size and scope of the nonprofit sector. *Nonprofit and Voluntary Sector Quarterly*, 30(4), 684-706.
- Grønbjerg, K. A., & Paarlberg, L. (2002). Extent and nature of overlap between listings of IRS tax-exempt registration and nonprofit incorporation: The case of Indiana. *Nonprofit and Voluntary Sector Quarterly*, 31(4), 565-594.
- Grønbjerg, K. A., & Salamon, L. M. (2002). Devolution, marketization, and the changing shape of government-nonprofit relations. In L. Salamon (Ed.), *The state of nonprofit America* (pp. 447-470). Washington DC: Brookings Institute Press in collaboration with the Aspen Institute.
- Hagar, M., Galaskiewicz, J., & Bielefeld, W. (1996). Tales from the grave: Organizations accounts of their own demise. *American Behavioral Scientist*, 39(8), 975-994.
- Hannan, M. T., & Freeman, J. (1989). *Organizational ecology*. Cambridge, MA: Harvard University Press.
- Hansmann, H. (1980). The role of nonprofit enterprise. *Yale Law Journal*, 89(5), 835-899.
- Hansmann, H. (1987). Economic theories of non-profit organizations. In W.W. Powell (Ed.), *The nonprofit sector: A research handbook, 1<sup>st</sup> ed.* (pp. 27-42). New Haven, CT: Yale University Press.
- Harding, D. J. (2003). Counterfactual models of neighborhood effects: The effect of neighborhood poverty on dropping out and teenage pregnancy. *American Journal of Sociology*, 109, 676-719.
- Herzlinger, R. (1996). Can public trust in nonprofits and government be restored? *Harvard Business Review*, 74(2), 97-107.
- Holtmann, A., & Ullmann, S. G. (1993). Transaction costs, uncertainty and not-for-profit organizations: The case of nursing homes. In A. Ben-Ner & B. Gui (Eds.), *The nonprofit sector in the mixed economy*. Ann Arbor, MI: University of Michigan Press.

- Hoyer, W. D., & Brown, S. P. (1990). Effects of brand awareness on choice for a common, repeat purchase product. *Journal of Consumer Research*, 17: 141-148.
- Jacob, H. (1972). Contact with government agencies: A preliminary analysis of the distribution of government services. *Midwest Journal of Political Science*, 16, 123-146.
- Jacobs, B. (1981). *The political economy of organizational change: Urban institutional response to the War on Poverty*. New York, NY: Academic Press.
- James, E. (1987). The nonprofit sector in comparative perspective. In W.W. Powell (Ed.), *The nonprofit sector: A research handbook, 1<sup>st</sup> ed.* (pp. 397-415). New Haven, CT: Yale University Press.
- Jencks, S. E., & Mayer, C. (1990). The social consequences of growing up in a poor neighborhood. In L. E. Lynn & M. F. H. McGahey (Eds.), *Inner-city poverty in the United States* (pp. 111-186). Washington DC: National Academy Press.
- Joassart-Marcelli, P., & Wolch, J. R. (2003). The intrametropolitan geography of poverty and the nonprofit sector in southern California. *Nonprofit and Voluntary Sector Quarterly*, 32(1), 70-96.
- Katz, M. B. (1993). Reframing the 'underclass' debate. In M. B. Katz (Ed.), *The underclass debate: Views from history* (pp. 440-477). Princeton, NJ: Princeton University Press.
- Kaufman, L., & Rousseeuw, P. J. (1990). *Finding groups in data: An introduction to cluster analysis (Series in applied probability and statistics)*. New York: Wiley-Interscience.
- Keirouz, K. (1998). *Public perceptions and confidence in Indiana nonprofit organizations*. Indianapolis, IN: Indiana University Center on Philanthropy.
- Kendall, J., Knapp, M., & Forder, J. (2006). Social care and the nonprofit sector in the western developed world. In W. Powell & R. Steinberg (Eds.), *The nonprofit sector research handbook, 2<sup>nd</sup> ed.* (415-431). New Haven, CT: Yale University Press.
- Kinder, D. R., & Sears, D. O. (1985). Public opinion and political action. In G. Lindzey & E. Aronson (Eds.), *The handbook of social psychology* (pp. 659-742). New York, NY: Oxford University Press.
- Kissane, R. (2003). What's need got to do with it? Barriers to the use of nonprofit social services. *Journal of Sociology and Social Welfare*, 30(2), 127-148.

- Kissane, R. (2010). We call it the badlands: How social-spatial geographies influence social service use. *Social Service Review*, 84(1), 3-28.
- Kramer, R. M. (1981). *Voluntary agencies in the welfare state*. Berkeley, CA: University of California Press.
- Krugman, H. E. (1965). The impact of television advertising learning without involvement, *Public Opinion Quarterly*, 29, 349-356.
- LaPierre, R. T. (1934). Attitudes vs. actions. *Social Forces*, 13(2), 230-237.
- Lee, M., Wolch, J. R., & Walsh, J. (1999). Homeless health and service needs: An urban political Economy and service distribution. In R. Kearns & W. Gesler (Eds.), *Putting health into place: Landscape, identity, and well-being* (pp. 120-142). Syracuse, NY: Syracuse University Press.
- Lee, V., Brooks-Gunn, J., Schnur, E., & Liaw, T. (1990). Are Head Start effects sustained? A longitudinal follow-up comparison of disadvantaged children attending Head Start, no preschool, and other preschool programs. *Child Development*, 61(2), 495-507.
- Leventhal, T., & Brooks-Gunn, J. (2000). The neighborhoods they live in: The effects of neighborhood residence upon child and adolescent outcomes. *Psychological Bulletin*, 126(2), 309-337.
- Leventhal, T., & Brooks-Gunn, J. (2003). Children and youth in neighborhood contexts. *Current Directions in Psychological Science*, 12(1), 27-31.
- Light, P. C. (2000). *Making nonprofits work: A report on the tides of nonprofit management reform*. Washington DC: The Aspen Institute and Brookings Institution Press.
- Light, P. C. (2002). *Trust in charitable organizations. Policy Brief #6*. Washington DC: Brookings Institution Press.
- Light, P. C. (2003). *To give or not to give: The crisis of confidence in charities*. Policy Brief #7. Washington DC: Brookings Institution Press.
- Light, P. C. (2004a). *Sustaining nonprofit performance: The case for capacity building and the evidence to support it*. Washington DC: Brookings Institution Press.
- Light, P. C. (2004b). *Fact sheet on the continued crisis in charitable confidence*. Washington DC: Brookings Institution Press.



