

**Historical Statistics of the United States Chapter on Voluntary, Nonprofit, and Religious  
Entities and Activities: Underlying Concepts, Concerns, and Opportunities**

**By**

**Peter Dobkin Hall and Colin B. Burke**

**The Hauser Center for Nonprofit Organizations and  
The Kennedy School of Government  
Harvard University**

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Peter Dobkin Hall is the Hauser Lecturer on Nonprofit Organizations at the Kennedy School of Government and principal at the Hauser Center for Nonprofit Organizations. Colin B. Burke is Associate Professor of History Emeritus at University of Maryland, Baltimore County.

## **Abstract**

This paper is a draft of the introduction to the chapter on voluntary, nonprofit, and religious entities and activities slated to appear in the Millennial Edition of *Historical Statistics of the United States* (forthcoming, Cambridge University Press). Conceding the various problematic definitions of the "nonprofit sector," the essay offers a rationale for the broadly inclusive approach to the selection of historical statistics of institutions and activities presented in the chapter. In addition, it reviews the challenges and opportunities for researchers working on the statistical aspects of nonprofit, voluntary, and religious organizations. The essay includes samples of the statistical series that will appear in *HSUS*.

# **Historical Statistics of the United States Chapter on Voluntary, Nonprofit, and Religious Entities and Activities: Underlying Concepts, Concerns, and Opportunities**

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## **Introduction**

The purpose of this essay is to review and rationalize the assumptions governing the definition of the entities and activities covered by this chapter, to touch on some of the difficulties inherent in certain kinds of historical data, and to suggest guidelines for the future collection of collection of data on the domain of voluntary, nonprofit, and religious enterprises.

In undertaking the unprecedented effort to conceptualize and assemble data for this chapter, the editors were well aware of the often contested and always ambiguous nature of most of the fundamental issues and institutions which it was supposed to cover, as well as the fragmentary and discontinuous quality of many of the datasets. We warned the HSUS Editorial Board that, under these circumstances, we could not hope to produce a definitive set of historical statistics: the best we could expect to achieve would be to gather and evaluate existing statistics, to convene the major scholarly and institutional stakeholders in these data to identify gaps and strive for consensus about definitions, and hope that these effort would lead in coming years to more adequate data collection efforts.

The data in the chapter document several major types of non-proprietary entities and activities, including:

- "traditional" voluntary associations: incorporated or unincorporated membership organizations supported by dues, sales of goods and services, donations or bequests. These include both charitable/public benefit entities (e.g., the scouts) and non-charitable/mutual benefit entities (e.g., trade associations, cooperatives, and fraternal orders)
- charitable trusts: funds placed in trust for charitable, educational, and religious purposes may be freestanding unincorporated entities, embedded in charitable corporations, or administered by commercial enterprises, such as banks and financial services companies;
- charitable tax-exempt nonprofit entities: incorporated or unincorporated entities and charitable trusts registered under Section 501(c)(3) of the Internal Revenue Code and chartered as nonstock corporations under state law. These include most charitable and educational organizations, such as nonprofit hospitals, organized charities, and educational institutions;
- noncharitable nonprofit entities incorporated or unincorporated nonprofit entities described in sections 501(c)1-2 and 4-27 of the Internal Revenue Code. These include such mutual benefit organizations as social clubs, veterans organizations, labor unions, burial societies, trade associations, cooperatives, political parties, and "other associations that may roughly be described as carrying forward the private interests of the members, but subject to the nondistribution constraint" (Simon, 1987, 69).
- congregations, churches, religious orders, denominations, and other religious bodies: religious bodies are not required to incorporate, register with the IRS, or file reports with tax authorities -- although increasing numbers of these entities are doing so as they become involved with providing social welfare and other services funded by government. Since 1970, however, many religious bodies have incorporated and received exempt status;
- faith-based, "religiously-tied," or denominational service providers: these may or may not be separately incorporated as secular entities, may or may not be registered with the IRS as charitable tax-exempts. Not all "faith-based" organizations are religious bodies and many religious bodies provide services through secular corporations (on this, see Jeavons 1998, Chaves 2001, Hall 2002);

These types should not be regarded as categorical: entities that counted as "traditional" voluntary associations or charities in census of early nineteenth century organizations [see Table PH.C.7 and PH.C.15] will might be classified as charitable tax-exempt or noncharitable exempt entities in statistical series based on IRS data. Religiously-tied service providers appear in different guises – as religious bodies, as 501(c)3 charitable tax-exempts, as "benevolent institutions," or as traditional voluntary associations, depending on when they were enumerated, by whom, and for what purpose.

Compilers of education statistics have the advantage of relatively fixed definitions for major institutional types and roles which enable them to know, when they present long statistical

series, that “school” and “education” mean more or less the same thing in 1800 as in 1990 – thus, as in Table PH.G.1, we are able to present data on schools from the beginning of the nineteenth century to the present. Nonprofits statisticians, in contrast, labor under task of trying to account, in a reasonably coherent way, for an organizational population and sets of activities whose meanings are fungible and contested: terms like “charitable,” “church,” and “religious,” have very different meanings today than they had a century ago. In consequence, users of this chapter will have to accept an inevitable degree of fragmentation and discontinuity in the data we offer. It would be nice to be able to assemble statistical series presenting the growth of the nonprofit sector from De Tocqueville’s time to our own. We can offer data on various kinds of traditional voluntary associations. We do have numbers on organizations classified as nonprofit by the IRS. But the extent to which the former can be counted as part of the latter is a hotly contested question.

The datasets in this chapter include information on each of the major organizational types, as well as information on growth and change in these organizational populations, their revenues and sources of revenue, expenditures, assets, location, membership, clientage, and goods and services produced or provided. By using data from other chapters (on education, health care, the labor force), readers should be able to the changing significance of nonprofit ownership within particular industries.

Although HSUS generally favors national aggregations of data, we have urged -- and have tried, wherever possible, to include -- data on regional and state trends and patterns [such as Tables PH.A.4 and 5, on charitable giving, PH.C.4, on the location of foundations, and PH.E. 2 and 3 on religion]. Because of interest in the geographical distribution, density, and patterns of diffusion of non-proprietary entities of various types (Hall, 1982; Bowen, et al, 1994; Schneider, 1996; Putnam & Gamm, 1996), variations in regional generosity (Wolpert 1989, 1993), and regional and local variations in changing allocations of task between nonprofit, for-profit, and government service providers within particular industries or activity areas (Hansmann, 1997; Hall, 1999b), we urge that data stakeholders give greater attention to collecting statistics about these issues in the future.

In this essay, we review the problems connected with compiling statistics on nonprofit and related entities, shifting definitions and concepts about them, and the forces driving those shifts.

## **Defining and Differentiating Voluntary, Nonprofit, and Faith-based Entities**

Earlier editions of HSUS gave scant attention to the universe of voluntary, nonprofit, and religious entities. Envisioned as a reference work for public planners and produced by the Census Bureau (which was part of the Department of Commerce), the volume focused primarily on the activities of interest to governmental and other public institutions -- particularly economic and defense planners and policymakers (Anderson, 1988).

But it was not only the statist bias of census bureaucrats that buttressed indifference to non-governmental institutions. The domain itself, as represented in numbers and significance before the 1970s, hardly seemed to warrant attention. As late as 1953, when congressional committees, responding with alarm to reports of the growing number of foundations and other tax-exempt entities, requested information about them from the Internal Revenue Service, they were assured by the Commissioner of Internal Revenue that a mere 32,000 registered organizations did not justify the agency's gathering or publishing statistics about them (U.S. House, 1953, 64). Systematic data-gathering on these "foundations and other tax-exempt entities" only began in the mid-1960s, when the population of registered tax-exempts passed the 200,000 mark and when their assets, influence, and the privileges accorded their financial supporters sparked another bout of regulatory enthusiasm in an increasingly tax-sensitive public. [On the swelling population of nonprofits, see Table PH.C.1; on their growing assets, expenditures, and revenues, see Table PH.C.2].

Regulatory activism and increasing public concern led in 1969 to the passage of tax reforms that greatly increased government oversight of tax-exempt entities. Provisions of the act requiring the filing of detailed annual reports to federal tax authorities greatly enhanced both the quantity and quality of information on the numbers, activities, and revenues of nonprofits. These data provided scholars and policymakers with the information needed for the systematic analysis of statistics of income and wealth to assess the impact of tax policy on philanthropic giving, as well as the revenues, expenditures, and activities of philanthropic institutions. By the mid-1970s, there was sufficient information about tax-exempts -- and sufficient interest in their role and significance -- to justify the inclusion of modest sections on "Philanthropy" and "Religion" in the Bicentennial Edition of HSUS, as well as some attention to non-public, voluntary, and private service provision in chapters focusing on education and health care.

Governmental attention stimulated efforts by tax-exempt organizations and the trade associations and lobbying groups representing them to gather and disseminate information in the hope of influencing legislation and public opinion. In the late 1940s, the Russell Sage Foundation began publishing studies of foundations (Harrison & Andrews, 1946), philanthropic (Andrews, 1950) and corporation giving (Andrews, 1952), attitudes towards giving (Andrews, 1953), and --

beginning in 1960 -- an annual directory of foundations and the establishment of the Foundation Library Center, which compiled and disseminated reference materials on grantmakers and grantmaking (Andrews, 1973). [On the proliferation of independent, community, and corporate foundations, especially in the decades following the second World War, see tables PH.C.3 and PH.C.4]. In 1955, the American Association of Fund-Raising Counsel -- a trade association of fundraising firms and consultants -- began publishing Giving USA, which analyzed presented trend data on philanthropic revenues and expenditures. In 1956, a consortium of foundations convened a meeting of scholars and philanthropic executives to set forth a research agenda on philanthropy (Report, 1956) -- the first of what would become a long line of enterprises in subsidized academic scholarship.

Efforts to gather information and frame concepts about private nonprofit entities and activities intensified after the passage of the 1969 Tax Reform Act. By the early 1970s, the first scholarly society, the Association of Voluntary Action Scholars (AVAS) began convening annual research conferences and publishing a journal (the Journal of Voluntary Action Research). By the mid-1970s, the Department of Treasury co-sponsored a privately-funded body, the Commission of Philanthropy and Public Needs (better known as the Filer Commission, after its chair, corporate executive John Filer), to study and report on the scope, scale, role, and function of philanthropic and other tax-exempt organizations.

In addition to six volumes of research papers covering every aspect of voluntary and philanthropic activity (Commission, 1977), the Commission offered a uniquely encompassing view of diverse domain charitable tax-exempt enterprise as a distinct and coherent institutional "sector" and sought to identify and highlight their significant commonalities -- the most important of which were their treatment under the federal tax code and the fact that they were legally constrained from distributing their financial surpluses in the form of dividends ("the non-distribution constraint"). Although couched in a language and set of concepts that drawn from economics and public policy that justified inclusion of all exempt activity in this newly defined "nonprofit," "independent," or "Third" sector, this new characterization also drew on the more traditional rhetorics and rationales for private charity. The most important came from De Tocqueville, whose Democracy in America (1835/1945) had not only stressed the importance of voluntary associations in public life, but asserted -- without evidence -- that their development was inextricably interwoven with the growth of other democratic institutions. This linkage posited a sectoral concept that was extraordinarily inclusive -- encompassing not only all presently-existing tax-exempt entities, but also treating them as continuous with all earlier voluntary associations.

## **Shortcomings of the Nonprofit Sector Concept**

The new conception of an all-encompassing "nonprofit sector" that was independent of government and business was not without its critics. Historian Barry Karl argued that the "sanitary language designating a third or independent sector" conflated the rhetoric of scholarly research with the advocacy agenda of the tax-exempt industries. " Substituting the term "nonprofit" for "philanthropy" or "charity," he wrote, suggested an organizational conception which was "presumably efficient, subject to cost-accounting standards of performance and principles of effective management," in order to highlight its public-serving aspects and to obscure its ties to private interests (Karl, 1987, 984-85). Others, like lawyer-economist Henry Hansmann, criticized the concept's imprecision, particularly its conflation of organizations that, despite their common status as tax-exempt entities, differed in important ways. Hansmann argued that nonprofits supported by private donations (like the United Way) were significantly different from commercial nonprofits whose revenues derived from the sale of goods and services (like the National Geographic Society) and from mutual benefit organizations in which members pooled resources in order to receive benefits (like the Knights of Columbus and other fraternal orders) (Hansmann, 1987). Policy scientist Lester Salamon offered a detailed critique of the failure of the sector concept to engage the important relationships between nonprofits and government, arguing that the modern American state was increasingly dependent on nonprofits to carry out its responsibilities (Salamon, 1987)

The shortcomings of the nonprofit sector concept became clearer with the passage of time. The election of Ronald Reagan, who promised massive federal spending reductions in order to free traditional voluntary organizations from the heavy hand of Big Government, called attention to the extent of the supposedly "independent sector's" reliance on direct and indirect government subsidy. Urban Institute researchers, studying the projected impact of proposed cuts, found that the contribution of federal funds to nonprofit revenues ranged from 12 to 90%, depending on the industry (Salamon & Abramson, 1982). Cuts of this magnitude would devastate this supposedly "independent" sector. [On the growing significance of government as a source of revenue for nonprofits, see tables PH.C.2, PH.G.2, 4, and PH.I.1]

With the 1989 publication of Burton Weisbrod's Nonprofit Economy, the IRS's statistics on exempt organization registrations became easily accessible, offering a view of the sector's historical development that was strikingly at odds with the conventional notion that the growth of government diminished the significance of private initiative. Instead, these data portrayed an



explosive proliferation of tax-exempt entities after 1950, growth that paralleled the growth of Big Government.

Perhaps the greatest shortcoming of the nonprofit sector concept as originally formulated was its failure to include religious entities and activities – which comprised 40% of the organizations in the tax-exempt universe and accounted for as much as two-thirds of its donated revenues and volunteer labor force. This omission was problematic both quantitatively, because of the sheer numerical significance of religion in American institutional life, but qualitatively, because of the important and well-documented ties between religious bodies and secular agencies. Studies like Warner and Lunt's Yankee City project had found religious organizations to be the single most important factor shaping associational life in modern American communities, with a single congregation serving as anchor for nearly half of Yankee City's secular associations (Warner & Lunt, 1941).

In the 1990s, three additional factors called further attention to the limitations of conceptualizing nonprofits as an organizational sector clearly distinct from business and government. First, efforts to establish market economies and democratic polities in formerly authoritarian states directed the attention of scholars and policymakers to the interdependence of economies, polities, and the civic values and organizations that appeared to be a necessary condition for their success. The entities comprising "civil society" appeared to include two very different kinds of entities: grassroots voluntary associations and quasi-governmental "nonprofit organizations," each of which appeared to have very different implications for the vitality and viability of economic, political, and governmental institutions (Putnam, 1993; Hall, 1995). The application of these critical perspectives to American organizational life not only produced an intense -- and still unresolved -- scholarly debate about the origins and characteristics of civil society and its impact on democratic institutions (Putnam & Gamm, 1999; Skocpol, 1996; Smith, 1997a, 1997b; Skocpol & Fiorina, 1999; Smith, 2000), but gave rise to historical studies which underscored the important differences between traditional grassroots voluntary associations and the charitable tax-exempt nonprofit organizations of the post-World War II decades.

Second, the enactment of public policies favoring devolution (the shifting of tasks from the federal to state and local governments) and privatization (the shifting of these tasks from government to secular and religious actors in the private sectors) focused attention on the allocation of tasks between government, for-profit, and nonprofit service providers. These issues had initially emerged in the 1980s, in response to charges that nonprofits were competing unfairly with for-profit enterprises (U.S. Small Business Administration, 1984) and, more compellingly, in connection with the growing number of conversions of nonprofit health care

providers to for-profit ownership (Gray, 1991; Schlesinger, 1994). Both of these debates served to undermine the arguments advanced by some nonprofit sector theorists that certain kinds of goods and services possessed qualities which favored their provision by nonprofits and government rather than by for-profit providers (Olson, 1971) -- since these hypotheses could neither explain the enormous growth of commercial activity by supposedly donative and voluntary nonprofit entities nor the impressive success of for-profit service providers in industries assumed to be peculiarly suitable for non-proprietary firms.