- Light, P. C. (2005). *Rebuilding public confidence in charitable organizations. Public Service Brief #1*. Retrieved August 05, 2008, from [http://wagner.nyu.edu/news/wpb1\\_light.pdf](http://wagner.nyu.edu/news/wpb1_light.pdf).
- Light, P. C. (2008). *Issues in governance studies. Governance Studies at Brookings #13*. Retrieved August 05, 2008, from [http://www.brookings.edu/papers/2008/04\\_nonprofits\\_light.aspx](http://www.brookings.edu/papers/2008/04_nonprofits_light.aspx).
- Lincoln, J. R. (1977). The urban distribution of voluntary organizations. *Social Science Quarterly*, 58(3), 473-480.
- Lorr, M. (1983). *Cluster analysis for social scientists*. San Francisco, CA: Jossey-Bass.
- Luksetich, W. (2008). Government funding and nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 37(3), 434-442
- Marcuello, C. (1998). Determinants of the non-profit sector size: An empirical analysis in Spain. *Annals of Public and Cooperative Economics*, 69(2), 175-192.
- Maryland Association of Nonprofit Organizations. (2002). *Protecting the trust: Revisiting public attitudes about charities in Maryland*. Retrieved August 05, 2008, from <http://www.mdnonprofit.org/cromerweb.pdf>.
- Matsunaga, Y., & Yamauchi, N. (2004). Is the government failure theory still relevant? A panel analysis using US state level data. *Annals of Public and Cooperative Economics*, 75(2), 227-63.
- Mauser, E. (1993). *Is organizational form important to consumers and managers?: An application to the day care industry*. Doctoral dissertation, Department of Economics, University of Wisconsin-Madison.
- Mauser, E. (1998). The importance of organizational form: Parent perceptions versus reality in the day care industry. In W. Powell & S. Clemens (Eds.), *Private action and the public good* (pp. 124-134). New Haven, CT: Yale University Press.
- McDougle, L., Deitrick, L., Libby, P., & Donmoyer, R. (2008). *The appreciated sector: Public confidence in San Diego County nonprofit organizations*. Report of the Caster Family Center for Nonprofit and Philanthropic Research, School of Leadership and Education Sciences: University of San Diego. Retrieved August 08, 2010, from <http://www.sandiego.edu/soles/documents/TheAppreciatedSector.pdf>.
- McPhee, P., & Bare, J. (2001). Introduction. In C. De Vita, & C. Fleming (Eds.), *Building capacity in nonprofit organizations* (pp. 1-3). Washington DC: The Urban Institute.

- Milligan, C., & Conradson, D. (Eds.). (2006). *Landscapes of voluntarism: New spaces of health, welfare and governance*. University of Bristol: The Policy Press.
- Mohan, J., Twig, L., Jones, K., & Barnard, S. (2006). Volunteering, geography, and welfare: A multilevel investigation of geographical variations in voluntary action. In C. Milligan & D. Conradson (Eds.), *Landscapes of voluntarism: New spaces of health, welfare and governance* (pp. 267-284). University of Bristol: The Policy Press.
- Nelson, R. (1977). *The moon and the ghetto*. New York, NY: W. W. Norton and Company.
- Nelson, R., & Krashinsky, M. (1973). Two major issues of public policy: Public subsidy and organization of supply. In D. Young & R. Nelson (Eds.), *Public policy for day care for young children* (pp. 47-69). Lexington, MA: Lexington Books.
- Never, B. (2010). The case for better maps of social service provision: Using the Holy Cross dispute to illustrate more effective mapping. *Voluntas*, (DOI: 10.1007/s11266-010-9123-y), 1-15.
- Norrander, B., & Wilcox, C. (2009). *Understanding public opinion, 3<sup>rd</sup> ed.* Washington DC: CQ Press.
- Norušis, M. J. (2010). *PASW statistics 18 statistical procedures companion*. Upper Saddle River, NJ: Prentice-Hall Press.
- O'Neill, M. (2009). Public confidence in charitable nonprofits. *Nonprofit and Voluntary Sector Quarterly*, 38(2), 237-269.
- Ott, S. J. (2001). The nonprofit sector's distinctive values and contributions to society. In S. J. Ott (Ed.), *The nature of the nonprofit sector* (pp. 47-56). Cambridge, MA: Westview Press.
- Park, R. E., Burgess, E. W., & McKenzie, R. D. (Eds.). (1967 [1925]). *The city*. Chicago, IL: University of Chicago Press.
- Peck, L. R. (2008). Do anti-poverty nonprofits locate where people need them? Evidence from a spatial analysis of Phoenix. *Nonprofit and Voluntary Sector Quarterly*, 37(1), 138-151.
- Permut, S. (1981). Consumer perceptions of nonprofit enterprise: A comment on Hansmann. *Yale Law Journal*, 90(7), 1623-1632.