Historical studies undertaken in connection with these debates demonstrated conclusively not only that the role of voluntary and nonprofit firms had varied significantly over time in many of the industries. Health care, which had been dominated by proprietary and government providers, became largely nonprofit by the 1960s – and then, with shifts in government policy, began converting to for-profit ownership in the 1980s (Starr, 1982; Fox, 1986; Stevens, 1989). Before the end of the nineteenth century, a lively rivalry had flourished between for-profit and nonprofit arts musical organizations; by the 1960s, almost all performing arts organizations had become nonprofit (DiMaggio, 1986a, 1986b). Before the 1960s, most independent day schools were proprietary; today, they are virtually all nonprofits (Hall, 1999a). Even when entities were organized as nonprofits, most functioned as commercial enterprises, providing goods and services for fees. Even Harvard University, the oldest nonprofit in the United States, earned income from tuitions, fees, and revenues from government grants and contracts (after 1960) have been great contributors to the institution's revenues than gifts and endowment income (Harris, 1970, 210)

Devolution and privatization also directed attention to the fact that studies of the nonprofit sector had largely ignored the role of state-level activity, particularly the important differences in chronologies of organizational development, organizational density (Bowen, et al., 1994; Schneider, 1996) and philanthropic capacity (Wolpert, 1989, 1993). While nationally aggregated data might serve the needs of those arguing for the ubiquity (and hence the legitimacy) of nonprofits, it served as a poor predictor of organizational and community capacity to provide essential services to needy populations who once benefited from federal programs (Smith & Lipsky, 1993; Gronbjerg, 1994; Salamon, 1996).

### **The Elusive Public/Private Distinction**

We so take for granted the notion of a clear distinction between public and private domains that we frequently overlook the extent to which this seemingly immutable boundary has developed and changed over time. Only in the 1980s, with the public debate over devolution and privatization, did we begin to appreciate this complex process.

The Supreme Court's decision in the 1819 Dartmouth College Case had long been regarded as a landmark in the evolution of American corporations. Under English law, corporations had been treated as contingent delegations of government power and, as such, entirely subject to government authority. Thus, when the State of New Hampshire took control of Dartmouth College from its trustees, it believed that it was acting within the law. Although its actions were upheld its own courts, New Hampshire lost in U.S. Supreme Court, which, in a remarkable instance of judicial activism, ruled that Dartmouth College was constitutionally protected contract between private citizens. In doing so, it extended civil rights from individuals to corporations and, in doing so, created a private domain of associational activity.

Before the 1980s. it was generally assumed that the Court had merely acted to protect a private college from unwarranted government interference. We now understand that the contest between Dartmouth's trustees and the State of New Hampshire was only one episode in a protracted struggle that played out in courts and legislatures throughout the new nation in the fifty years following the Revolution over the whether corporations should be permitted to exist and, if so, whether they should be treated as public or private institutions (Davis, 1918; Zollmann, 1924; Miller, 1961; Whitehead, 1976; Hall, 1982, 1987, a, 1992). As a result, few charitable corporations or voluntary associations were formed before 1820 (Wright, 1992).

Because of the nature of the federal system, the Supreme Court's decision in the Dartmouth case did not entirely settle the issue. Because neither the Bill of Rights nor decisions by the United States Supreme Court were binding on the states until after the ratification of the Fourteenth Amendment, state legislatures and courts -- many of them outspokenly hostile to private corporations and private charities-- continued to shape policies and practices within their own jurisdictions -- where the vast majority of incorporations took place. Most corporations chartered before the Dartmouth case remained unaffected by it and only slowly changed their by-laws to take advantage of their privatized status. Harvard College, perhaps the oldest American eleemosynary corporation (it was chartered in 1636), continued to be what must be considered a public corporation -- with the entire state senate sitting ex officio as its Board of Overseers -- until 1865, when the alumni began electing representatives to fill these positions. Yale (established in 1701) had a similarly public character between 1792 -- when governor, lieutenant governor, and eight senior members of the upper house of the legislature joined the Corporation - - until 1870, when these were replaced by alumni representatives. Following New England practice, the governing boards of western colleges -- including institutions established under denominational sponsorship -- were frequently appointed by the governor and included elected officials sitting ex officio as members (Hall, 1987). The combination of full or partial

government presence on boards and significant, if often erratic, levels of state support makes it difficult to clearly define these institutions as public or private before the charities law reforms of the late nineteenth century brought about a greater degree of uniformity, at least in major industrial states like Massachusetts, New York, Ohio, and Illinois.

Debate on these questions continues, fueled by contemporary privatization of education, social services, health care, and other services that, for most of the twentieth century, have been considered to be public responsibilities. (In contrast, during the nineteenth century, they were commonly provided by private contractors). Beginning in the 1950s, governments broadened their use of nonprofit entities, using them as vehicles for economic development, urban renewal, and related purposes. Though technically private corporations, the fact that they were completely controlled and funded by government and engaged in governmental tasks has raised interesting legal questions about how community development corporations and such entities as port, housing, water, and redevelopment authorities should be treated under freedom of information, sovereign immunity, and other statutes governing the activities of public agencies. In the 1970s and 1980s, the court-ordered movement of the mentally disabled from state institutions into a largely nonprofit system of group homes -- entities entirely funded by government and often accorded special statutory status as facilities operating on behalf of the state -- have further blurred distinctions between public and private domains.

The complexity of government support for nonprofits poses particular dilemmas for those who have and will be compiling statistics on nonprofit social services providers in the future. Government revenues for service providers often take a number of forms, including contracts, vouchers, and bonded funding for capital expenditures. Contractual arrangements usually involve multiple government agencies at federal, state, and local levels. The huge sums of money involved and the welfare of clients render accurate and comprehensive statistics on revenues and services a public policy issue of the first importance. But its complexity may mean that for historical statisticians of the future, as for those concerned about cost and quality of care today, the system is unmonitorable.

### **Charitables and Non-Charitables**

Among the greatest difficulties in compiling historical statistics on nonprofit organizations are, first, changes in the way government agencies have classified charitable and noncharitable nonprofits and, second, the ways in which such changes in tax and regulatory policy have served as incentives for firms to alter their ownership status and their classification under the tax code.

Tax regimes are dynamic, not static. They change with the nature of the state and its priorities. In the late nineteenth and early twentieth centuries, governments generally saw themselves as following and fostering market activity rather than regulating or directing it. Accordingly, tax burdens at all levels were relatively light and regulatory mechanisms minimal. With the evident failure of market self-regulation in the 1930s and the rise of the welfare/warfare state in the 1940s, national stability was seen to depend on economic management by the federal government. To engage this task, the federal government embraced a variety of management tools, chief of which was the use of tax policy to selectively encourage private sector activity.

To encourage transfers of revenue from wealthy individuals and corporations, the federal government imposed high tax rates on incomes and estates -- but permitted these tax payers to reduce their obligations through giving to organizations designated as exempt by the Internal Revenue Service. Previous to 1950, all exempt organizations had been tossed into a catch-all part of the code, Section 101. In the massive revision of the IRS Code completed in 1954, exempt organizations were carefully classified, with varying amounts of benefit to donors and the organizations themselves apportioned according to policy makers' calculus of public benefit. Initially, the basic rationale behind the 501(c) taxonomy was to differentiate public from private and mutual benefit entities. Over the years, lawmakers drew increasingly fine distinctions between types of organizations, whose activities they shaped with regulations and tax incentives. (This use of tax policy to engineer organizational activity was not only applied to nonprofits. It was also used to shape economic policy, as in the case of benefits enjoyed by the oil and gas industries.

Ironically, as tables PH.A.1, 2, and 3 suggest, the attempt to substitute a desire for tax savings for more traditional benevolent and expressive motives seems to have been less than successful (on this, see Burke, 2001).. While they undoubtedly affected high income earners who itemized their deductions and, in their estate plans, were highly attentive to the tax code, they did not significantly affect Americans of the lower and middle classes who, as non-itemizers, received no tax benefit for giving. With high tax rates and generous tax benefits for charitable giving, the wealthy and corporations established foundations at a record rate, while the proportion of their annual incomes given for charity increased very little. But the non-itemizers, who to whom no benefits accrued for giving, continued to give -- usually to religious bodies -- at levels often exceeding those of the wealthy (on this, see Schervish & Havens, 1995).

The federal government used other tools of economic management to influence institutional life. In areas like health care, government grants were made available to nonprofit and public hospitals to fund research and construction of facilities. In higher education, benefited

both from grant and contract revenues and from indirect funding, the most notable example of which is the GI Bill -- a voucher program that underwrote the tuitions of veterans. Subsidized loan programs underwrote graduate education in a variety of disciplines and professions. In the 1960s, when federal funding of higher education hit its peak, more than a third of the annual revenues of private universities like Harvard and Yale came from government [see tables PH.G.3 and 4].

From the standpoint of donors and nonprofit organizations and their managers, government tax, regulatory, and spending policies became the incentive structures which largely determined whether an activity would be organized as a business or a nonprofit and, if the later, what type of nonprofit. As these policies changed after 1954, the allocation of task between nonprofits, for-profits, and government shifted, along with the location of firms within the IRS's classificatory scheme.

Since 1954, entities designated as charitable under the IRS Code have had to be considered as parts of a larger universe of firms that have no owners (nonstock corporations) and are prohibited from distributing their surpluses in the form of dividends. Put in quantitative terms, the 554,614 501(c)3 charitables registered with the IRS in 1992 were a component of a population of 1,085,206 entities that included 396,000 religious congregations (most of which were not registered with the IRS) and 530,592 noncharitable nonprofits -- including such entities as corporations organized under act of Congress [501(c)(1)], title holding corporations for exempt organizations [501(c)(2)], teacher's retirement fund associations [501(c)(11)], benevolent life insurance and other mutual benefit or cooperative companies [501(c)(12), cemetery companies [501(c)(13)], state chartered credit unions and mutual reserve banks [501(c)14], agricultural cooperatives [501(c)(16)], employee funded pension trusts [501(c)(18)], black lung benefit trusts [501(c)(21)], withdrawal liability payment funds [501(c)(22)], title holding corporations or trusts with multiple parents [501(c)(25)], state-sponsored high-risk health coverage organizations [501(c)(26)], state-sponsored worker's compensation reinsurance organizations [501(c)(27)], religious and apostolic organizations [501(d)], cpp[eratove hospital service organizations [501(e)], cooperative service organizations of operating educational organizations [501(f)], child care organizations [501(k)], and farmer's cooperative associations [512(a)]. Included within these categories are such things as social welfare and civic organizations, labor unions, trade associations fraternal and sororal organizations, social clubs, veterans organizations, and political parties. [On the changing population of various types of nonprofit organizations since the 1960s, see tables PH.A.2, PH.C.5].

While the 501(c)(3) “charitables” enjoy a wide range of privileges under federal and state tax regimes, including exemption from taxes on corporate income, sales, and real estate and, for their supporters, deductibility of donations, the non-charitables enjoy these benefits selectively. Some, like churches and apostolic organizations, not only have the same tax privileges as secular charitables, but operate under vastly lighter regulatory burdens. Others, like many mutual benefit entities, enjoy only exemption from federal corporate taxation. Restrictions on advocacy and lobbying also vary, with most charitables suffering significant limitations on political activity, while trade associations and trade unions are generally unrestricted. (Political parties and organizations, which are covered in Section 501(c) are unrestricted in their advocacy and lobbying activities, but donors to them enjoy few tax benefits).

Perhaps the most important factor shaping the organizational demography of nonprofits in the postwar decades has been legislators' and policy makers' increasingly expansive definition of charity. Originally freighted with the notion, inherited from English law, that charity involved relief of the needy -- dependent, disabled, ignorant, or distressed people -- through religious, educational, or charitable interventions, modern tax writers defined charity far more broadly, in terms of nondistribution of surpluses and absence of private benefit. As the definition of charity has broadened, the range of entities that could qualify for the coveted 501(c)(3) charitable tax exempt status expanded to include publishers of books and periodicals (like The Nation, Ms, and National Geographic), radio and television broadcasters, and, if appropriate educational programs were initiated, trade associations. The impact of this policy shift was dramatic: in 1967, there were twice as many noncharitables as charitable among the exempt organizations registered with the IRS; by 1986, the number of charitables had surpassed non-charitables. Many of the new charitables were noncharitables that had taken advantage of the IRS's increasingly permissive definition of charity and the tax benefits associated with charitable tax exempt status.

The growing gap between the technical definition of charity embraced by policymakers, the tax-exempt bar, and nonprofit managers and the notions of charity held by average Americans became dramatically evident after 9/11, with the public outrage that greeted the Red Cross's handling of donations for Twin Towers victims. Under the law, diverting donations for institutional purposes was perfectly legal. But donors, who wanted their money to relieve the suffering, felt cheated and expressed their dismay forcefully.

A labile policy environment combined with increasingly sophisticated organizational leadership does not produce neat or easily understood statistical series. In light of this, data on organizational populations, their activities, and their sources of support cannot be taken as self-

explanatory. They must be viewed critically and contextually in terms the changing nature of government and its policies.

### **Religious Anomalies**

The final factor standing in the way of gathering representative statistics on nonprofits involves religious organizations and their activities. While religious bodies in many ways resemble their secular nonprofit counterparts, they have always been accorded special treatment by tax and regulatory authorities because of protections for religious expression embodied in the federal Constitution. Under the Constitution there is no guaranteed right to form voluntary associations -- but, in contrast, government is prohibited from restricting (or supporting) religious expression. The consequence of this is special treatment accorded religion under federal and state tax and regulatory regimes: religious bodies are not required to incorporate or file tax returns; they and their supporters enjoy tax exemption and deductibility of donations without having to bear the burden of proof imposed on secular organizations and their donors. As a result, the quality and quantity of statistical information available on religious bodies is fragmentary and often of problematic quality.

A further obstacle is the immense -- and increasing -- variety of religious organizations which make difficult any clear definition of what constitutes a church, a religion, or a devotional activity. Religious bodies vary enormously in their organizational characteristics, ranging from free-standing congregations through various kinds of federated organizations, some tightly coupled (like the Roman Catholic Church), others loosely-coupled (like the Southern Baptist Convention). This variety that makes it very difficult to make meaningful statistical comparisons between religious groups. Variable criteria of what constitutes church membership complicate any effort to construct a coherent statistical portrait of American religion. Until the 1990s, the IRS thought it knew the answer to the question "what is a church." But after a three decade battle with the Church of Scientology, which concluded in 1993 with the IRS's granting the Church of Scientology 501)(c)(3) status, the agency conceded its inability to set forth authoritative definitions in this area (for documents relating to this, see, <http://www.wpxo2.toxi.uni-wuerzberg.de/~cowan/essays/irs.html>).

The definitional murkiness is further compounded in efforts to deal with service provision by religious of "faith-based" entities. In fact, there have never been universally accepted definitions of what constituted a "religious," "sectarian," or "faith-based" service provider, the sporadic and selective attention of federal agencies to these entities (however defined), and the virtual exclusion of religious bodies and activities from the research agendas of nonprofits and organizational scholars have long posed formidable obstacles to gathering and



analyzing credible statistics on these organizations. The fact that religious entities provide services both directly through congregations and other bodies exempt from federal and state registration and reporting requirements, as well as through affiliated secular corporations -- community development corporations, hospitals, schools, and social welfare agencies -- further complicates matters (on this variety, see Jeavons, 1994, 1998; Hall, 2001; Chaves, 2001). While there may be substantial data on the latter entities compiled by government, trade associations, and industry accrediting agencies, the lack of information on the former, stands in the way of any attempt to compile any fully complete integrated measures of their role and significance in private service provision.

Finally, the entire topic of religion and "faith-based" activity and place in the nonprofit domain has been obscured by pervasive ignorance and confusion about the nature of religious and religiously-tied organizations in the American polity. Although contemporary debate over faith-based social service provision revolves around the "strict separation" of church and state originating in the federal courts, beginning in the 1940s, the import of those decisions is widely misunderstood. They focused almost exclusively on school funding, leaving long-standing government subsidies of church-controlled organizations like Catholic Charities USA, the Salvation Army, and Lutheran Social Services unaffected. (In fact, government is the largest single source of revenue for these agencies).