- Peterson, R. D., Krivo, L. J., & Harris, M. A. (2000). Disadvantage and neighborhood violent crime: Do local institutions matter? *Journal of Research in Crime and Delinquency*, 37(1), 31-63.
- Powell, W. W., & Steinberg, R. (Eds.). (2006). *The nonprofit sector: A research handbook, 2<sup>nd</sup> ed.* New Haven, CT: Yale University Press.
- Putnam, R. (1993). *Making democracy work: Civic traditions in modern Italy.* Princeton, NJ: Princeton University Press.
- Putnam, R. (2000). *Bowling alone: The collapse and revival of American community.* New York, NY: Simon and Schuster.
- Rahm (1998). Social trust and value change: The decline of social capital in American youth, 1976–1995. *Political Psychology*, 19(3), 545-565.
- Rafter, K. (2008). *Community access to nonprofit social services.* Doctoral dissertation, Department of Psychology, City University of New York (CUNY).
- Rapkin, B. D., & Luke, D. A. (1993). Cluster analysis in community research: Epistemology and practice. *American Journal of Community Psychology*, 21(2), 247-277.
- Raudenbush, S. W., & Bryk, A. S. (2002). *Hierarchical linear models: Applications and data analysis methods, 2<sup>nd</sup> ed.* Newbury Park, CA: Sage.
- Raudenbush, S. W., & Sampson, R. J. (1999). 'Ecometrics': Toward a science of assessing ecological settings, with application to the systematic social observation of neighborhoods. *Sociological Methodology*, 29, 1-41.
- Regan, D. T., & Fazio, R. H. (1977). On the consistency between attitudes and behavior: look to the method of attitude formation. *Journal of Experimental Social Psychology*, 13(1), 28-45.
- Richardson, P. S., Dick, A. S., & Jain, A. K. (1994). Extrinsic and intrinsic cue effects on perceptions of store brand quality. *Journal of Marketing*, 58(4), 28-36.
- Roman, C. G., & Moore, G. E. (2004). *The role of community institutional capacity in social capital.* Washington DC: The Urban Institute Press (Justice Policy Institute).
- Rose-Ackerman, S. (1996). Altruism, nonprofits, and economic theory. *Journal of Economic Theory*, 34(2), 701-728.

- Rushton, G., Armstrong, M. P., Gittler, J., Greene, B. R., Pavlik, C. E., West, M. M., Zimmerman, D. L. (Eds.). (2008). *Geocoding health data: The use of geographic codes in cancer prevention and control, research and practice*. Boca Raton, FL: CRC Press.
- Salamon, L. M. (1987). Partners in public service: The scope and theory of government-nonprofit relations. In W. Powell (Ed.), *The nonprofit sector: A research handbook*. (pp. 99-117). New Haven, CT: Yale University Press.
- Salamon, L. M. (1995). *Partners in public service: government-nonprofit relations in the modern welfare state*. Baltimore, MD: The Johns Hopkins University Press.
- Salamon, L. M. (1999a). *America's nonprofit sector: A primer, 2<sup>nd</sup> ed.* New York, NY: The Foundation Center.
- Salamon, L. M. (1999b). The nonprofit sector at a crossroads: The case of America. *Voluntas*, 10(1), 5-23.
- Salamon, L. M. (2002). The resilient sector: The state of nonprofit America. In L. Salamon (Ed.), *The state of nonprofit America*. Washington DC: Brookings Institution Press.
- Salamon, L. M., & Anheier, H. K. (1998). Social origins of civil society: Explaining the nonprofit sector cross-nationally. *Voluntas*, 9(3), 213-248.
- Salamon, L. M., & Anheier, H. K. (Eds.). (1997). *Defining the nonprofit sector: A cross-national analysis*. Manchester: Manchester University Press.
- Salamon, L. M., Hems, L. C., & Chinnock, K. (2000). *The nonprofit sector: For what and for whom?* (Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project, no. 37). Baltimore, MD: The Johns Hopkins Center for Civil Society Studies.
- Sampson, R. J. (1988). Local friendship ties and community attachment in mass society: A multilevel systemic model. *American Sociological Review*, 53(5), 766-779.
- Sampson, R. J. (1991). Linking micro- and macrolevel dimensions of community social organization. *Social Forces*, 70(1), 43-64.
- Sampson, R. J., & Groves, W. B. (1989). Community structure and crime: Testing social disorganization theory. *American Journal of Sociology*, 94(4), 774-802.
- Sampson, R. J., Morenoff, J. D., & Gannon-Rowley, T. (2002). Assessing 'neighborhood effects': Social processes and new directions in research. *Annual Review of Sociology*, 28, 443-478.

- Sampson, R. J., Raudenbush, S., & Earls, F. (1997). Neighborhoods and violent crime: A multilevel study of collective efficacy. *Science*, 277(5328), 918-924.
- Sargeant, A., & Lee, S. (2002). Improving public trust in the voluntary sector: An empirical analysis. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(1), 68-83.
- Saxton, G., & Benson, M. (2005). Social capital and the growth of the nonprofit sector. *Social Science Quarterly*, 86(1), 16-35.
- Schlesinger, M., Mitchell, S., & Gray, B. (2004). Restoring public legitimacy to the nonprofit sector: A survey experiment using descriptions of nonprofit ownership. *Nonprofit and Voluntary Sector Quarterly*, 33(4), 673-710.
- Schwinn, E. (2003, April 17). *Tax-exempt organizations registered with the IRS*. The Chronicle of Philanthropy, p. 39.
- Seligman, A. B. (1998). Trust and sociability: On the limits of confidence and role expectations. *American Journal of Economics and Sociology*, 57(4), 391-404.
- Shaw, C., & McKay, H. (1969). *Juvenile delinquency in urban areas*. Chicago, IL: University of Chicago Press.
- Small M. L., & McDermott, M. (2006). The presence of organizational resources in poor urban neighborhoods: An analysis of average and contextual effects. *Social Forces*, 84(3), 1697-1724.
- Small, M. L., & Newman, K. (2001). Urban poverty after the truly disadvantaged: The rediscovery of the family, the neighborhood, and culture. *Annual Review of Sociology*, 27, 23-45.
- Small M. L., & Stark, M. (2005). Are poor neighborhood resource deprived? A case study of childcare centers in New York. *Social Science Quarterly*, 86(s1), 1013-1036.
- Smith, D. H. (1973). Determinants of voluntary association participation and volunteering: A literature review. *Nonprofit and Voluntary Sector Quarterly*, 23(3), 243-263.
- Smith, D. H. (1994). The impact of the voluntary sector on society. In D. H. Smith (Ed.), *Voluntary action research* (pp. 387-399). London: Lexington Books.
- Smith, D.H., & Shen, C. (2002). The roots of civil society: A model of voluntary association prevalence applied to data on larger contemporary nations. *International Journal of Comparative Sociology*, 43(2), 93-133.