The controversy over charitable choice and related proposals to increase the role of religious bodies in social welfare provision appears to be more grounded in politics than in principle. Before the 1990s, few objections were raised either to the massive government subsidies received by large Protestant, Catholic, and Jewish social service agencies or to the funds granted to inner city congregations to run job training, neighborhood revitalization, and other anti-poverty programs during the 1960s. The present debate seems to center on policies that would reallocate funds from the large sectarian agencies that had traditionally benefited from government largesse to evangelical congregations that have not historically provided social services and to small religiously-tied service providers (on this, see Cnaan & Milofsky, 1997; Cnaan, 1999; Wineburg, 2001, Walsh, 2002). The lack of knowledge about these entities makes it difficult to assess or project their capacity to manage and sustain the social services which charitable choice initiatives propose to entrust to them -- and underscores the need for more complete and reliable statistics on religious bodies of every kind.

### **Hybrids, Changelings, and Blurring Boundaries: The Problem of Increasing Organizational Complexity**

Historical statistics generally do not do justice to the complexity of organizations.

Most of the extant historical statistics on charitable, religious, and other nonprofits concern freestanding entities, either giving aggregate data on national entities without providing information about state and local subunits or data on local subunits without providing information about the larger organizational matrices of which they were part. Contemporary hybrids, changelings, and organizational complexes operating simultaneously in several sectors present challenges to future statistical scholarship that urgently need to be met.

Since the nineteenth century, much of the scholarship, legislation, and jurisprudence on nonprofits has been based on an ideal typology of freestanding donatively supported membership organizations, religious and secular, that hardly did justice to the complexity of the organizational universe as it actually existed.

Although little attention was devoted to them until very recently, federated or franchiseform organizations – national organizations with state and local chapters -- were among the most important types of nonprofit organizations (Young, 1989; Oster, 1992; Hunter, 1993; Skocpol & Ganz, 1997). By the Civil War, the major religious denominations and fraternal and sororal organizations, whose members numbered in the hundreds of thousands, belonged to these kinds of entities. Franchiseform organizations -- or "national associations," as Theda Skocpol calls them -- varied in structure: some were tightly coupled, with authority wielded from the top; others were loosely coupled, with state and local chapters exercising power over national headquarters. This organizational form became more common in the twentieth century, as trade and professional associations, as well as entities like the Red Cross and the Community Chest, organized as franchiseforms.

In recent years, changes in tax, regulatory, and funding environments have driven nonprofits to become organizationally more complex, heterogeneous, and less clearly bounded from government and business. IRS restrictions on commercial and advocacy activities by charities have encouraged nonprofits to create wholly-owned for-profit subsidiaries to carry out otherwise impermissible activities, while increasing numbers of business corporations have found nonprofit instrumentalities to be useful for a variety of purposes. Changes in government and other third party reimbursement policies have driven nonprofits in health and certain social services industries to join national and regional franchise systems or to affiliate with holding companies in order to reduce costs and create efficiencies of scale in purchasing and allocating clients. Other policy changes have produced not only the conversion of many nonprofit hospitals and health insurance plans to for-profit ownership, but have also created complex nestings of nonprofit and for-profit corporations which are, in turn, often embedded in national franchiseform organizations. In many states, for example, providers of services to the disabled –

most of them parts of national chains – became members of nonprofit umbrella agencies that, through a combination of nonprofit and for-profit subsidiaries, purchased supplies, acquired and developed real estate, and conducted lobbying, advocacy and litigation on behalf of the disabled (on this, see Hall 1999b). In health care, many hospitals, while retaining their nonprofit form have come under the control of for-profit hospital chains either through contracts to manage their operations or through allocating to the chain a controlling number of seats on governing boards. These arrangements have produced constellations of interlocked for-profit, nonprofit, and sometimes governmental agencies. Subjects of growing bodies of literature and litigation. we have yet to conceptualize these kinds of organizational hybrids in ways that lend themselves readily to quantification -- although there is clearly a pressing need to do so.

Additional ambiguities in organizational characteristics and activities that have yet to be adequately measured involve complex federated or franchiseform organizational structures, hybrid agencies that have developed under contemporary contracting regimes, and the social investment and contributions mechanisms and activities of business corporations. Of these, the first is the one most overlooked and most demanding of our attention. Franchiseform organizations are not only among the oldest, but the most common types of non-proprietary entities -- embracing not only such venerable organizations as the Freemasons and denominationally-structured religious bodies, but contemporary health, advocacy, emergency relief, community service, and other agencies. Despite their obvious prominence, these larger structures have been almost entirely ignored in favor of studies of particular chapters, lodges, or units (Young, 1989; Oster, 1992; Hunter, 1993; Skocpol & Ganz, 1997). This bias towards the analysis of firms rather than the formal larger systems in which they are embedded, requires rethinking and, from the standpoint of historical statisticians, recalculating.

Besides public "authorities" and corporations that administer the utilities and transportation infrastructures of many states, devolution and privatization have given rise to a host of entities that are difficult to locate in standard sectoral or activity taxonomies. The most important of these are the group homes, which now are the major locus for service provision to the disabled. While most are incorporated as charitable tax exempt nonprofits, they are treated under the law as hybrid entities -- both as households and as licensed service providers (Hall, 1996, 1999b). This taxonomic ambiguity has had significant legal consequences because of the courts' willingness to exempt these facilities from the zoning protections that normally constrain the non-residential uses of property (City of Edmonds, 1995). To complicate matters, group homes, though operating on the community level, are increasingly likely to be units of national or regional franchiseform entities.

## **The Charity of Business and the Business of Charity**

While trade and industry groups like the National Bureau of Economic Research (Williams & Croxton, 1930), the American Association of Fund Raising Counsel, the Foundation Center, and the Council for Aid to Education (Smith, 1983, 1984) have been gathering and analyzing statistics on corporate contributions since the 1920s, the full scale of business social investment activities remains unclear. [On corporate philanthropic activities, see tables PH.C.3 and 4]. This is due in part to the fact that substantial portions of such funds are disbursed as direct expenses -- for community affairs, public relations, and the like -- for which no charitable deductions are claimed. The question of whether political contributions and the costs of "cause-related marketing" -- both major areas of growth in recent decades -- should be included in enumerations of corporate social expenditure. Because business firms are not generally required to disclose the organizations and causes to which they contribute funds, the full range and impact of corporate civic participation remains far from clear (Smith, 1998). Finally, because before 1954 corporations were limited by law in types and amounts of giving, a significant proportion of contributions took the form of individual donations by corporate officers. A study of giving to Harvard by firms and their officers in the mid-1920s showed that while only 10% of the university's annual gift income came from corporations, the amount given by these firms and their top officers totaled nearly 30% of annual gifts received (Hall, 1989b).

Despite their professed high purposes, nonprofit enterprises have had to be as concerned about their finances as businesses: or, as contemporary nonprofit managers put it, "no margin, no mission." Like businesses, nonprofits gather and analyze financial information to inform management decisions, to convince donors and funders of their probity and efficacy, and to satisfy the demands of regulators and tax authorities. Aggregate statistics sector-wide on nonprofit revenues, expenditures, and assets date back only to the 1970s [see tables PH.C.2, 3, 4, 11]. However, particular industries have been assembling such statistics since the 1920s [see PH.G.3 (foundations), PH.H. 1 and PH.H.2 (hospitals and health care; and PH.I.1 (arts and culture)]. Because financial records tend to be preserved, they constitute an extraordinary -- and largely unused -- statistical resource. When they have been used, as in Seymour Harris's The Economics of Harvard (1970) or George Pierson's Yale Book of Numbers (1983) they provide extraordinarily deep and detailed data about the scale, scope, and priorities of institutions. [For examples of these data, see tables PH.G.4].

Since the 1960s, as nonprofits have had to negotiate increasingly complex funding environments -- staying in the black by seeking revenues from mixes of donations, grants and contracts from public and private sources, and earned income --, their management has become

increasingly sophisticated and entrepreneurial. This has produced cries of alarm about “commerciality” – the displacement of traditional charitable goals in the pursuit of healthy bottom lines (Weisbrod, 1998). Here representative statistics can serve as a healthy corrective by showing that most nonprofit organizations except the truly charitable ones have historically depended more on earned income than on donations. The nation’s oldest nonprofits, Harvard and Yale, have always drawn the greater part of their annual revenues from tuitions, fees, grants, contracts, and the sale of goods and services than from gifts, bequests, and endowment income [see table PH.G.4]. A similar distribution of sources of income is found in health care: of the private hospitals, most were for-profit enterprises until after the second World War; even after most of the “proprietary” converted to nonprofit ownership, earned income remained their major source of revenue [see tables PHH.1 and PP.H.2]. While human services providers would seem, by the nature of their activities, to be protected from the necessity to be entrepreneurial, they have shown themselves to be remarkably adept at locating opportunities for earning revenues. Kirsten Gronbjerg’s 1994 study of nonprofit funding, in breaking down the income sources of a representative mid-sized human services provider showed it drawing revenue from multiple federal, state, and local agencies (including voucher income), from foundations, corporations, and federated funders, and from rents and sales of goods and services.

Recent changes in public policy should greatly improve the quality of financial statistics on nonprofits. In 1998, the IRS began requiring all nonprofits to make their annual tax returns (Form 990s) available to the public. Most of these are now available on line at <<http://www.guidestar.org>>. In contrast to the situation before 1998, when tax data was available on a very limited basis to accredited researchers who could go to Washington and work with IRS tapes and files, we can expect that, with the passage of time, large aggregations of sector-wide financial data will be available to the general public and to scholars.

### **Conceptualization, Quantification, and the Dilemmas of "Legibility"**

Had editors of earlier editions of HSUS commissioned chapters on nonprofits, they would have proceeded from very different sets of assumptions about their scope, scale, role, and public significance than the editors of the Millennial Edition. Although the population of nonprofits grew dramatically and range of activities in which they engage broadened impressively in the decades after 1949, there was a notable and perhaps inevitable lag between rapidly changing institutional realities and the perceptions of scholars and policymakers. In 1949, when the first edition of HSUS appeared, the vast majority of nonprofits were religious bodies and voluntary membership associations. By the 1965 and 1975 editions, most of the voluntary associations had disappeared and had been replaced by Section 501(c) entities, increasing numbers of which, though not engaged in the kinds of charitable, educational, or religious activities to which

charities had traditionally devoted themselves, sought classification as 501(c)3 or (c)4 exempt entities. Small wonder that the editors of the Bicentennial edition confined their efforts on nonprofits to small chapters on religious affiliation and philanthropy rather than trying to capture the larger domain of rapidly changing nonprofits. And they can hardly be faulted for the modesty of their achievement, since the concept of nonprofits as a coherent and clearly defined institutional sector was only invented in the late 1970s.

Only now, after nearly three decades of intensive study, has it become possible to take the first steps towards a comprehensive view of nonprofit activity. But doing so runs the risk of imposing on extraordinarily complex, diverse, and locally variable institutions and practices standardized definitions and measures necessary for a synoptic view (on this, see Scott, 1998). The problem with such quantified simplifications, which stem from the needs of states to centrally record and monitor the activities, is that – embedded in statutory, tax, and regulatory regimes -- they take on the power to shape organizational activity and individual behavior. Rather than serving merely as a scheme of classification intended to set forth the variety of tax and regulatory treatments meted out to various kinds of organizations and activities according to the extent that they serve public rather than private interests, the tax code becomes an incentive structure for tax and estate planners, entrepreneurs, and managers. The distorting effect of the tax code is abundantly evident in statistics of individual giving, which show – as the proportion of annual income given for charity – declining as tax savings incentives took the place of religious and moral commitments as motives for giving [on this, see table PH..A.3, PH.A.4, and PH.A.5; see also, Burke, 2001, 186-187].

Because its greatest period of growth coincided with the rise of the welfare state, the evolution and crystallization of concepts defining the universe of non-proprietary entities and activities displays the power of "legibility" with particular force. The irrational, complex, diverse and manifestly unstandardized domain of voluntary associations "of a thousand kinds" that so astonished De Tocqueville in the 1820s -- even when it was still embryonic -- grew through the course of the nineteenth and the first half of the twentieth centuries to fill a public space that had, for the most part, been defined in terms of individual and collective rights that government was forbidden to impair.

Efforts to create governmental capacities for social engineering can be dated to the Progressive Era, with the adoption of comprehensive federal budgeting and, during the 1920s, with the systematic gathering of statistics on virtually every aspect of American life by the Department of Commerce (Webber & Waldavsky, 1986; Hawley, 1974, 1977). These initiatives depended to a large extent on voluntary efforts of trade associations, industry groups, and state

and municipal agencies. Under such auspices, these statistics inevitably contained built-in biases and elements of advocacy and self-promotion.

The universalization of the personal income tax during the second World War and the implementation of economic and national defense planning in the late 1940s definitively transformed this unregulated domain of entities that mediated between citizens and the formal agencies of government into a target for what Scott would call "state initiated social engineering" (4). Constrained by deeply-rooted traditions of hostility to strong central government, the policymakers of the postwar era devised a unique alternative to the European-style bureaucratic welfare state. The American welfare state, as it emerged after the war, combined elements of centralization (particularly the federalization of revenue-gathering and policy planning) and decentralization (under which the actual implementation of national policy was allocated to states and localities and to private sector actors).

Tax policy and the targeted use of federal spending played key roles in this process, influencing patterns of investment and employment, the formation of human capital (particularly through grants and contracts to universities), health and human services provision (through incentives for charitable giving), and forms of ownership (through funding favoring "voluntary" over proprietary entities). The Hill-Burton Program (the Hospital Survey and Construction Act of 1946), for example, in making massive federal aid available to "voluntary" and public hospitals fueled a tidal wave of conversions of ownership in the health care industry. To this was added generous federal research grants through the federal medical and science institutes. As late as 1940, only 26% of American hospitals were proprietary institutions (versus 29% nonprofit and 45% public). By 1960, more than half had converted to nonprofit ownership and the percentage of for-profit hospitals had declined to 14%. Federal investment in such programs as the GI Bill, combined with grants and contracts, fueled a similarly explosive growth of higher education. While public institutions benefited from these programs, they also provided powerful incentives for the establishment and expansion of new private institutions.

Although there is little evidence to suggest that anyone in the 1940s anticipated the explosive growth of the charitable tax-exempt domain, there can be no disputing the impact of new tax policies on decision making by the wealthy (who began creating foundations at a record rate), corporations (which began aggressively seeking legal and regulatory sanction for

contributing to nonprofits), and fundraisers and charitable advocacy groups (who began intensive efforts to sell wealthy individuals and foundations on the value of charitable giving)(Andrews, 1952; Ruml, 1952; Cutlip, 1965; Curti & Nash, 1965) Indeed, it was the very success of these efforts and some of the surprising loopholes that tax lawyers and estate planners took advantage of that first attracted unfavorable congressional attention to the rapidly-growing tax-exempt universe. Among the more notorious schemes was the New York University Law School's acquisition of the Mueller Macaroni company, then the world's largest pasta manufacturer. Because all of its profits went to support the school, NYU sought tax-exempt status for the enterprise (Macaroni Monopoly, 1968; Sharpe, 1996). The scheme that enabled the Ford Motor Company to pass from its founder to his heirs without paying a penny in taxes – while at the same time creating the world's largest foundation – helped to focus Congress's attention of “foundations and other tax-exempt entities” in overhauling the Internal Revenue Code (MacDonald, 1955)..

The revised IRS Code, enacted in 1954 was as much a mechanism for gathering revenue as it was a device for steering the surplus wealth of individuals and corporations to activities and institutions favored by the government. Though Congress strove conscientiously to grasp the changing nature of the growing tax-exempt universe, it is clear from statements made at congressional hearings that legislators and tax officials not only had a very imperfect understanding of these entities, but also that they failed to anticipate how powerfully new tax policies would stimulate their proliferation. While the new code increased government's capacity to oversee and regulate nonprofits, it remained a largely under regulated domain, encouraging a variety of abuses that would make them objects of particular scrutiny when Congress again revised the tax code in 1969.

By the 1970s, increasing regulatory scrutiny and demands for demonstrable efficiency and effectiveness by government agencies funding nonprofits helped to stimulate the final stage of the "legibility" process: the reform and standardization of nonprofit incorporation statutes and the professionalization of nonprofit management. Both had the effect of shifting nonprofits from a charitable paradigm based on voluntary labor and donative support to a corporate paradigm based on trained employees, government subsidy, and earned revenues.

The needs of the modern state were not the only forces impacting the conceptualization of nonprofits and their activities. As the state sought to make voluntary and nonprofit activity “legible,” affected industries sought to influence the policy process with their own sets of concepts, definitions, and measures. Congressional investigations of foundations in the 1950s and 1960s and the foundations' inability to block the passage of the Tax Reform Act of 1969 led



philanthropic leaders to reconsider their relationship to the rest of the tax-exempt universe. Confronted by a hostile Congress, philanthropoids had defended themselves using the language of political philosophy derived from De Tocqueville and the Founding Fathers. When they discovered that the lingua franca of public policy had become the language of law and economics, they strategically embraced it – little knowing that doing so would so powerfully transform the institutions they sought to defend.

“Has philanthropy become all law?” wrote an outraged executive of the Council on Foundations in the midst of the congressional hearings on the 1969 Tax Reform Act. “Is it irrecoverably committed to lawyers instead of its traditional practitioners?” (Goheen, 1974). Philanthropy had indeed become very nearly “all law” – and the law itself had increasingly become all economics. Out of this came the effort to conceptually capture the irrational, complex, diverse and manifestly unstandardized domain of voluntary associations "of a thousand kinds" that so astonished De Tocqueville in the 1820s and the growing population of tax exempt organizations of the post-World War II decades as part of a “third,” “independent,” or “nonprofit” sector.

By the late 1980s, commenting on the wave of foundation-funded scholarship that had been produced in reaction to the 1969 tax reform, historian Barry Karl criticized the “sanitized language” that substituted for traditional terms like charity and philanthropy terms like “nonprofit organization” that stressed the “presumably efficient, subject to cost-accounting standards of performance and principles of effective management” nature of tax exempt enterprise (Karl, 1987). He further criticized the misuse of the term “research” to describe industry funded scholarship, arguing that it was intended to cover “various aspects of advocacy without drawing attention to the process” (on this, see also Hammack, 1997, 1998)

**"To represent the religious history of America statistically and geographically is to generalize dangerously and to court disaster openly" (Gaustad, 1962)**

Although religious bodies have been gathering data about themselves since the eighteenth century -- and government agencies have done so periodically since the mid-nineteenth century (notably, information on religious bodies collected as part of the population censuses of 1850-1880 and the censuses of religious bodies for 1890, 1906, 1916, 1926, and 1936), the intrinsic complexity and diversity of religious organizations -- whose variations in polity lead to differences in such fundamentals as the interrelationships and relative significance of operating units, lines of authority and accountability, methods of financial accounting, and definitions of membership -- pose formidable obstacles to compiling and presenting historical statistics that are either continuous or comparable.

As Roger Finke and Rodney Stark note in their important but controversial study, The Churching of America, 1776-1990 (1992), the quality of religion statistics is variable and their meaning contestable. The federal census takers, for example, collected masses of information about

the history, doctrine, organizational features of every religious body in the nation, along with detailed statistics on such things as total membership (also separated by age and sex), Sunday School enrollment, number of congregations, value of church property, amount of debt, total expenditures, minister's salaries, contributions to foreign missions, and so on -- presented separately for every state. . . . [As well as] membership data by counties and for all cities having more than 25,000 inhabitants (9-10).

But, despite this wealth of valuable data, our statistical understanding of American religious is deeply flawed. Because religious groups define membership and affiliation differently, statistical series on membership in one group is not strictly comparable with data from others. Since much of the data was collected by religious groups themselves, it is of questionable reliability, not only because congregations had incentives to make themselves appear popular and prosperous to denominational executives, but also because denominations often wanted to appear wealthier and larger than they actually were (on this, see Fry, 1933 and Webber, 1933). Moreover, even if we had reliable and representative data on membership, it would tell us little about the relative influence and public presence of groups regionally and locally.

Scholars have only recently turned their attention to such questions, investigating such things as the relative generosity and stinginess of religious groups in giving and volunteering (Hoge, et al., 1996; Ronsvalle & Ronsvalle, 1997; Iannacone, 1998), their effectiveness in promoting civic engagement (Verba, Schlozman & Brady, 1994), and their role in providing social services (Wuthnow, 1991; Cnaan, 1999; Wineburg, 2001, Walsh 2002). Ambitious efforts have also been made to define the place of religion in the nonprofit sector (Wuthnow, 1986; Hodgkinson, Weitzman, & Kirsch, 1988a, 1988b, 1993; Wuthnow & Hodgkinson, 1990; Hall, 1990; Hodgkinson, Weitzman, Toppe, & Noga, 1992; Cherry & Sherrill, 1992; Demerath, Hall, Williams, & Schmitt, 1998). These are matters of significance, not only to those concerned with questions of religious demography (including such concerns as the vitality of "mainline" denominations, as well as the implication of increasing religious diversity), but also -- in the wake of welfare reform and its charitable choice provisions -- to policy makers and social welfare agencies concerned about the capacity of religious groups to provide the "safety net" needed to provide services for the disabled and). While valuable data has been collected to illuminate these questions, none of it was of sufficient temporal depth to include in the chapter. We believe,

however, that it is a priority concern to for statistical stakeholders to continue to gather and refine data of this kind for future editions of HSUS.

Even if HSUS had presented the full range of information on religious bodies collected by the Census and denominational enumerators, it would have provided scant insight into the place of religious entities and activities in the larger domain of non-proprietary entities because the definition of faith-based services provision and faith-based or religiously-tied associations and organizations is as fraught with variability and ambiguity as the far simpler question of membership. Because theological orientations, established practices, and other factors -- such as state statutes and regulatory norms -- introduce variations not only in what services religious groups are likely to provide, but also how they are provided (directly by congregations religious orders or denomination bodies, through affiliated secular entities, or through ecumenical/ interchurch bodies), it is extraordinarily difficult to locate and present reliable comparable data on these entities and activities. Where possible, we have attempted both to present data on the role of faith-based service provision within particular industries (such as education and health care), as well as data on service provision within and among religious or faith-based bodies.

Although groups like INDEPENDENT SECTOR have conducted quantitative studies of faith-based service provision (Hodgkinson, et al., 1988, 1993) -- and have gathered a great deal of valuable information in the course of doing so --, these bold and costly initiatives have, in using congregations as their basic unit of analysis, ignored the complexity and variability of faith-based service provision. Though congregations have historically been the primary locus of devotional activity for most religious groups, their significance as platforms for service provision varies over time and between traditions.

The Roman Catholic Church presents an excellent example of the problematic nature of the congregation as the primary or sole unit of analysis. The Catholic Church is, of all American religious groups, probably the most active provider of the widest range of educational, health, and human services. But few of these are supplied under congregational auspices. Most are delivered by a complex of secular corporations (most hospitals and social service agencies, as well as increasing numbers of schools are separately incorporated and governed by lay boards), religious orders (whose members often administer or work in secular corporations), or diocesan bodies. Catholic Charities USA, perhaps the largest faith-based charity, is a secular corporation that is substantially supported by government subsidies. The Knights of Columbus, one of the largest faith-based financial service enterprises, is a secular corporation whose charter ties it closely to the church. Covenant House, the scandal-plagued human services empire founded by Father Bruce Ritter, is a secular corporation with a lay board (composed of prominent Catholics)

but headed by a member of a religious order. All of these are Catholic service providers -- but any analysis that depended solely on either congregational data or even revenues derived from Catholic donors would get a very partial glimpse of the full dimensions of the service activities connected with the church!

The limited and fragmentary quality of available data precludes this chapter from offering much more than a hint of these kinds of activities. At this point the best we can offer are figures on faith-based service provision in certain industries. But, again, we urge greater attention to these questions by future scholars and statistical stakeholders.

A final caveat on religion statistics involves the on-going transformation of American religious life and demography. Over the long term, the major organizational trend in religious life since the beginning of the nineteenth century has been the emergence of large denominational and interdenominational bodies. More recently, however, new counter-trends have become evident, particularly the establishment of impressive numbers of free-standing congregations. Though many of these are transient "storefront" enterprises, increasing numbers of these entities ("superchurches") command memberships that can be counted in the thousands and sometimes tens of thousands (on this, see Trueheart, 1996). Even if "superchurches" were not an issue, the proliferation of smaller free-standing congregations over the past two decades amounts in some communities to as many as half of the active congregations (Hall, 1999a). As the population of these entities increases, the dependability of data collected by denominational and ecumenical bodies is likely to become increasingly questionable.

A related trend involves the rise of alternative forms of worship (e.g., the Church of Scientology) and parachurch organizations (e.g., Habitat for Humanity, AA), for whom ministry and devotional activity are neither exercised in congregations, nor follow familiar forms of worship (Wuthnow, 1994). Some of these involve impressive numbers of participants in their activities and, if their significance continues to increase, will demand greater and more scrupulous attention from data stakeholders.

Shifts in religious demography, particularly increasing populations of people affiliated with faiths outside the Judeo-Christian traditions, though obviously important features of a changing and more diverse human population, have been largely ignored by collectors of religion statistics. The 1975 HSUS confines itself solely to "mainline" Christian bodies, omitting not only accounts of such important African American groups as the A.M.E. and black Baptist sects, but also Jewish denominations. Little of the recent scholarship on religious membership and financial trends has given attention to the activities of Islamic or Asian groups -- whose

membership is now believed to number in the millions. Data stakeholders clearly need to prepare their conceptual and methodological capacities to engage these challenges.

### **What Counts and Why?**

In the course of the protracted debate over the nature of the nonprofit sector, the fact that categorical and classificatory schemes are merely representations, created for the convenience of individuals or agencies, has often been overlooked. The usefulness of such representations varies according to the needs of researchers and policymakers. Representing nonprofits as a “sector” may be very useful if we are concerned with tax and regulatory issues as they affected exempt organizations after 1954 (when the current IRS taxonomy of exempt organizations was promulgated). This category would not be particularly useful if we wish to understand the allocation of tasks among public agencies, business firms, and nonprofits with industries or to examine interorganizational relationships that cross sectoral boundaries. Put another way, road maps are useful if we are traveling by car; they are useless if we are navigating waterways.

Over time reasons for compiling historical statistics has changed – and with them understanding of what kinds of historical statistics we needed to compile. When the first edition of HSUS appeared, hard on the heels of the passage of the Employment Act of 1946 and the creation of the Council of Economic Advisors – which signaled the federal government’s determination of manage the nation’s economy --, the intention was to “bring together within a single cover the most important of the comprehensive statistical series measuring the economic development of the United States over the past century or more” for the use of the “larger policy making community” (U.S. Department of Commerce, 1949, vi; Anderson, 1988, 192). The purpose of HSUS, as originally formulated, was to create a resource for government planners concerned with managing the economy, maintaining domestic and international political stability, and mobilizing the nation in the event of war (on this, see U.S. Department of Commerce, 1954). For these purposes, the range of institutions and activities considered pertinent to the effort were more or less restricted to wealth and income, population characteristics, natural and human resources, public and private finance, and physical infrastructure – domains affected by or otherwise relevant to then current public policies. Philanthropy, nonprofit organizations, religion, and related institutions and activities were not considered germane to these concerns.

At the end of the twentieth century, the needs of researchers and policymakers and the nature of government itself have changed – and with them our understanding of the kinds of information needed for informed public and private planning. Half a century of devolution and privatization have diffused the tasks of policy planning and implementation to state and

municipal governments and to nonprofit agencies created or subsidized by public funds – including religious bodies and universities, which, before the second World War, were entirely supported by revenues from private sources. Moreover, since the collapse of authoritarian regimes in the 1990s and the effort to put in their place market democracies, we have discovered that economic and political systems depend on “civil society,” formal and informal associations and organizations that produce the norms of trust and reciprocity essential to orderly exchange and governance life (Putnam, 1993, 2000; Fukuyama, 1996). All this has made the acquisition of useable knowledge about nonprofits and related entities compellingly important.

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## SAMPLE DATA SERIES

<PH.A.1> Philanthropic and charitable giving, and philanthropic revenue of nonprofit organizations:  
1900-1997

<AUTHOR> Colin Burke

<MAP>

<T> Philanthropic and charitable giving

<PH.A.1.1> estimated total giving

<PH.A.1.2> Charitable contributions

<T> by individuals

<PH.A.1.3> by individuals

<PH.A.1.4> gifts of living donors

<PH.A.1.5> consumer expenditures on welfare

<PH.A.1.6> Charitable bequests

<PH.A.1.7> Charitable bequests

<T> Giving to Community Chest and United Way Fund campaigns

<PH.A.1.8> United States and Canada

<PH.A.1.9> United States

<PH.A.1.10> philanthropic revenue of nonprofit organizations

<TITLE>

<PH.A.1.1>

<PH.A.1.2>

<PH.A.1.3>

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<PH.A.1.5>

<PH.A.1.6>  
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<PH.A.1.10>

<SOURCE>

Series <PH.A.1.1>, <PH.A.1.3>, and <PH.A.1.7>. Ann E. Kaplan (ed.), *Giving USA, 1996 ed.* (Copyright, np., AAFRC Trust for Philanthropy, 1996) and unpublished data provided by AAFRC from 1997/8 studies.

Series <PH.A.1.2>. John Price Jones, *The American Giver: A Review of American Generosity*, Table 1, (Copyright, New York, Inter-River Press, 1956).

Series <PH.A.1.4>. Frank G. Dickinson, *The Changing Position of Philanthropy in the American Economy*, Occasional Paper #110, NBER, Columbia University Press, 1970, Table 2.5.

Series <PH.A.1.5>. Stanley Lebergott, *Consumer Expenditures: New Measures and Old Motives* (Copyright, Princeton University Press, 1996) Table A1.

Series <PH.A.1.6> and <PH.A.1.10>. Data compiled by Ralph L. Nelson, CUNY Queens College, 1973, reported in *Historical Statistics of the United States*, Washington. D.C., 1975.

Series <PH.A.1.8> and <PH.A.1.9>. Eleanor L. Brilliant, *The United Way: Dilemmas of Organized Charity*, (Copyright, New York, Columbia University Press, 1993) p 271, and, unpublished data provided by United Way Research Services, 1997.

<DESCRIPTION>

Series <PH.A.1.1>. This series includes charitable and philanthropic contributions by individuals, corporations, and foundations, as well as bequests by individuals. Like other estimates of total giving, it rests upon federal income, corporate, and estate/gift tax information, as well as surveys by organizations such as The Foundation Center and the Council for Aid to Education. The estimating procedures originally developed by Ralph L. Nelson in the 1970s were and are central to the most widely accepted "giving" series. His procedures are used to estimate missing information, such as contributions by those who did not seek tax deductions, and to interpolate and extrapolate series and their components. Nelson's estimates appeared in *Historical Statistics of the United States (1975)* and were used by the major investigations of the nonprofit sector during the 1970s. However, his estimating procedures have recently been refined with the help of the staff of the AAFRC Trust for Philanthropy and have been used on more precise data to create this new estimate of total giving and, as indicated below, many of its components. The new methods and data are described in, *Giving USA 1996*, p. 201.

Series <PH.A.1.2>. These estimates were created by the first national organization to monitor the charitable and philanthropic sectors. It includes John Price Jones's estimates of contributions by those filing income taxes, contributions by those who did not, gifts of property by individuals, charitable bequests, foundation grants, and corporate gifts. Note that not all of these components were included before 1936.

Series <PH.A.1.3>. This series includes only giving by individuals and families. Based upon the *Statistics of Income: Individual Income Tax Returns*, and the estimating procedures originated by Professor Nelson, the series includes estimates of contributions by those who did not file for deductions for charitable contributions and includes estimates for years with missing data. This series replaces previous estimates of contributions by living donors for the period and, while not fully compatible, it parallels series <PH.A.1.4> for 1929-1959. See *Giving USA 1996*, p. 195, for technical details. Note

that debates continue over the methods and assumptions used to estimate individual giving. See Hayden W. Smith, "Some Thoughts on the Validity of Estimates of Charitable Giving," *Voluntas*, 7, #2, 1993, pp. 251-2, and, Virginia Ann Hodgkinson and Murray S. Weitzman et. al., *The Nonprofit Almanac, 1966-67 Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass Publishers, 1966), pp. 311-314.