- Smith, S. R., & Grønbjerg, K. A. (2006). Scope and theory of government-nonprofit relations. In W. W. Powell & R. Steinberg (Eds.), *The nonprofit sector: A research handbook, 2<sup>nd</sup> ed.* (pp. 221-242). New Haven, CT: Yale University Press.
- Smith, S. R., & Lipsky, M. (1993). *Nonprofits for hire: The welfare state in the age of contracting*. Cambridge, MA: Harvard University Press.
- Stater, K. J. (2009). How permeable is the nonprofit sector? Linking resources, demand, and government provision to the distribution of organizations across nonprofit mission-based fields. *Nonprofit and Voluntary Sector Quarterly*, 39(4), 674-695.
- Tan, P., Steinbach, M., & Kumar, V. (2005). *Introduction to data mining*. Addison Wesley Press.
- Tocqueville, A. (1966 [1835]). *Democracy in America*. New York, NY: Harper & Row Press.
- Thompson, L. (1997). Citizen attitudes about service delivery modes. *Journal of Urban Affairs*, 19(3), 291-302.
- Trudeau, D. (2008). Junior partner or empowered community? The role of non-profit social service providers amidst state restructuring in the U.S. *Urban Studies*, 45(13), 2805-2827.
- Twombly, E. C., De Vita, C. J., & Garrick, N. (2000). *Mapping nonprofits in Philadelphia, Pennsylvania*. Retrieved November 17, 2009, from <http://www.urban.org/publications/410015.html>.
- Van Slyke, D. M., & Roch, C. H. (2004). What do they know, and whom do they hold accountable? Citizens in the government-nonprofit contracting relationship. *Journal of Public Administration Research and Theory*, 14(2), 191-209.
- Van Til, J. (1988). *Mapping the third sector: Voluntarism in a changing social economy*. New York, NY: The Foundation Center.
- Van Til, J. (2000). *Growing civil society: From third sector to third space*. Bloomington, IN: Indiana University Press.
- Weber, M. (2002 [1904]). *The protestant ethic and the spirit of capitalism*. New York, NY: Routledge.
- Weisbrod, B. A. (1975). Toward a theory of the voluntary nonprofit sector in a three-sector economy. In E. S. Phelps (Ed.), *Altruism, morality and economic theory* (pp. 171-195). New York, NY: Russell Sage Foundation.

- Weisbrod, B. A. (1986). Toward a theory of the voluntary nonprofit sector in a three-sector economy. In S. Rose-Ackerman (Ed.), *The economics of nonprofit institution* (pp. 21-44). New York, NY: Oxford University Press.
- Weisbrod, B. A. (1988). *The nonprofit economy*. Cambridge, MA: Harvard University Press.
- Wilson, M., & Hegarty, N. (1997). *Public perceptions of nonprofit organizations in Michigan*. State of the state survey. Lansing, MI: Institute for Public Policy and Social Research.
- Wilson, W. J. (1987). *The truly disadvantaged: The inner city, the underclass, and public policy*. Chicago, IL: University of Chicago Press.
- Wing, K. T. (2004). Assessing the effectiveness of capacity-building initiatives: Seven issues for the field. *Nonprofit and Voluntary Sector Quarterly*, 33(1), 153-160.
- Wing, K.T., Pollak, T.H., and Blackwood, A. (2008). *The nonprofit almanac 2008*. Washington DC: The Urban Institute Press.
- Wirth, L. (1966 [1938]). Urbanism as a way of life. In R. LeGates & F. Stouts (Eds.), *The inner city reader*. New York, NY: Routledge Press.
- Wolch, J. (1999). Decentering America's nonprofit sector: Reflections on Salamon's crises. *Voluntas*, 10(1), 25-35.
- Wolch, J. R. (1990). *The shadow state: Government and voluntary sector in transition*. New York, NY: The Foundation Center.
- Wolch, J. R., & Geiger, R. K. (1983). The distribution of urban voluntary resources: An exploratory analysis. *Environment and Planning A*, 15(8), 1067-1082.
- Wolpert, J. (1977). Social income and the voluntary sector. *Papers of the Regional Science Association*, 39(1), 217-29.
- Wolpert, J. (1993a). Decentralization and equity in public and nonprofit sectors. *Nonprofit and Voluntary Sector Quarterly*, 22(4), 281-296.
- Wolpert, J. (1993b). *Patterns of generosity in America: Who's holding the safety net?* New York, NY: The Twentieth Century Fund Press.
- Wolpert, J., & Reiner, T. (1985). The not-for-profit sector in stable and growing regions. *Urban Affairs Quarterly*, 20(4), 487-510.
- Wuthnow, R. (2004). *Saving America? Faith-based services and the future of civil society*. Princeton, NJ: Princeton University Press.

Zeithaml, V. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(2), 2-22.



**APPENDIX A****2007–2008 PCSN Survey Instrument**

## Public Confidence in San Diego County Nonprofit Organizations

---

November 2007

### SURVEY INSTRUMENT

ID. [CATI RECORD NUMBER]

ZIP. RESPONDENT ZIP CODE [FROM SAMPLE]

VER. [VERSION OF INTERVIEW:]                    1 - VERSION A    2 - VERSION B\*  
 \* = RESPONSE OPTIONS REVERSED ON VERSION B FOR ALL QUESTIONS INDICATED

INT. Hello, my name is \_\_\_\_\_. I'm calling from San Diego State University's Social Science Research Laboratory. We're conducting a study on behalf of the University of San Diego about public confidence in San Diego County nonprofit charitable organizations. We're looking to get a random sample, so we're asking to speak with the adult in the house with the most recent birthday. Is that you? [IF NO LOCATE PERSON IN HH W/ MOST RECENT BIRTHDAY; IF YES:] We'd like to ask you a few questions about your personal level of confidence in these organizations.

[IF NEEDED:] Please be assured that this is not a solicitation call. It is a scientific study of public confidence in San Diego County nonprofit charitable organizations sponsored by University of San Diego's Center for Applied Social Research.

[SCHEDULE CB IF NEEDED; THANK AND CODE "OVER QUOTA" IF THE ONLY ELIGIBLE RESPONDENTS ARE IN KNOWN CLOSED QUOTA GROUPS]

First, I have a few quick qualifying questions.

AGE. Are you at least 18 years of age or older?

[IF NOT 18 OR OLDER, ASK:]

Is there anyone in the household that I might speak with who is 18 years of age or older?

[IF YES, BUT NOT CURRENTLY AVAILABLE, [Esc] BACK, RECORD CONTACT NAME AND BEST TIME TO REACH, AND CODE AS A CALLBACK, ASKING:]

Can you please tell me when to call back to reach someone who is 18 years of age or older?

1 - YES, CONFIRMED 18 OR OLDER

2 - DON'T KNOW/REFUSE/NO ONE OVER 18 —> [CODE **NQR-AGE**]

NQR-AGE: I'm sorry, but our survey procedures require respondents to be 18 years of age or older. Thank you for your time.

SD. And do you live in San Diego County?

- 1 - YES  
2 - NO/DON'T KNOW/REFUSE —> [CODE **NQR-SD**]

**NQR-SD:** I'm sorry. We're only speaking with residents of San Diego County at this time. However, I thank you very much for taking this call. We appreciate your patience with our screening procedures. Good bye.

**ERB.** We're interested in speaking with people from different backgrounds. Which of the following best describes your ethnic or racial background: white or Caucasian, not of Hispanic background; black or African American, not of Hispanic background; Hispanic or Latino; Native American; Asian, Native Hawaiian or Pacific Islander; or some other ethnic group? [IF MORE THAN ONE, ENCOURAGE THE RESPONDENT TO CHOOSE THE ONE CATEGORY THAT MOST CLOSELY DESCRIBES HIM/HER; PROBE RESPONSES OF "OTHER" OR "DON'T KNOW" TO ASSIGN RESPONDENT TO A SINGLE CATEGORY IF POSSIBLE]

- 1 - WHITE/CAUCASIAN, NOT HISPANIC  
2 - BLACK/AFRICAN AMERICAN, NOT HISPANIC  
3 - HISPANIC/LATINO  
4 - NATIVE AMERICAN  
5 - ASIAN/NATIVE HAWAIIAN/PACIFIC ISLANDER  
6 - OTHER GROUP [SPECIFY:] ERBX. \_\_\_\_\_(70)\_\_\_\_\_ 98 - NOT ASKED  
9 - DON'T KNOW/REFUSE —> [CODE **NQR-ERB**]

**NQR-ERB:** I'm sorry. We're only interviewing individuals who are able to specifically self-identify their background. However, I thank you very much for taking this call. We appreciate your patience with our screening procedures. Good bye.

**ERS.** [CATI VARIABLE: <ERB> CODED FOR QUOTAS, WITH ASSISTANCE OF THE INTERVIEWER ON "OTHER ETHNIC GROUP COMBOS":]

- 1 - NATIVE AMERICAN [AND ANY COMBO WITH NATIVE AMERICAN]  
2 - BLACK/AFRICAN AMERICAN [AND ANY COMBO WITH BLACK/AFRICAN AMERICAN (BESIDES NATIVE AMERICAN)]  
3 - OTHER/OTHER COMBOS

**SEX.** [RECORD RESPONDENT GENDER:] 1 - MALE 2 - FEMALE

[IF CAN'T DETERMINE GENDER:] I'm sorry, it's sometimes hard to tell over the phone and I don't want to make a mistake. Could you please tell me your gender?

		QUOTA GROUPS:	
		SEX=1	SEX=2
	ERS = 1	25	25
	ERS = 2	50	50
	ERS = 3	425	425

—— QUALIFIED RESPONDENT: QUOTAS CHECKED; DATA SAVED ——

LP. [IF INDICATED BY AN ACCENT:] Would you prefer that we speak in English or Spanish?

1 - ENGLISH

2 - SPANISH → [SWITCH TO SPANISH VERSION OR SCHEDULE SPAN CB]

IC. Let me assure you this telephone number was generated randomly; therefore no names or addresses are associated with the telephone numbers, and all responses are completely anonymous. Your participation is of course completely voluntary, and the questions take about 10 to 15 minutes to complete. (We know that some people have formed opinions about these issues and some have not; just let me know if you have no opinion on any questions.) Would you be willing to spend a few minutes to have your opinions included in this study?

To ensure that my work is done honestly and correctly, this call may be monitored by my supervisor. [ONLY IF ASKED ABOUT MONITORING:] (My supervisor randomly listens to interviews to make sure we're reading the questions exactly as written and not influencing answers in any way.)