Series <PH.A.1.4>. Applying improved estimating procedures to the data provided in Internal Revenue Service, *Statistics of Income: Individual Income Tax Returns*, and building on the work of Harry Kahn, this series replaces earlier estimates, such as series H399 in *Historical Statistics of the United States* (1975). Like the earlier series, this one compensates for "over-reporting" of contributions and contains estimates of contributions by those not reporting them to the Internal Revenue Service.

Series <PH.A.1.5>. These data are based upon estimated income of personnel in sectors related to welfare, such as social workers, rather than tax data. This series may be estimating government as well as private "expenditures" but it remains the only series for the early years of the century. See Lebergott's description on page 89 of *Consumer Expenditures*.

Series <PH.A.1.6>. This was series H400 in *Historical Statistics of the United States* (1975). It is based on charitable bequests reported on estate tax returns as tabulated in U.S. Internal Revenue Service, *Statistics of Income: Estate and Gift Tax Returns*. For years in which no tabulations were made, estimates were based on linear interpolation between years for which tabulations were available.

Series <PH.A.1.7>. Based upon data in *Statistics of Income: Estate and Gift Tax Returns* and various sources, this series includes estimates of bequest amounts not reported to the Internal Revenue Service and employs estimating procedures initiated by Professor Nelson. See, *Giving USA 1996*, p. 198.

Series <PH.A.1.8> and <PH.A.1.9>. Based on the official records of the organizations.

Series <PH.A.1.10>. Created by Professor Nelson and published as series H405 in *Historical Statistics of the United States* (1975), this series gauges the amount of giving through estimates of the charitable income received by nonprofit institutions. For insights into the techniques and sources used, refer to the text and sources for series H398-411 in *Historical Statistics of the United States* (1975).

PH.A Philanthropic and charitable giving, and philanthropic revenue of nonprofit organizations: 1900-1997

.1

year	PH.A.1.1	PH.A.1.2	PH.A.1.3	PH.A.1.4	PH.A.1.5	PH.A.1.6	PH.A.1.7	PH.A.1.8	PH.A.1.9	PH.A.1.10
	million dollars	thousand dollars	million dollars	million dollars	million dollars	million dollars H400	million dollars	dollars	dollars	million dollars H405
1900	----	----	----	----	100	----	----	----	----	----
1901	----	----	----	----	100	----	----	----	----	----
1902	----	----	----	----	100	----	----	----	----	----
1903	----	----	----	----	100	----	----	----	----	----
1904	----	----	----	----	100	----	----	----	----	----
1905	----	----	----	----	100	----	----	----	----	----
1906	----	----	----	----	100	----	----	----	----	----
1907	----	----	----	----	100	----	----	----	----	----

1908	----	----	----	----	100	----	----	----	----	----
1909	----	----	----	----	100	----	----	----	----	----
1910	----	----	----	----	100	----	----	----	----	----
1911	----	----	----	----	100	----	----	----	----	----
1912	----	----	----	----	100	----	----	----	----	----
1913	----	----	----	----	100	----	----	----	----	----
1914	----	----	----	----	108	----	----	----	----	----
1915	----	----	----	----	114	----	----	----	----	----
1916	----	----	----	----	115	----	----	----	----	----
1917	----	----	----	----	317	----	----	----	----	----
1918	----	----	----	----	456	----	----	----	----	----
1919	----	----	----	----	205	----	----	19651334	----	----
1920	----	----	----	----	312	----	----	22781834	----	----
1921	----	----	----	----	266	----	----	28568453	----	----
1922	----	467760	----	----	266	----	----	40280649	----	----
1923	----	649141	----	----	265	----	----	50351190	----	----
1924	----	644906	----	----	285	----	----	58003965	----	----
1925	----	596099	----	----	248	----	----	63677235	----	----
1926	----	755767	----	----	256	----	----	66432072	----	----
1927	----	695409	----	----	280	----	----	68664042	----	----
1928	----	832735	----	----	275	----	----	73276688	----	----
1929	----	803555	----	1084	298	154	----	75972555	----	----
1930	----	768525	----	969	----	223	----	84796505	----	1474
1931	----	640235	----	805	----	220	----	101377537	----	----
1932	----	609464	----	751	----	191	----	77752954	----	----
1933	----	479502	----	700	----	96	----	70609078	----	----
1934	----	559732	----	790	----	146	----	69781478	----	----
1935	----	591991	----	828	----	106	----	77367634	----	969
1936	----	660247	----	985	----	128	----	81707787	----	----
1937	----	747741	----	1057	----	127	----	83898234	----	----
1938	----	733546	----	1001	----	200	----	86561920	----	----
1939	----	814088	----	1177	----	179	----	89751702	----	----
1940	----	1052352	----	1254	----	143	----	94161098	----	1212
1941	----	1551332	----	1520	----	175	----	108812899	----	----
1942	----	2132374	----	1944	----	155	----	166538363	----	----
1943	----	2653761	----	2449	----	186	----	214757782	----	----
1944	----	2905331	----	2567	----	202	----	225934893	----	----
1945	----	3173073	----	2762	----	192	----	201859357	----	2611
1946	----	3391808	----	3088	----	186	----	173512638	----	----
1947	----	3918277	----	3559	----	223	----	181716355	----	----
1948	----	4098753	----	3898	----	296	----	193307693	----	----
1949	----	4218868	----	3966	----	206	----	198120167	----	----
1950	----	4663714	----	4359	----	274	----	218421521	----	4429
1951	----	----	----	5051	----	301	----	246813142	----	----
1952	----	----	----	5521	----	328	----	272257433	----	----
1953	----	----	----	6036	----	355	----	293898475	----	----
1954	----	----	----	6216	----	398	----	308303285	----	----
1955	----	----	----	6735	----	466	----	329990528	6751	----
1956	----	----	----	7317	----	534	----	367720884	7537	----
1957	----	----	----	7735	----	602	----	398967291	----	----
1958	----	----	----	8078	----	669	----	409446729	8613	----
1959	10400	----	8680	8545	----	810	510	438675048	----	----
1960	11050	----	9160	----	----	951	670	456983942	9996	----
1961	11690	----	9500	----	----	913	950	479086478	10663	----
1962	11830	----	9890	----	----	876	700	501437619	11295	----
1963	13140	----	10860	----	----	1020	880	520325952	12008	----
1964	13600	----	11190	----	----	1164	950	558559954	12552	----
1965	14710	----	11820	----	----	1309	1020	597738826	13468	----
1966	15790	----	12440	----	----	1515	1310	639085139	14011	----
1967	17030	----	13410	----	----	1721	1400	676729723	15254	----
1968	18850	----	14750	----	----	1927	1600	716422803	15985	----
1969	20660	----	15930	----	----	2132	2000	764327412	16947	----
1970	21040	----	16190	----	----	2087	2130	786985155	18052	----
1971	23440	----	17640	----	----	----	3000	812924645	----	----
1972	24440	----	19370	----	----	----	2100	858812200	----	----



1973	25590	----	20530	----	----	----	2000	----	916400000	----
1974	26880	----	21600	----	----	----	2070	----	978764132	----
1975	28560	----	23530	----	----	----	2230	----	102290639	----
									5	
1976	31850	----	26320	----	----	----	2300	----	110432974	----
									4	
1977	35210	----	29550	----	----	----	2120	----	120482500	----
									0	
1978	38570	----	32100	----	----	----	2600	----	131774569	----
									0	
1979	43110	----	36590	----	----	----	2230	----	142346133	----
									6	
1980	48630	----	40710	----	----	----	2860	----	152600000	----
									0	
1981	55280	----	45990	----	----	----	3580	----	168000000	----
									0	
1982	59110	----	47630	----	----	----	5210	----	178000000	----
									0	
1983	63210	----	52060	----	----	----	3880	----	195000000	----
									0	
1984	68580	----	56460	----	----	----	4040	----	214500000	----
									0	
1985	71690	----	57390	----	----	----	4770	----	233000000	----
									0	
1986	83250	----	67090	----	----	----	5700	----	244000000	----
									0	
1987	82210	----	64530	----	----	----	6580	----	260000000	----
									0	
1988	88044	----	69980	----	----	----	6570	----	278000000	----
									0	
1989	98430	----	79450	----	----	----	6970	----	298000000	----
									0	
1990	101370	----	81040	----	----	----	7640	----	311000000	----
									0	
1991	105010	----	84270	----	----	----	7780	----	317000000	----
									0	
1992	110410	----	87700	----	----	----	8150	----	340400000	----
									0	
1993	116540	----	92000	----	----	----	8540	----	304700000	----
									0	
1994	119170	----	92520	----	----	----	10010	----	307800000	----
									0	
1995	124310	----	95690	----	----	----	10730	----	314800000	----
									0	
1996	133460	----	102350	----	----	----	11480	----	324800000	----
									0	
1997	143460	----	109260	----	----	----	12630	----	----	----

PH.A.2> Philanthropic and charitable giving and philanthropic revenue, by cause: 1930-1997

<AUTHOR> Colin Burke

<MAP>

<T> Philanthropic and charitable giving to

<PH.A.2.1> human services

<PH.A.2.2> public and society benefit organizations

<PH.A.2.3> environmental causes

<PH.A.2.4> unclassified causes

<T> Philanthropic revenues

<PH.A.2.5> youth service, race relations and welfare organizations

<PH.A.2.6> other major nonprofit service organizations

<TITLE>

<PH.A.2.1>

<PH.A.2.2>

<PH.A.2.3>

<PH.A.2.4>

<PH.A.2.5>

<PH.A.2.6>

<SOURCE>

Series <PH.A.2.1> to <PH.A.2.4>: Ann E. Kaplan (ed.), *Giving USA, 1996*, (Copyright, np., AAFRC Trust for Philanthropy, 1996) and unpublished data provided by AAFRC from 1997/8 studies.

Series <PH.A.2.5> and <PH.A.2.6>: Data compiled by Ralph L. Nelson, CUNY Queens College, 1973, reported in *Historical Statistics of the United States*, Washington. D.C., 1975.

<DESCRIPTION>

Series <PH.A.2.1> to <PH.A.2.3>. Based on a survey of relevant organizations. These series include charitable/philanthropic giving, not other types of income received or generated by nonprofit organizations. See *Giving USA, 1996* p. 200, 201, and 206. for a description of the series, the estimation procedures and the organizations that provided the underlying data.

Series <PH.A.2.4>. *Giving USA, 1996* describes this series as a residual one which includes funds not specifically identified in its surveys of organizations; funds reported as personal tax deductions but not included in organizations' income; and funds handled by intermediary organizations (p. 201). The 1997/8 revision of this series highlights the importance of transfers of funds between nonprofit organizations. Such transfers account for the negative values. For insight into the interplay of funds reported by donors and by recipients in the estimating procedures see p. 201 in *Giving USA, 1996* and 1998 editions.

Series <PH.A.2.5>. Constructed by Ralph L. Nelson, this was series H410 in *Historical Statistics of the United States* (1975). It was annotated with the following: "This has been the most profoundly changing category over this 4-decade period, reflecting changing social needs, government programs, and support patterns. Many sources of information were used, the most comprehensive being "Expenditures from public and private funds for organized income maintenance and welfare service programs" presented in the *Social Security Bulletin*."

Series <PH.A.2.6>. Constructed by Professor Ralph L. Nelson, this was series H411 in *Historical Statistics of the United States* (1975). It is a comprehensive series covering a large number of important nonprofit/voluntary sectors. It includes philanthropic receipts of (1) independent nonsectarian primary

and secondary schools, (2) church foreign missions and private foreign relief, (3) foundations' net endowment increase, project and administrative expense, (4) civic and cultural support, and (5) charity raffles.

Philanthropic and charitable giving and philanthropic revenue, by cause:  
1930-1997

PH.A  
.2

year	PH.A.2.1	PH.A.2.2	PH.A.2.3	PH.A.2.4	PH.A.2.5	PH.A.2.6
	million dollars	million dollars	million dollars	million dollars	million dollars H410	million dollars H411
1930	----	----	----	----	167	60
1935	----	----	----	----	120	63
1940	----	----	----	----	150	100
1945	----	----	----	----	675	205
1950	----	----	----	----	685	392
1955	----	----	----	----	850	611
1956	----	----	----	----	900	503
1958	----	----	----	----	1116	758
1959	1630	290	----	1050	----	----
1960	1630	314	----	1480	1108	1166
1961	1690	318	----	1570	1163	1248
1962	1770	312	----	1120	1218	1400
1963	1970	374	----	1440	1256	1562
1964	1920	387	----	1320	1296	1448
1965	2070	380	----	1490	1335	1573
1966	2010	390	----	1880	1484	1684
1967	2070	411	----	2370	1621	2064
1968	2310	428	----	2630	1825	2239
1969	2710	561	----	2800	1950	2414
1970	2920	455	----	2660	2050	2839
1971	3010	684	----	3310	----	----
1972	3160	820	----	3480	----	----
1973	3070	620	----	3910	----	----
1974	3020	670	----	3780	----	----
1975	2940	790	----	4340	----	----
1976	3020	1030	----	5040	----	----
1977	3570	1220	----	3410	----	----
1978	3870	1080	----	2630	----	----
1979	4480	1230	----	2810	----	----
1980	4910	1460	----	4600	----	----
1981	5620	1790	----	5210	----	----
1982	6330	1680	----	1930	----	----
1983	7160	1890	----	2070	----	----
1984	7880	1940	----	1220	----	----
1985	8500	2220	----	-2940	----	----
1986	9130	2450	----	1370	----	----
1987	9840	2870	1990	-7310	----	----
1988	10490	3210	2220	-4420	----	----
1989	11390	3840	1910	-270	----	----
1990	11820	4920	2490	-2990	----	----
1991	11110	4930	2760	-1700	----	----
1992	11570	5050	2940	-4410	----	----
1993	12470	5440	3000	-4400	----	----
1994	11710	6050	3330	-8200	----	----
1995	11700	7100	3750	-13940	----	----
1996	12160	7570	3810	-1568	----	----
1997	12660	8380	4090	-15960	----	----

<PH.A.3> Charitable giving and average charitable contributions as reported by individuals on income tax returns and in surveys, by income level: 1918-1995

<AUTHOR>  
Colin Burke

<MAP>

<T> income and charitable contributions reported on income tax returns

<T> charitable contributions claimed as deductions

<PH.A.3.1> total

<PH.A.3.2> total

<PH.A.3.3> Average, by those who itemized deductions

<PH.A.3.4> Gross income

<PH.A.3.5> total charitable contributions

<T> average charitable contribution for those with income

<PH.A.3.6> under 5000 dollars

<PH.A.3.7> under 5000 dollars

<PH.A.3.8> 10,000 to 25,000 dollars

<PH.A.3.9> 5000 dollars or greater

<PH.A.3.10> greater than 49,999 dollars

<PH.A.3.11> 5,000 to 10,000 dollars

<PH.A.3.12> 50,000 to 100,000 dollars

<T> average charitable contribution, reported on surveys, for those with income

<PH.A.3.13> less than 10,000 dollars

<PH.A.3.14> 49,999 to 60,000 dollars

<TITLE>

<PH.A.3.1>

<PH.A.3.2>

<PH.A.3.3>

<PH.A.3.4>

<PH.A.3.5>

<PH.A.3.6>

<PH.A.3.7>

<PH.A.3.8>

<PH.A.3.9>

<PH.A.3.10>

<PH.A.3.11>

<PH.A.3.12>

<PH.A.3.13>

<PH.A.3.14>

<SOURCE>

Series <PH.A.3.1>. C. Harry Kahn, *Personal Deductions in the Federal Income Tax*, Table D.1 p. 209, (Copyright, Princeton, N. J., Princeton University Press, 1960 ).

Series <PH.A.3.2> and <PH.A.3.3>. *Statistics of Income: SOI Bulletin (s)*, U.S. Internal Revenue Service, *Annual Report(s)*.