[IF NOT A GOOD TIME, ASK:] Can you suggest a more convenient time for me to call back? [IF NO/REFUSE, [Ctrl End] AND TERMINATE INTERVIEW]

(Do you have any questions before I begin?) ["C" TO CONTINUE]

**CONFIDENCE**

Q1. In this study, we're concerned with local nonprofit charitable organizations. When you think about local San Diego County nonprofit organizations, which ones come to mind? Please tell me the first three organizations that come to mind. [RECORD ORGANIZATION EXACTLY AS MENTIONED]

A. [FIRST ORGANIZATION MENTIONED:]

\_\_\_\_\_ (120 CHARACTERS)\_\_\_\_\_

97 - DON'T KNOW

→ GO TO Q2

99 - REFUSE

→ GO TO Q2

B. [SECOND ORGANIZATION MENTIONED:]

\_\_\_\_\_ (120 CHARACTERS)\_\_\_\_\_

97 - DON'T KNOW/NO MORE → GO TO Q2

98 - NOT ASKED

99 - REFUSE

→ GO TO Q2

C. [THIRD ORGANIZATION MENTIONED:]

\_\_\_\_\_ (120 CHARACTERS)\_\_\_\_\_

97 - DON'T KNOW/NO MORE

98 - NOT ASKED

99 - REFUSE

- Q2. Generally speaking, how much confidence would you say you have that San Diego County nonprofits effectively provide quality services on the public's behalf? Would you say you have a great deal of confidence, a fair amount of confidence, not too much confidence, or no confidence at all?\*
- 1 - GREAT DEAL OF CONFIDENCE
  - 2 - FAIR AMOUNT OF CONFIDENCE
  - 3 - NOT TOO MUCH CONFIDENCE
  - 4 - NO CONFIDENCE AT ALL
  - 7 - DON'T KNOW
  - 9 - REFUSE
- Q3. Generally speaking, how much confidence would you say you have that San Diego County nonprofits spend money wisely? Would you say you have a great deal of confidence, a fair amount of confidence, not too much confidence, or no confidence at all?\*
- 1 - GREAT DEAL OF CONFIDENCE
  - 2 - FAIR AMOUNT OF CONFIDENCE
  - 3 - NOT TOO MUCH CONFIDENCE
  - 4 - NO CONFIDENCE AT ALL
  - 7 - DON'T KNOW
  - 9 - REFUSE
- Q4. Thinking about the government, for-profit business, and nonprofit sectors here in San Diego County, which sector do you believe does the best job helping people? Would you say the government sector, the for-profit business sector, or the nonprofit sector?
- 1 - GOVERNMENT SECTOR
  - 2 - FOR-PROFIT BUSINESS SECTOR
  - 3 - NONPROFIT SECTOR
  - 7 - DON'T KNOW
  - 9 - REFUSE
- Q5. Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job spending money wisely? [REPEAT SCALE AS NEEDED:] Would you say the government sector, the for-profit business sector, or the nonprofit sector?
- 1 - GOVERNMENT SECTOR
  - 2 - FOR-PROFIT BUSINESS SECTOR
  - 3 - NONPROFIT SECTOR
  - 7 - DON'T KNOW
  - 9 - REFUSE
- Q6. Thinking about the government, for-profit business, and nonprofit sectors in San Diego County, which sector do you believe does the best job representing the public interest? [REPEAT SCALE AS NEEDED:] Would you say the government sector, the for-profit business sector, or the nonprofit sector?
- 1 - GOVERNMENT SECTOR
  - 2 - FOR-PROFIT BUSINESS SECTOR
  - 3 - NONPROFIT SECTOR
  - 7 - DON'T KNOW

9 – REFUSE

Q7. When seeking health care services for yourself or your family, does it matter to you whether an organization is a government agency, a for-profit business, or a nonprofit organization?

- 1 - YES
- 2 - NO ————> GO TO Q8
- 7 - DON'T KNOW ————> GO TO Q8
- 9 - REFUSE ————> GO TO Q8

Q7A. [IF YES:] Could you tell me which one you prefer, and why? [READ OPTIONS ONLY IF NEEDED; PROBE TO SELECT ONE MOST PREFERRED]

- 1 - GOVERNMENT AGENCY
- 2 - FOR-PROFIT BUSINESS
- 3 - NONPROFIT ORGANIZATION
- 7 - DON'T KNOW ————> GO TO Q8
- 8 - NOT ASKED
- 9 - REFUSE ————> GO TO Q8

Q7B. [REASON PREFERRED WHEN SEEKING HEALTH CARE SERVICES:]

\_\_\_\_\_ (240) \_\_\_\_\_

- 97 - DON'T KNOW
- 98 - NOT ASKED
- 99 - REFUSE

Q8. When seeking educational services for yourself or your family, does it matter to you whether an organization is a government agency, a for-profit business, or a nonprofit organization?

- 1 - YES
- 2 - NO ————> GO TO Q9
- 7 - DON'T KNOW ————> GO TO Q9
- 9 - REFUSE ————> GO TO Q9

Q8A. [IF YES:] Could you tell me which one you prefer, and why? [READ OPTIONS ONLY IF NEEDED; PROBE TO SELECT ONE MOST PREFERRED]

- 1 - GOVERNMENT AGENCY
- 2 - FOR-PROFIT BUSINESS
- 3 - NONPROFIT ORGANIZATION
- 7 - DON'T KNOW ————> GO TO Q9
- 8 - NOT ASKED
- 9 - REFUSE ————> GO TO Q9

Q8B. [REASON PREFERRED WHEN SEEKING EDUCATIONAL SERVICES:]

\_\_\_\_\_ (240) \_\_\_\_\_

- 97 - DON'T KNOW
- 98 - NOT ASKED
- 99 - REFUSE

- Q9. Next, I'd like to know about the level of confidence you have in the different types of nonprofit charitable organizations located here in San Diego County to effectively provide quality services.

Generally speaking, would you say that you have a great deal of confidence, a fair amount of confidence, not too much confidence, or no confidence at all that local {INSERT ITEM} effectively provide quality services? \* [IF EXAMPLES NEEDED, REFER TO INTERVIEWER INSTRUCTIONS; REPEAT SCALE AS NEEDED]

		GREAT DEAL OF CONFIDENCE	FAIR AMOUNT OF CONFIDENCE	NOT TOO MUCH CONFIDENCE	NO CONFIDENCE AT ALL	DON'T KNOW	REFUSE
1.	Arts and culture related nonprofit organizations	1	2	3	4	7	9
2.	Educationally related nonprofit organizations	1	2	3	4	7	9
3.	Health and human services related nonprofit organizations	1	2	3	4	7	9
4.	Housing and economic development related nonprofit organizations	1	2	3	4	7	9
5.	Civil rights, social action and advocacy related nonprofit organizations	1	2	3	4	7	9
6.	Religious and spiritual development related nonprofit organizations	1	2	3	4	7	9
7.	Environmentally related nonprofit organizations	1	2	3	4	7	9
8.	Animal and animal rights related nonprofit organizations	1	2	3	4	7	9
9.	Foundations and giving programs	1	2	3	4	7	9

## PERFORMANCE AND MANAGEMENT

Now I'd like to get your opinion on the performance and management of nonprofit charitable organizations located here in San Diego County.

- Q10. In general, how well would you say that nonprofit organizations here in San Diego County run their programs and services? Would you say they run their programs and services very well, somewhat well, or not well at all?

- 1 - VERY WELL
- 2 - SOMEWHAT WELL
- 3 - NOT WELL AT ALL
- 7 - DON'T KNOW
- 9 - REFUSE

Q11. And in general, would you say that nonprofit executives receive too much financial compensation, the right amount of financial compensation, or too little financial compensation?

- 1 - TOO MUCH
- 2 - THE RIGHT AMOUNT
- 3 - TOO LITTLE
- 7 - DON'T KNOW
- 9 - REFUSE

## INVOLVEMENT

Now I'd just like to ask you a few brief questions about your involvement with nonprofits here in San Diego County.

Q12. Have you volunteered with any San Diego County nonprofit organizations in 2007?

- 1 - YES
- 2 - NO → GO TO Q13
- 7 - DON'T KNOW → GO TO Q13
- 9 - REFUSE → GO TO Q13

Q12A. [IF YES:] How often would you say you volunteered in 2007? Was it on a daily basis, a weekly basis, a monthly basis, or a yearly basis?

- 1 - DAILY BASIS
- 2 - WEEKLY BASIS
- 3 - MONTHLY BASIS
- 4 - YEARLY BASIS
- 7 - DON'T KNOW
- 8 - NOT ASKED
- 9 - REFUSE

Q13. Did you volunteer with any San Diego County nonprofit organizations in 2006?

- 1 - YES
- 2 - NO → GO TO Q14
- 7 - DON'T KNOW → GO TO Q14
- 9 - REFUSE → GO TO Q14

Q13A. [IF YES:] How often would you say you volunteered in 2006? Was it on a daily basis, a weekly basis, a monthly basis, or a yearly basis?



- 1 - DAILY BASIS
- 2 - WEEKLY BASIS
- 3 - MONTHLY BASIS
- 4 - YEARLY BASIS
- 7 - DON'T KNOW
- 8 - NOT ASKED
- 9 - REFUSE

Q14. In 2008, do you intend to volunteer with any San Diego County nonprofits?

- 1 - YES
- 2 - NO ———> GO TO Q15
- 7 - DON'T KNOW ———> GO TO Q15
- 9 - REFUSE ———> GO TO Q15

Q14A. [IF YES:] How often do you think you will volunteer? Will you volunteer on a daily basis, a weekly basis, a monthly basis, or a yearly basis?

- 1 - DAILY BASIS
- 2 - WEEKLY BASIS
- 3 - MONTHLY BASIS
- 4 - YEARLY BASIS
- 7 - DON'T KNOW
- 8 - NOT ASKED
- 9 - REFUSE

Q15. Have you donated money to any San Diego County nonprofit organizations in 2007?

- 1 - YES
- 2 - NO
- 7 - DON'T KNOW
- 9 - REFUSE

Q16. Did you donate any money to San Diego County nonprofits in 2006?

- 1 - YES
- 2 - NO
- 7 - DON'T KNOW
- 9 - REFUSE

Q17. In 2008, do you intend to donate money to any San Diego County nonprofit organizations?

- 1 - YES
- 2 - NO ———> GO TO Q18
- 7 - DON'T KNOW ———> GO TO Q18
- 9 - REFUSE ———> GO TO Q18

Q17A. [IF YES:] In 2008, do you intend to donate more money, about the same amount of money, or less money to San Diego County nonprofit organizations than in the past?

- 1 - MORE
- 2 - ABOUT THE SAME

- 3 - LESS
- 7 - DON'T KNOW
- 8 - NOT ASKED
- 9 - REFUSE

Q18. What sources of information do you consider or review before making a donation to a nonprofit organization? [RECORD ALL MENTIONED]

		NOT MENTIONED	MENTIONED
1.	OPINIONS OF FRIENDS/COLLEAGUES	0	1
2.	VISIT ORGANIZATION'S WEBSITE	0	1
3.	VISIT TO ORGANIZATION LOCATION	0	1
4.	PAST EXPERIENCES OR CONNECTIONS/ASSOCIATION TO THE ORGANIZATION (HAVE WORKED THERE, VOLUNTEERED THERE, ETC.)	0	1
5.	INFLUENCE OF NEWS MEDIA COVERAGE (RADIO, NEWSPAPER, TV, CELEBRITY ENDORSEMENTS, ETC.)	0	1
6.	INFORMATION FROM THIRD-PARTY OUTSIDE ACCREDITING ORGANIZATIONS (CHARITY NAVIGATOR, GUIDESTAR, BETTER BUSINESS BUREAU, STATE ATTORNEY GENERAL, ETC.)	0	1
7.	OTHER [SPECIFY:] Q18X ____ (240) _____ 98 - NOT ASKED	0	1
8.	NONE/DON'T KNOW	0	1
9.	REFUSE	0	1

Q19. Finally, how positive or negative was your impression of the support provided to people by nonprofit organizations during the 2007 San Diego Firestorm? Was it very positive, somewhat positive, somewhat negative, very negative, or do you have no opinion?