Series <PH.A.3.4>, <PH.A.3.6>, <PH.A.3.8>, and <PH.A.3.10>. John Price Jones (ed), *The Yearbook of Philanthropy, 1940*, (Copyright, New York, Inter-River Press, 1940).

Series <PH.A.3.5>, <PH.A.3.7>, and <PH.A.3.9>. John Price Jones (ed), *The American Giver: A Review of American Generosity* (Copyright, New York, Inter-River Press, 1954).

Series <PH.A.3.11> and <PH.A.3.12>. U.S. Internal Revenue Service, *Statistics of Income Bulletin*, annuals, U.S. Internal Revenue Service, *Annual Report(s)*, U.S. Internal Revenue Service, *IRS Databook*.

Series <PH.A.3.13> and <PH.A.3.14>. The Gallup Organization, *Giving and Volunteering in the United States*, various editions, (Copyright, Washington, D.C., The Independent Sector) and Virginia Ann Hodgkinson and Murray S. Weitzman et. al., *The Nonprofit Almanac, 1966-7 Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass Publishers, 1966).

<DESCRIPTION>

Charitable deductions itemized on individual federal income tax returns have been the foundation for most of the estimates of individual giving and remain central despite the introduction of population surveys of charitable behavior. The use of tax data brings many inferential problems, however. For example, since the introduction of the income tax in the early twentieth century there have been significant changes in the percent of the population required to file a return and changes in the nature and levels of allowable deductions. The tax laws encourage those with large incomes to itemize deductions and encourage those with exceptionally high levels of contributions during a year to itemize. The returns thus provide a partial and skewed picture of the amount of giving and of charitable behavior. Many efforts have been made to compensate for the shortcomings of the tax data. For example, various assumptions have been made to estimate the giving of "non-filers" in different income levels to arrive at national totals. For an insight into the history of the use of the income tax returns, see C. Harry Kahn, *Personal Deductions in the Federal Income Tax*, (Princeton, N. J., Princeton University Press, 1960).

Series <PH.A.3.2>. Compiled by the table contributors from Internal Revenue Service Reports, *Statistics of Income Bulletins*, and IRS data published in *Giving USA*.

Series <PH.A.3.6> to <PH.A.3.14>. Income levels based upon adjusted gross income.

Series <PH.A.3.13> and <PH.A.3.14>. Extensive population surveys have been conducted to make estimates free of the influence of tax laws. The estimates in these series are based on sample surveys conducted by the Gallup Organization for the Independent Sector. Income and contribution levels were self-reported.

<FOOTNOTE>

\1 Estimated.

year	PH.A.3.1	PH.A.3.2	PH.A.3.3	PH.A.3.4	PH.A.3.5	PH.A.3.6	PH.A.3.7	PH.A.3.8	PH.A.3.9	PH.A.3.10
	million dollars	thousand dollars	dollars	thousand dollars	thousand dollars	dollars	dollars	dollars	dollars	dollars
1918	234	----	----	----	----	----	----	----	----	----
1919	291	----	----	----	----	----	----	----	----	----
1920	349	----	----	----	----	----	----	----	----	----
1921	319	----	----	----	----	----	----	----	----	----
1922	343	----	----	25871903	425214	34	----	340	----	2079
1923	422	----	----	29318922	536757	49	----	363	----	2378
1924	441	----	----	29778990	533181	42	----	326	----	2151
1925	371	----	----	25272020	439587	46	----	369	----	1787
1926	395	----	----	25417432	482199	49	----	320	----	1905
1927	423	----	----	26226546	507697	48	----	319	----	1895
1928	459	----	----	28987630	532893	46	----	303	----	1652
1929	441	----	----	29946948	528877	48	----	298	----	1724
1930	357	----	----	22414440	424035	48	----	339	----	2258
1931	242	----	----	17268445	328296	48	----	395	----	2497
1932	231	----	----	14392074	303728	47	----	429	----	2819
1933	185	----	----	13393826	252250	41	----	362	----	2044
1934	200	----	----	15092461	272822	39	----	336	----	2216
1935	227	----	----	17006476	305277	40	----	307	----	2032
1936	312	----	----	21888371	381172	39	----	269	----	1832
1937	352	----	----	24454099	440010	39	----	295	----	2127
1938	310	----	----	21311467	407419	42	----	343	----	2357
1939	387	----	----	----	494790	----	----	----	----	----
1940	570	----	----	----	734643	----	36	----	313	----
1941	876	1002187	----	----	1186163	----	36	----	300	----
1942	1320	1445060	----	----	1796280	----	41	----	287	----
1943	1813	1836000	----	----	2197000	----	45	----	279	----
1944	1235	----	----	----	2337208	----	41	----	288	----
1945	1424	1423586	182	----	2554455	----	37	----	329	----
1946	1559	1638982	187	----	2666645	----	37	----	318	----
1947	1875	1969641	189	----	3143673	----	42	----	318	----
1948	1756	1878080	212	----	3217231	----	42	----	265	----
1949	1897	2029550	209	----	3311670	----	42	----	327	----
1950	2129	2258009	219	----	3714115	----	45	----	259	----
1952	2968	3114739	----	----	----	----	----	----	----	----
1953	3383	3552448	265	----	----	----	----	----	----	----
1954	3671	3891173	277	----	----	----	----	----	----	----
1955	----	4650171	----	----	----	----	----	----	----	----
1956	4650	4877793	284	----	----	----	----	----	----	----
1958	----	5693836	285	----	----	----	----	----	----	----
1959	----	----	----	----	----	----	----	----	----	----
1960	----	6758928	280	----	----	----	----	----	----	----
1962	----	7519578	284	----	----	----	----	----	----	----
1964	----	8326986	309	----	----	----	----	----	----	----
1966	----	9119990	319	----	----	----	----	----	----	----
1968	----	11138925	370	----	----	----	----	----	----	----
1970	----	12892734	364	----	----	----	----	----	----	----
1972	----	13213956	513	----	----	----	----	----	----	----
1973	----	13895720	495	----	----	----	----	----	----	----
1974	----	14960838	538	----	----	----	----	----	----	----
1975	----	15393331	624	----	----	----	----	----	----	----
1976	----	16710718	643	----	----	----	----	----	----	----
1977	----	17266462	754	----	----	----	----	----	----	----
1978	----	19691249	764	----	----	----	----	----	----	----
1979	----	22210838	838	----	----	----	----	----	----	----
1980	----	25809608	970	----	----	----	----	----	----	----
1981	----	30800722	1062	----	----	----	----	----	----	----
1982	----	33471694	1097	----	----	----	----	----	----	----
1983	----	37677955	1176	----	----	----	----	----	----	----
1984	----	42209811	1223	----	----	----	----	----	----	----
1985	----	47962848	1326	----	----	----	----	----	----	----

1986	----	54454471	1477	----	----	----	----	----	----	----
1987	----	49623907	1539	----	----	----	----	----	----	----
1988	----	50949273	1750	----	----	----	----	----	----	----
1989	----	55459205	1903	----	----	----	----	----	----	----
1990	----	57242757	1779	----	----	----	----	----	----	----
1991	----	60575565	2050	----	----	----	----	----	----	----
1992	----	63843281	1962	----	----	----	----	----	----	----
1993	----	68354293	2042	----	----	----	----	----	----	----
1994	----	70544542	2364	----	----	----	----	----	----	----
1995	----	74824415	2169	----	----	----	----	----	----	----

PH.A Charitable giving and average charitable contributions as  
.3 reported by individuals on income tax returns and in surveys,  
by income level: 1918-1995

year PH.A.3.11 FN.PH.A.3 PH.A.3.12 PH.A.3.13 PH.A.3.14  
.11

	dollars	dollars	dollars	dollars
1918	----	----	----	----
1919	----	----	----	----
1920	----	----	----	----
1921	----	----	----	----
1922	----	----	----	----
1923	----	----	----	----
1924	----	----	----	----
1925	----	----	----	----
1926	----	----	----	----
1927	----	----	----	----
1928	----	----	----	----
1929	----	----	----	----
1930	----	----	----	----
1931	----	----	----	----
1932	----	----	----	----
1933	----	----	----	----
1934	----	----	----	----
1935	----	----	----	----
1936	----	----	----	----
1937	----	----	----	----
1938	----	----	----	----
1939	----	----	----	----
1940	----	----	----	----
1941	----	----	----	----
1942	----	----	----	----
1943	----	----	----	----
1944	----	----	----	----
1945	----	----	----	----
1946	----	----	----	----
1947	----	----	----	----
1948	----	----	----	----
1949	----	----	----	----
1950	----	----	----	----
1952	253	2531	----	----
1953	----	----	----	----
1954	252	2649	----	----
1955	----	----	----	----
1956	242	2742	----	----
1958	244	2947	----	----
1959	234	----	----	----
1960	240	2822	----	----
1962	227	2809	----	----
1964	229	----	----	----
1966	223	----	----	----

1968	221	----	----	----
1970	247	----	----	----
1972	284	----	----	----
1973	----	----	----	----
1974	----	----	----	----
1975	----	----	----	----
1976	423	2013	----	----
1977	583	1965	----	----
1978	518	1825	----	----
1979	519	1784	----	----
1980	----	----	----	----
1981	623	1754	----	----
1982	639	1709	----	----
1983	641	1777	----	----
1984	672	1708	170	----
1985	617	1757	----	----
1986	----	----	----	----
1987	869	1609	172	1015
1988	869	1660	----	----
1989	812	1792	379	1096
1990	989	\1 1794	----	----
1991	961	1836	239	1230
1992	984	1927	----	----
1993	997	1930	207	1042
1994	1065	1901	----	----
1995	----	----	295	1001

<PH.A.4> Average charitable contributions in selected states, as reported on federal income tax returns:  
1922-1937

<AUTHOR> Colin Burke

<MAP>

<PH.A.4.1> Alabama

<PH.A.4.2> California

<PH.A.4.3> Massachusetts

<PH.A.4.4> New York



<PH.A.4.5> Ohio

<TITLE>

<PH.A.4.1>

<PH.A.4.2>

<PH.A.4.3>

<PH.A.4.4>

<PH.A.4.5>

<SOURCE>

John Price Jones (ed), *The Yearbook of Philanthropy, 1940*, (Copyright, New York, Inter-River Press, 1940).

<DESCRIPTION>

These series report claimed deductions for cash and value of goods. The series were based upon data provided by the Internal Revenue Service to the Jones company.

See the text for table <PH.A.3> for a discussion of the use of tax data to measure charitable contributions.

PH.A.4 Average charitable contributions in selected states, as reported on federal income tax returns: 1922-1937

year	PH.A.4.1 d2 dollars	PH.A.4.2 d2 dollars	PH.A.4.3 d2 dollars	PH.A.4.4 d2 dollars	PH.A.4.5 d2 dollars
1922	64.71	37.18	58.54	91.21	68.4
1923	74.24	72.37	65.06	87.54	74.31
1924	80.31	42.12	67.14	96.36	82.27
1925	126.38	63.2	96.13	140.27	124.2
1926	132.34	69.55	104.99	153.76	129.2
1927	131.57	71.32	113.58	168.32	139.07
1928	126.44	72.56	126.08	184.56	149.47
1929	122.7	72.16	124.44	187.97	141.34
1930	110.68	60.61	101.76	153.35	124.28
1931	99.88	53.3	86.95	126.27	117
1932	74.13	45.78	68.26	101.52	87.12
1933	67.68	38.95	64.4	87.58	41.26
1934	63.02	38.89	64.24	87.66	66.39
1935	67.33	39.35	66.67	87.48	62.99
1936	68.71	41.41	73.78	94.53	71.69
1937	65.52	40.86	72.9	96.56	63.85

<PH.A.5> Average charitable deduction reported on federal income tax returns, by state, 1960-1995

<AUTHOR> Colin Burke

<MAP>

<PH.A.5.1> Alabama  
<PH.A.5.2> Alaska  
<PH.A.5.3> Arizona  
<PH.A.5.4> Arkansas  
<PH.A.5.5> California  
<PH.A.5.6> Colorado  
<PH.A.5.7> Connecticut  
<PH.A.5.8> Delaware  
<PH.A.5.9> District of Columbia  
<PH.A.5.10> Florida  
<PH.A.5.11> Georgia  
<PH.A.5.12> Hawaii  
<PH.A.5.13> Idaho  
<PH.A.5.14> Illinois  
<PH.A.5.15> Indiana  
<PH.A.5.16> Iowa  
<PH.A.5.17> Kansas  
<PH.A.5.18> Kentucky  
<PH.A.5.19> Louisiana  
<PH.A.5.20> Maine  
<PH.A.5.21> Maryland  
<PH.A.5.22> Massachusetts  
<PH.A.5.23> Michigan  
<PH.A.5.24> Minnesota  
<PH.A.5.25> Mississippi  
<PH.A.5.26> Missouri  
<PH.A.5.27> Montana  
<PH.A.5.28> Nebraska  
<PH.A.5.29> Nevada  
<PH.A.5.30> New Hampshire  
<PH.A.5.31> New Jersey  
<PH.A.5.32> New Mexico  
<PH.A.5.33> New York  
<PH.A.5.34> North Carolina  
<PH.A.5.35> North Dakota  
<PH.A.5.36> Ohio  
<PH.A.5.37> Oklahoma  
<PH.A.5.38> Oregon  
<PH.A.5.39> Pennsylvania  
<PH.A.5.40> Rhode Island  
<PH.A.5.41> South Carolina  
<PH.A.5.42> South Dakota  
<PH.A.5.43> Tennessee  
<PH.A.5.44> Texas  
<PH.A.5.45> Utah  
<PH.A.5.46> Vermont  
<PH.A.5.47> Virginia  
<PH.A.5.48> Washington  
<PH.A.5.49> West Virginia  
<PH.A.5.50> Wisconsin  
<PH.A.5.51> Wyoming

PH.A Average charitable deduction reported on federal income tax returns, by state: 1960-1995

.5

year	PH.A.5 .1	PH.A.5 .2	PH.A.5 .3	PH.A.5 .4	PH.A.5 .5	PH.A.5 .6	PH.A.5 .7	PH.A.5 .8	PH.A.5 .9	PH.A.5 10	PH.A.5 11	PH.A.5 12	PH.A.5 13	PH.A.5 14
	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars
1960	305	367	260	320	240	234	365	609	343	255	300	193	268	309
1966	352	248	297	392	292	232	386	609	476	318	348	223	310	366
1970	421	369	320	406	362	300	405	506	505	391	433	260	361	398
1975	812	556	607	941	546	550	604	648	813	710	694	397	792	628
1978	1000	939	766	764	764	660	820	915	976	999	966	571	1214	808
1981	1234	1321	1005	1184	848	813	922	1038	1152	1141	1114	678	1281	909
1993	2966	2411	1962	3000	2168	1903	2031	2097	3369	2608	2627	1795	2554	2300
1995	3266	2530	2124	3249	2323	2105	2156	2243	3605	2812	2789	1778	2874	2446

PH.A Average charitable deduction reported on federal income tax returns, by state: 1960-1995

.5

year	PH.A.5 .15	PH.A.5 .16	PH.A.5 .17	PH.A.5 .18	PH.A.5 .19	PH.A.5 .20	PH.A.5 .21	PH.A.5 .22	PH.A.5 .23	PH.A.5 24	PH.A.5 25	PH.A.5 26	PH.A.5 27	PH.A.5 28
	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars
1960	297	218	260	302	306	188	274	272	259	272	302	296	220	268
1966	340	277	283	329	365	258	345	317	315	318	378	330	259	332
1970	597	460	355	355	447	270	348	368	364	341	447	360	288	369
1975	682	534	706	592	654	471	568	502	569	548	723	665	500	719
1978	880	964	851	758	986	571	736	623	703	644	1007	909	627	880
1981	960	870	1094	1003	1272	761	853	696	798	884	1308	1167	767	861
1993	2325	2010	2264	2264	2798	1556	2138	1766	2023	1940	3042	2497	1800	2294
1995	2499	2156	2665	2327	3008	1638	2271	1920	2287	2099	3431	2505	2505	2380

PH.A Average charitable deduction reported on federal income tax returns, by state: 1960-1995

.5

year	PH.A.5 .29	PH.A.5 .30	PH.A.5 .31	PH.A.5 .32	PH.A.5 .33	PH.A.5 .34	PH.A.5 .35	PH.A.5 .36	PH.A.5 .37	PH.A.5 38	PH.A.5 39	PH.A.5 40	PH.A.5 41	PH.A.5 42
	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars
1960	227	212	314	280	353	312	220	277	293	212	315	247	317	264
1966	328	252	364	285	372	373	270	336	346	245	360	274	387	306
1970	337	280	426	340	406	416	346	356	416	316	406	289	405	345
1975	590	457	587	606	583	735	673	641	819	567	651	475	789	634
1978	789	531	740	904	738	844	923	803	1155	703	865	611	1081	878
1981	925	733	888	1043	923	1026	945	897	1404	896	964	657	1110	1022
1993	2049	1461	2044	2093	2395	2526	2209	1987	2698	1953	2101	1463	2580	2641
1995	2330	1639	2038	2303	2503	2755	2634	2101	2890	2153	2231	1543	2859	2872

PH.A Average charitable deduction reported on federal income tax returns, by state: 1960-1995

.5

year	PH.A.5 .43	PH.A.5 .44	PH.A.5 .45	PH.A.5 .46	PH.A.5 .47	PH.A.5 .48	PH.A.5 .49	PH.A.5 .50	PH.A.5.51
------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	-----------

dollars   dollars   dollars   dollars   dollars   dollars   dollars   dollars   dollars

1960	310	351	256	213	314	219	305	240	222
1966	392	418	460	257	368	253	350	274	229
1970	456	488	513	261	391	327	422	285	249
1975	911	905	1066	426	577	582	747	477	613
1978	1059	1230	1519	611	803	777	1072	594	1029
1981	1483	1441	1776	881	1009	1004	1011	666	1020
1993	3435	3111	4137	1477	2138	2174	2407	1718	3290
1995	3810	3408	4588	1727	2332	2333	2573	1910	3966

<PH.B.1>

Corporate charitable and philanthropic giving, by sector, and large corporate foundation assets: 1929-1997

<AUTHOR>

Colin Burke

<MAP>

<PH.B.1.1> Corporate philanthropy

<T> Corporate contributions

<PH.B.1.2> total

<PH.B.1.3> adjusted total

<T> Corporate donations

<PH.B.1.4> total

<PH.B.1.5> health sector

<PH.B.1.6> education sector

<PH.B.1.7> cultural sector

<PH.B.1.8> civic and community betterment

<PH.B.1.9> religious sector

<T> Corporate philanthropic donations

<PH.B.1.10> total

<PH.B.1.11> health and human services

<PH.B.1.12> education

<PH.B.1.13> culture and arts

<PH.B.1.14> civic and community betterment

<PH.B.1.15> Larger corporate foundations' assets

<TITLE>

<PH.B.1.1>

<PH.B.1.2>

<PH.B.1.3>

<PH.B.1.4>

<PH.B.1.5>

<PH.B.1.6>

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<PH.B.1.9>

<PH.B.1.10>

<PH.B.1.11>

<PH.B.1.12>  
<PH.B.1.13>  
<PH.B.1.14>  
<PH.B.1.15>

<SOURCE>

Series <PH.B.1.1>. Through 1970 compiled by Ralph L. Nelson, CUNY Queens College, 1973, reported in *Historical Statistics of the United States* (1975); thereafter, unpublished data provided by AAFRC.

Series <PH.B.1.2>. Ann E. Kaplan (ed.), *Giving USA, 1996 ed.*, (Copyright, np., AAFRC Trust for Philanthropy, 1996) and unpublished data provided by AAFRC from 1997/8 studies.

Series <PH.B.1.3>. Hayden W. Smith, "Improved Measures of Corporate Contributions: Adjustments to the IRS Tax File on Corporate Giving to Include Corporate Foundations, and Other Matters," PONPO Working Paper No. 169 and ISPS Working Paper No. 1269, PONPO and Institution for Social and Policy Studies, Yale University, Oct. 1991, p. 29, and unpublished data provided by Hayden W. Smith.

Series <PH.B.1.4> to <PH.B.1.9>. Ralph L. Nelson, *Economic Factors in the Growth of Corporation Giving*, (Copyright, New York, National Bureau of Economic Research, 1970), appendix, Table XVI.

Series <PH.B.1.10> to <PH.B.1.14>. Bureau of the Census, *Statistical Abstract of the United States*, (Washington, D.C.), and, Conference Board, *Annual Survey of Corporate Contributions*, (Copyright, New York, NBER).

Series <PH.B.1.15>. Virginia Ann Hodgkinson and Murray S. Weitzman et. al., *The Nonprofit Almanac, 1966-7 Dimensions of the Independent Sector*, p. 123 (Copyright, San Francisco, Josey-Bass Publishers, 1966), and, Foundation Center, *Foundation Giving: Yearbook of Facts and Figures*, various editions, (Copyright, New York, The Foundation Center).

<DESCRIPTION>

The corporate tax files of the Internal Revenue Service have been used as the basis of many estimates of charitable and philanthropic giving. But the compilers have employed varying interpretations of the domain of corporations and have used differing accounting definitions and procedures. In addition, some the important groups that have compiled the statistics of corporate giving have focused on the activities of the larger corporations and corporate donors. The criteria for inclusion in such series has varied over time and institution. The work of the Conference Board and the Foundation Center have been the basis for most of these estimates but series vary because of estimation procedures and criteria for inclusion. The publications of Ralph L. Nelson and Hayden W. Smith provide insights into criteria, methods and sources of primary data.

Series <PH.B.1.1>. Through 1970, this was series H401 in *Historical Statistics of the United States* (1975). It was based on the larger "tracked" corporations. It was incorporated and updated in *Giving USA*, until the AAFRC implemented a new estimation model which led to the much higher estimates in series <PH.B.1.2>. See, *Giving USA, 1996*, pp. 88 and 199.

Series <PH.B.1.2>. This series is a newer estimate by the staff of AAFRC. It includes the contributions to in-house corporate foundations as well as donations to non-corporate recipients in its concept of "giving." See, *Giving USA, 1996*, pp. 88 and 199 and unpublished reports and data from 1997/8 AAFRC studies. This series, which originally ran through 1997, was replaced by series <PH.B.1.3> starting with the year 1986.

Series <PH.B.1.3>. Hayden W. Smith began, like many others, with the data provided by the Internal Revenue Service. However, recognizing the analytical importance of corporations' contributions to their

in-house foundations and the contributions of those foundations to other than corporate recipients, he used new techniques and measures to construct a series which seems to better reflect the amount of realized corporate giving per year. Smith's publications also provide insight into defects in the IRS corporate tax files. See, PONPO Working Paper No. 169, Appendix C.

Series <PH.B.1.5> to <PH.B.1.9>. These series also reflect the activities of the larger corporations and corporate donors and are from Nelson's NBER/Russell Sage Foundation work.

Series <PH.B.1.10> to <PH.B.1.14>. Based on the Conference Board series. They cover larger corporations and corporate donors. See *The Nonprofit Almanac, 1996*, p. 123 for a description.

Series <PH.B.1.15>. Corporate foundations in this series are ones controlled, to a significant degree, by the donor corporation and focus their work on corporate-related projects and recipients. The series includes corporate foundation with assets of at least \$1 million or making grants in the year reported. As of 1993, larger foundations held nearly 96 percent of assets and awarded 98 percent of grants of corporate foundations.

PH.B Corporate charitable and philanthropic giving, by sector, and large corporate foundation assets: 1929-1997

.1

year	PH.B.1.1	PH.B.1.2	PH.B.1.3	PH.B.1.4	PH.B.1.5	PH.B.1.6	PH.B.1.7	PH.B.1.8	PH.B.1.9	PH.B.1.10
	million	million	million	thousand	thousand	thousand	thousand	thousand	thousand	million
	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars	dollars
	H401									
1929	32	----	----	----	----	----	----	----	----	----
1930	35	----	----	----	----	----	----	----	----	----
1931	40	----	----	----	----	----	----	----	----	----
1932	31	----	----	----	----	----	----	----	----	----
1933	27	----	----	----	----	----	----	----	----	----
1934	27	----	----	----	----	----	----	----	----	----
1935	28	----	----	----	----	----	----	----	----	----
1936	30	----	26.7	----	----	----	----	----	----	----
1937	33	----	29.6	----	----	----	----	----	----	----
1938	27	----	25.2	----	----	----	----	----	----	----
1939	31	----	29.2	----	----	----	----	----	----	----
1940	38	----	35	----	----	----	----	----	----	----
1941	58	----	51.2	----	----	----	----	----	----	----
1942	98	----	82.9	----	----	----	----	----	----	----
1943	159	----	132.1	----	----	----	----	----	----	----
1944	234	----	196.1	----	----	----	----	----	----	----
1945	266	----	225.5	----	----	----	----	----	----	----
1946	214	----	186.2	----	----	----	----	----	----	----
1947	241	----	210.2	16100	10626	2254	----	----	----	----
1948	239	----	211.5	----	----	----	----	----	----	----
1949	223	----	201	----	----	----	----	----	----	----
1950	252	----	224.9	----	----	----	----	----	----	----
1951	343	----	309.2	----	----	----	----	----	----	----
1952	399	----	375.6	----	----	----	----	----	----	----
1953	495	----	473.9	----	----	----	----	----	----	----
1954	314	----	340.1	----	----	----	----	----	----	----
1955	415	----	427.6	38360	19397	11975	1224	----	191	----

1956	418	----	435.4	----	----	----	----	----	----	----
1957	419	----	441.8	----	----	----	----	----	----	----
1958	395	----	423.4	----	----	----	----	----	----	----
1959	482	510	506.9	101400	45700	39590	----	2940	400	----
1960	482	510	511.8	----	----	----	----	----	----	----
1961	512	540	540.2	----	----	----	----	----	----	----
1962	595	540	611.1	154142	63104	64531	----	8239	589	----
1963	657	580	664.5	----	----	----	----	----	----	----
1964	729	630	727	----	----	----	----	----	----	----
1965	785	740	775.5	209296	89921	80344	5833	12099	1053	----
1966	805	790	797.8	----	----	----	----	----	----	----
1967	830	820	824.1	----	----	----	----	----	----	----
1968	1005	900	967.3	----	----	----	----	----	----	----
1969	1055	930	1012	----	----	----	----	----	----	----
1970	797	820	811.2	----	----	----	----	----	----	----
1971	1100	850	865.6	----	----	----	----	----	----	----
1972	----	970	980.8	----	----	----	----	----	----	----
1973	----	1060	1113	----	----	----	----	----	----	----
1974	----	1100	1163.6	----	----	----	----	----	----	----
1975	1100	1150	1226.8	----	----	----	----	----	----	436.8
1976	----	1330	1422.5	----	----	----	----	----	----	----
1977	1791	1540	1676.1	----	----	----	----	----	----	593.9
1978	1600	1700	1806.5	----	----	----	----	----	----	----
1979	1900	2050	2191.7	----	----	----	----	----	----	----
1980	2200	2250	2330.7	----	----	----	----	----	----	994.6
1981	2700	2640	2614.8	----	----	----	----	----	----	1170
1982	3200	3110	3026.8	----	----	----	----	----	----	1281.6
1983	3700	3670	3669.9	----	----	----	----	----	----	1278.4
1984	4300	4130	3932.2	----	----	----	----	----	----	1444.3
1985	4800	4630	4430.9	----	----	----	----	----	----	1694.7
1986	5100	----	4932.3	----	----	----	----	----	----	1673.7
1987	5500	----	4936.1	----	----	----	----	----	----	1658.4
1988	5600	----	5052	----	----	----	----	----	----	1645.7
1989	5800	----	5345.2	----	----	----	----	----	----	1820.1
1990	5900	----	5500	----	----	----	----	----	----	2051.5
1991	6000	----	5250	----	----	----	----	----	----	2245.5
1992	5920	----	5910	----	----	----	----	----	----	2061.4
1993	6050	----	6470	----	----	----	----	----	----	1976.4
1994	6110	----	6980	----	----	----	----	----	----	1193.2
1995	7400	----	7320	----	----	----	----	----	----	----
1996	----	----	7630	----	----	----	----	----	----	----
1997	----	----	8200	----	----	----	----	----	----	----

PH.B Corporate charitable and philanthropic giving, by sector, and large corporate  
.1 foundation assets: 1929-1997

year	PH.B.1.11	PH.B.1.12	PH.B.1.13	PH.B.1.14	PH.B.1.15
	thousand dollars	thousand dollars	thousand dollars	thousand dollars	million dollars
1929	----	----	----	----	----
1930	----	----	----	----	----
1931	----	----	----	----	----
1932	----	----	----	----	----
1933	----	----	----	----	----
1934	----	----	----	----	----
1935	----	----	----	----	----
1936	----	----	----	----	----
1937	----	----	----	----	----
1938	----	----	----	----	----
1939	----	----	----	----	----
1940	----	----	----	----	----

1941	----	----	----	----	----
1942	----	----	----	----	----
1943	----	----	----	----	----
1944	----	----	----	----	----
1945	----	----	----	----	----
1946	----	----	----	----	----
1947	----	----	----	----	----
1948	----	----	----	----	----
1949	----	----	----	----	----
1950	----	----	----	----	----
1951	----	----	----	----	----
1952	----	----	----	----	----
1953	----	----	----	----	----
1954	----	----	----	----	----
1955	----	----	----	----	----
1956	----	----	----	----	----
1957	----	----	----	----	----
1958	----	----	----	----	----
1959	----	----	----	----	----
1960	----	----	----	----	----
1961	----	----	----	----	----
1962	----	----	----	----	----
1963	----	----	----	----	----
1964	----	----	----	----	----
1965	----	----	----	----	----
1966	----	----	----	----	----
1967	----	----	----	----	----
1968	----	----	----	----	----
1969	----	----	----	----	----
1970	----	----	----	----	----
1971	----	----	----	----	----
1972	----	----	----	----	----
1973	----	----	----	----	----
1974	----	----	----	----	----
1975	180000	158400	33000	45200	1211
1976	----	----	----	----	----
1977	227500	219700	73200	68300	1626
1978	----	----	----	----	----
1979	----	----	----	----	2008
1980	337900	375800	108700	116800	----
1981	393300	429800	139600	136600	2491
1982	397300	522200	145800	149300	----
1983	367600	498800	145200	188800	2996
1984	399900	561700	154700	271600	----
1985	494100	650000	187500	279500	3938
1986	468600	718000	198700	220500	----
1987	450500	610000	178600	236100	4966
1988	480200	614100	183600	212100	----
1989	481000	699800	201200	253500	5517
1990	580200	789200	243600	254500	5740
1991	608900	783600	265400	253500	5948
1992	570800	764700	243600	214300	6340
1993	535600	746600	214267	211383	6423
1994	493824	653435	189313	227257	----
1995	----	----	----	----	----
1996	----	----	----	----	----
1997	----	----	----	----	----



<PH.C.1> Nonprofit and tax-exempt institutions -- number, employment, employee compensation, and applications for tax-exempt status: 1929-1997

<AUTHOR> Colin Burke

<MAP>

<PH.C.1.1> Nonprofit institutions, gross domestic product

<T> tax exempt organizations

<PH.C.1.2> Number

<PH.C.1.3> tax returns filed  
<T> IRS 501 C3 and C4 organizations  
    <PH.C.1.4> charitable nonprofit organizations  
    <T> Independent Sector  
        <PH.C.1.5> wages and salaries  
        <PH.C.1.6> full and part time employees  
        <PH.C.1.7> volunteers  
<T> applications for tax-exempt nonprofit status  
    <PH.C.1.8> approved  
    <PH.C.1.9> declined  
    <PH.C.1.10> returned without approval, or withdrawn

<TITLE>

<PH.C.1.1>  
<PH.C.1.2>  
<PH.C.1.3>  
<PH.C.1.4>  
<PH.C.1.5>  
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<PH.C.1.7>  
<PH.C.1.8>  
<PH.C.1.9>  
<PH.C.1.10>

<SOURCE>

Series <PH.C.1.1>. U.S. Dept. Of Commerce, Economic and Statistics Administration, Bureau of Economic Analysis, *National Income and Product Accounts of the United States*, Washington (1998) and *Survey of Current Business*, annual editions.