- 1 - VERY POSITIVE
- 2 - SOMEWHAT POSITIVE
- 3 - SOMEWHAT NEGATIVE
- 4 - VERY NEGATIVE
- 5 - NO OPINION
- 7 - DON'T KNOW
- 9 - REFUSE

## DEMOGRAPHICS

In closing, the following questions are for comparison purposes only. All of your answers will remain anonymous and will be combined with those of other survey participants to be reported as a group.

Q20. Could you please tell me your age? [OR IF NEEDED:] Are you at least 18 years of age or older?

\_\_\_\_ YEARS

99 - REFUSE, BUT OVER 18 YEARS

Q21. What is your employment status? Are you working full-time, meaning an average of at least 35 hours per week, working part-time, a student, a homemaker, retired, disabled, or unemployed?

[RECORD ANY COMBINATIONS THAT INCLUDE WORKING AS '1' OR '2']

1 - FULL-TIME

2 - PART-TIME

3 - STUDENT ———> GO TO Q22

4 - HOMEMAKER ———> GO TO Q22

5 - RETIRED ———> GO TO Q22

6 - DISABLED ———> GO TO Q22

7 - UNEMPLOYED ———> GO TO Q22

97 - DON'T KNOW ———> GO TO Q22

99 - REFUSE ———> GO TO Q22

Q21A. [IF WORKING:] Are you currently employed in the nonprofit sector here in San Diego County?

1 - YES

2 - NO

7 - DON'T KNOW

8 - NOT ASKED

9 - REFUSE

Q22. We don't want to know your exact income, but could you please stop me when I mention the category that contains your annual household income before taxes. Is it under \$25,000; \$25,000 to but not including \$50,000; \$50,000 to (but not including) \$75,000; \$75,000 to (but not including) \$100,000; \$100,000 to (but not including) \$125,000; \$125,000 to (but not including) \$150,000; or \$150,000 or more?

1 - UNDER \$25,000

2 - \$25,000 TO \$49,999

3 - \$50,000 TO \$74,999

4 - \$75,000 TO \$99,999

5 - \$100,000 TO \$124,999

6 - \$125,000 TO \$149,999

7 - \$150,000 OR MORE

97 - DON'T KNOW

99 - REFUSE

Q23. In the last year has your household income increased, decreased, or has it remained the same?

1 - INCREASED

2 - DECREASED

- 3 - REMAINED THE SAME
- 7 - DON'T KNOW
- 9 - REFUSE

Q24. What is the highest grade or year of school that you have completed and received credit for: high school or less; at least one year of college, trade or vocational school; graduated college with a bachelor's degree; or at least one year of graduate work?

- 1 - HIGH SCHOOL OR LESS
- 2 - 1 YEAR COLLEGE/TRADE/VOCATIONAL SCHOOL
- 3 - GRADUATED COLLEGE/BACHELOR'S DEGREE
- 4 - AT LEAST 1 YEAR GRADUATE WORK
- 7 - DON'T KNOW
- 9USE

Q25. How many adults age 18 or older, including yourself, live in your household?

- \_\_\_ ADULTS
- 97 - DON'T KNOW
- 99 - REFUSE

Q26. How many children under the age 18 live in your household?

- \_\_\_ CHILDREN
- 0 - NO CHILDREN IN HOUSEHOLD
- 97 - DON'T KNOW
- 99 - REFUSE

Q27. What is your marital status? Are you single, never been married, married, living with a partner, separated, divorced, or widowed?

- 1 - SINGLE, NEVER MARRIED
- 2 - MARRIED
- 3 - LIVING WITH A PARTNER
- 4 - SEPARATED
- 5 - DIVORCED
- 6 - WIDOWED
- 7 - DON'T KNOW
- 9 - REFUSE

Q28. Are you registered to vote at your current residence as a Democrat, Republican, with some other party, are you registered as nonpartisan, or are you not registered to vote at your current residence?

- 1 - DEMOCRAT
- 2 - REPUBLICAN
- 3 - WITH SOME OTHER PARTY [SPECIFY:] Q28X. \_\_\_\_\_(70)\_\_\_\_\_
- 98 - NOT ASKED
- 4 - NONPARTISAN
- 5 - NOT REGISTERED TO VOTE AT CURRENT RESIDENCE
- 7 - DON'T KNOW
- 9 - REFUSE

Q29. Which of the following best describes your religious background, if any: none, non-denominational, Protestant, Catholic, Jewish, Muslim, or another religious group?

0 - NONE

1 - NON-DENOMINATIONAL

2 - PROTESTANT

3 - CATHOLIC

4 - JEWISH

5 - MUSLIM

6 - ANOTHER RELIGIOUS GROUP [SPECIFY:] Q29X. \_\_\_\_\_(70)\_\_\_\_\_

98 - NOT ASKED

7 - DON'T KNOW

9 - REFUSE

LAN. [LANGUAGE OF INTERVIEW:] 1 - ENGLISH 2 - SPANISH

PHN. Thank you. That concludes the Survey. Your participation is greatly appreciated. Have a nice {day/evening.}

[ONLY IF NOT ON CATI:] I'd like to confirm that I reached you at...

[VERIFY AND INSERT TELEPHONE NUMBER:] \_\_\_\_\_

TIN. [INTERVIEWER NUMBER]

LEN. [LENGTH OF INTERVIEW IN MINUTES]

DAT. [DATE OF INTERVIEW]

<b>LEGEND</b>	
Mixed Case	Text read to respondent by interviewer
ALL CAPS	Text NOT on screen; coded in data processing
ALL CAPS; BOLD TEXT	Skip patterns
[ALL CAPS; HARD BRACKETS]	Instructions for programming; Instructions to interviewers
<b>Bold; Mixed case; Purple highlight</b>	New section heading
<b>Bold; Mixed case; Grey highlight</b>	Special skip instructions

---