Series <PH.C.1.2> to <PH.C.1.4> and <PH.C.1.8> to <PH.C.1.10>. United States Internal Revenue Service, *Annual Report of the Commissioner*, (Washington, GPO) annual, and Internal Revenue Service, *Databook*, annual; and Burton A. Weisbrod, *The Nonprofit Economy*, (Copyright, Cambridge, Harvard University Press, 1988), Tables A.2, A.9.

Series <PH.C.1.5> to <PH.C.1.7>. Virginia Ann Hodgkinson and Murray S. Weitzman, et. al, *Nonprofit Almanac 1996-7: Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass, 1997) pp.44-45.

<DESCRIPTION>

See also the text for table <PH.C.2>.

The Internal Revenue Service's files on nonprofit organizations have remained central to estimates of the number and types of voluntary and charitable organizations. However, the files have limited value for those wishing to describe or evaluate the nonprofit world in the United States. They do not contain a list of all formal or informal voluntary groups in the country, the number of which may exceed nine million. The files do not even include all formal organizations. For example, religious organizations are not required to file with the service, and organizations that had less than a certain amount of yearly income (recently, \$25,000) are not required to file a return. In addition, many voluntary organizations do not opt for the tax advantages provided by recognition by the government. The Business Master File contains an unknown number of inactive organizations and the segment of the file originating before the 1960s has special weaknesses. A rewarding discussion of the potentials and limits of the Internal Revenue Service's data appears in William G. Bowen, Thomas I. Nygren, Sarah E. Turner, and Elizabeth A. Duffy, *The Charitable Nonprofits*, (Copyright, San Francisco, Josey-Bass, 1994).

One of the more influential nonprofit professional organizations has preferred to combine many of the C3 and C4 organizations together and call them "The Independent Sector," (IS). The figures for the Independent Sector are different from those provided by the IRS for several reasons. The IS series have been based on somewhat different data sources, somewhat different accounting methods, and a much less inclusive definition of relevant organizations.

Series <PH.C.1.1>. A very inclusive definition of nonprofit institutions is used for this series. According to the documents provided by the Bureau of Economic Analysis, nonprofit institutions include "religious organizations, social and athletic clubs, labor organizations, nonprofit schools and hospitals, charitable and welfare organizations and other nonprofit organizations providing services to individuals." Wages and salaries and imputed values of food and housing provided free to clergy and employees of nonprofit institutions are core values for the series. The broad definition of nonprofit organizations and the inclusion of imputed compensation help account for the difference between this series and other estimates of wages and salaries in the sector. Note, however, that the nonprofit gross domestic product as a percentage of total gross national product yields a smaller figure than when wages and salaries, alone, are compared. This is due to the composition of the gross domestic product. Also note that this series does not include wages and salaries within private households.

Series <PH.C.1.2>. Excludes taxable farmer's organizations and taxable foundations. For a list of the rather wide range of organizations that can receive tax exempt status (some twenty-nine types), see Internal Revenue Service, *Annual Report*, or *IRS Databook*.

Series <PH.C.1.4>. The organizations in this series most fit the common image of voluntary and charitable institutions. IRS 501 C3 organizations are "Religious, educational, charitable, scientific, etc." IRS 501 C4 entities are civic leagues or social welfare organizations. Note that donations to IRS 501 C3 organizations have been tax deductible, a special inducement for funding and supporting them, and that in recent years IRS 501 C4 organizations have not been regarded by many as "charitable." For a more precise description of the Internal Revenue Service categories, see Internal Revenue Service, *Annual Report*, or, *IRS Databook*.

Series <PH.C.1.5>. Does not include the estimated dollar value of volunteers' time.

PH.C Nonprofit and tax-exempt institutions -- number, employment, employee compensation, and applications for tax-exempt status: 1929-1997

year	PH.C.1.1 d1 billion dollars	PH.C.1.2 number	PH.C.1.3 number	PH.C.1.4 number	PH.C.1.5 d1 billion dollars	PH.C.1.6 thousand	PH.C.1.7 thousand	PH.C.1.8 number	PH.C.1.9 number	PH.C.1.10 number
1929	1.1	----	----	----	----	----	----	----	----	----
1930	1.2	----	----	----	----	----	----	----	----	----
1931	1.1	----	----	----	----	----	----	----	----	----
1932	1	----	----	----	----	----	----	----	----	----
1933	0.9	----	----	----	----	----	----	----	----	----
1934	1	----	----	----	----	----	----	----	----	----
1935	1	----	----	----	----	----	----	----	----	----
1936	1	----	----	----	----	----	----	----	----	----
1937	1.1	----	----	----	----	----	----	----	----	----
1938	1.1	----	----	----	----	----	----	----	----	----
1939	1.1	----	----	----	----	----	----	----	----	----
1940	1.2	----	----	----	----	----	----	----	----	----
1941	1.3	----	----	----	----	----	----	----	----	----
1942	1.4	----	----	----	----	----	----	----	----	----
1943	1.6	80250	----	17450	----	----	----	----	----	----
1944	1.8	----	----	----	----	----	----	----	----	----
1945	2	----	----	----	----	----	----	----	----	----

1946	2.4	93458	----	24766	----	----	----	----	----	----
1947	2.8	----	----	----	----	----	----	----	----	----
1948	3.2	----	----	----	----	----	----	----	----	----
1949	3.6	----	----	----	----	----	----	----	----	----
1950	3.9	----	----	----	----	----	----	----	----	----
1951	4.3	----	----	----	----	----	----	----	----	----
1952	4.6	----	----	----	----	----	----	----	----	----
1953	5.1	----	----	----	----	----	----	----	----	----
1954	5.5	----	----	----	----	----	----	----	----	----
1955	6.1	----	----	----	----	----	----	----	----	----
1956	6.6	----	----	----	----	----	----	5373	342	1482
1957	7.3	----	----	----	----	----	----	5015	371	1723
1958	8	----	----	----	----	----	----	4865	311	1855
1959	8.9	----	----	----	----	----	----	4920	317	1557
1960	10.1	----	----	----	----	----	----	4907	330	1433
1961	10.7	----	----	----	----	----	----	4780	362	1439
1962	11.8	----	----	----	----	----	----	4554	416	1359
1963	12.8	----	----	----	----	----	----	4871	328	1102
1964	14	----	----	----	----	----	----	6936	463	1436
1965	15.3	----	----	----	----	----	----	11929	717	1668
1966	17.2	----	----	----	----	----	----	13445	885	1972
1967	19.2	309000	----	----	----	----	----	13672	814	2136
1968	21.7	358000	----	----	----	----	----	14640	935	2429
1969	25	416000	----	----	----	----	----	----	----	----
1970	27.9	----	----	----	----	----	----	----	----	----
1971	31.1	----	----	----	----	----	----	----	----	----
1972	34.3	535000	----	----	----	----	----	----	----	----
1973	38.2	630000	----	----	----	----	----	----	----	----
1974	42.6	673000	----	----	31.2	4849	3500	----	----	----
1975	47.4	692000	----	----	----	----	----	----	----	----
1976	51.7	762689	----	----	----	----	----	----	----	----
1977	56.5	789666	----	406000	46.7	5471	3271	36017	2389	8661
1978	63.2	810048	----	----	----	----	----	35214	2192	10354
1979	71	824536	----	----	----	----	----	35342	2536	10637
1980	81	846433	443674	449000	63.5	6162	4060	36980	1914	10640
1981	91.5	851012	408750	----	----	----	----	36854	1639	13853
1982	102	838650	443705	454000	80.7	6543	4481	38434	1510	12160
1983	112.9	842751	437026	----	----	----	----	38604	1180	14163
1984	123.9	838319	393244	483000	91.6	6677	4694	44173	1389	19006
1985	133.6	858745	431156	----	----	----	----	44205	1076	14216
1986	145.9	897424	487183	----	----	----	----	43007	987	16347
1987	165.6	939105	522751	560588	116	7390	5059	43964	1012	17542
1988	186.8	969177	489952	585955	130.4	7907	5375	41335	632	16334
1989	205.7	992561	490129	605376	143.9	8319	5691	----	----	----
1990	228.5	1024766	484000	632355	156.2	8652	5784	41569	781	15407
1991	248.3	1055545	512551	----	----	----	----	38801	705	11158
1992	269	1085206	530592	688773	184.2	9128	5500	----	----	----
1993	285.8	1118131	542969	718015	----	----	----	43975	545	14199
1994	301.7	1138598	522000	730888	204.6	9656	5462	----	----	----
1995	319.5	1164789	560057	----	----	----	----	50613	619	16062
1996	333.1	1188510	573265	----	----	----	----	48635	577	18800
1997	349.4	----	----	----	----	----	----	----	----	----

<PH.C.2>

Charitable nonprofit and independent sector organizations -- assets, expenditures, and revenues, by source: 1943-1995

<AUTHOR>

Colin Burke

<MAP>

<T> C3 charitable nonprofit organizations

    <PH.C.2.1> total revenue

    <PH.C.2.2> fair market value of assets

    <PH.C.2.3> contributions received

<T> C3 and C4 independent sector organizations

    <T> sources of support

        <PH.C.2.4> total funds received

        <PH.C.2.5> private contributions

        <PH.C.2.6> private payments for services and goods

        <PH.C.2.7> government payments

        <PH.C.2.8> other income

        <PH.C.2.9> government payments to all but health and education nonprofits

    <PH.C.2.10> operating expenditures

<TITLE>

<PH.C.2.1>

<PH.C.2.2>

<PH.C.2.3>

<PH.C.2.4>

<PH.C.2.5>

<PH.C.2.6>

<PH.C.2.7>

<PH.C.2.8>

<PH.C.2.9>

<PH.C.2.10>

<SOURCE>

Series <PH.C.2.1> to <PH.C.2.3>. Alecia Meckstroth and Paul Arnsberger, "20-Year Review of the Nonprofit Sector, 1975-1995," Special Projects Section, U.S. Internal Revenue Service, circa 1998, forthcoming.

Series <PH.C.2.4> to <PH.C.2.10>. Virginia Ann Hodgkinson and Murray S. Weitzman. et. al.,

*Nonprofit Almanac 1996-7: Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass, 1997), Tables 4.2 and 1.8, and data from earlier Independent Sector publications all of which relied heavily upon data from the *Census of Service Industries* and the *Survey of Current Business*; Internal Revenue Service, Statistics of Income, *Bulletin*, Supplements of 1945 and 1946.

<DESCRIPTION>

See also the text for table <PH.C.1>.

The organizations included in these series -- especially those in series <PH.C.2.1> to <PH.C.2.3> -- are the ones that best fit the common view of the charitable role of nonprofit institutions. However, the common and formal categorization of "charitable" and nonprofit organizations have changed over time and even in the 1990s the boundaries of subsectors are variously defined. The Internal Revenue Service has more than two dozen categories for tax exempt organizations and restricts the term "charitable" to those granted the C3 status. The IRS has complex rules for granting C3 charity status and has two major subcategories for C3 organizations: public charities and private foundations. The C4 category is reserved for what the IRS terms "social welfare" organizations, and the IRS now reports on C3 and C4 organizations separately. Also, the IRS frequently reports on the "public charity" C3 organizations without including statistics on C3 private foundations. For IRS data on C3 private foundations see series <PH.C.4.3> to <PH.C.4.5>.

One of the more influential nonprofit professional organizations has preferred to combine many of the C3 and C4 organizations together and call them "The Independent Sector," (IS). The figures for the Independent Sector are different from those provided by the IRS for several reasons. The IS series have been based on somewhat different data sources, somewhat different accounting methods, and a much less inclusive definition of relevant organizations. The subsectors included in the combined C3-C4 "Independent Sector" series are: Health, Education\Research, Religious, Social-Legal Service, Civic-Social-Fraternal, Arts-Culture, and Foundations. Their SIC codes are: 80, 82, 87:3, (829)c, 866, 83, 81, 864, 483, 792, 84, 6732. Note that some very important organizations within those subsectors are not included in the IS series.

IRS 501 C3 and C4 organizations are granted federal tax exemptions and are expected to provide service to the community. The C3 public charity organizations are presently called the "charitable nonprofits" by the IRS and they and the C3 private foundations receive the special advantage of having contributions to them being tax deductible by donors. Although not granted all the exemption benefits of the C3s, the types of organizations presently granted C4 status were once perceived as being part of a general nonprofit universe. Thus, the Internal Revenue Service statistics for the 1940s were included in the combined C3-C4 "Independent Sector" series.

It should be recognized that the Internal Revenue Service requirements concerning the amount of charitable activity and spending needed to gain and maintain C3 or even C4 status have changed over time. Some observers have expressed concern that in the last two or three decades regulatory policy changes have allowed a significant increase in the number of nonprofit organizations and their financial powers, while there has been a decline in the amount of charitable activity and popular participation. For an example of such observations, see Gilbert M. Gaul and Neill A. Borowski, *Free Ride: The Tax-exempt Economy*, (Kansas City, Andrews and McMeel, 1993.)

Note that the data for the 1940s is not strictly comparable to that of the later period because different definitions and methods were employed. Caution should also be exercised when using these series to make inferences about the charitable role of religious organizations. Not all religious charitable activity is reflected by the series.

There are many other limits to the usefulness of the Internal Revenue Service data and readers are cautioned not to interpret the IRS or IS series as capturing all nonprofit activity. For a useful exploration

of the limitations see, David R. Stevenson, Thomas H. Pollack and Linda M. Lampkin (with Kathryn L. S. Pettit and Nicholas A. J. Stangal), *State Nonprofit Almanac, 1997: Profiles of Charitable Organizations*, Washington, D.C., The Urban Institute Press, 1997, Appendix A.

Series <PH.C.2.1>. Revenue is defined as receipts minus cost of goods sold, sales and rental expenses, etc.

Series <PH.C.2.1> to <PH.C.2.3>. Does not include private foundations.

Series <PH.C.2.10>. This series was based on a different table (1.8) in the 1997 Independent Sector publication than the one used to anchor the other Independent Sector series, and it covers a somewhat broader range of organizations.

<FOOTNOTE>

\1 Data for 1940s not strictly comparable with later data. See text.

PH.C Charitable nonprofit and independent sector organizations -- assets, expenditures, and revenues, by source: 1943-1995  
.2

year	\1 PH.C.2.1 thousand dollars	PH.C.2.2 thousand dollars	PH.C.2.3 thousand dollars	PH.C.2.4 thousand dollars	PH.C.2.5 thousand dollars	PH.C.2.6 d1 billion dollars	PH.C.2.7 d1 billion dollars	PH.C.2.8 d1 billion dollars	PH.C.2.9 d1 billion dollars	PH.C.2.10 d1 billion dollars
1943	----	----	----	1018300	367866	----	----	----	----	----
1946	----	----	----	1621163	486216	----	----	----	----	----
1960	----	----	----	----	----	----	----	----	----	18.4
1961	----	----	----	----	----	----	----	----	----	19.4
1962	----	----	----	----	----	----	----	----	----	21.4
1963	----	----	----	----	----	----	----	----	----	23.4
1964	----	----	----	----	----	----	----	----	----	25.4
1965	----	----	----	----	----	----	----	----	----	27.8
1966	----	----	----	----	----	----	----	----	----	31.3
1967	----	----	----	----	----	----	----	----	----	34.9
1968	----	----	----	----	----	----	----	----	----	39.4
1969	----	----	----	----	----	----	----	----	----	45.4
1970	----	----	----	----	----	----	----	----	----	50.7
1971	----	----	----	----	----	----	----	----	----	56.5
1972	----	----	----	----	----	----	----	----	----	62.4
1973	----	----	----	----	----	----	----	----	----	69.4
1974	----	----	----	76300000	----	29.2	29.2	----	----	77.4
1975	54148000	108508657	17109471	----	----	----	----	----	----	86.2
1976	----	----	----	----	----	----	----	----	----	94
1977	95400000	139000000	----	111100000	29200000	41.7	29.5	10.7	12.9	102.7
1978	127000000	174100000	----	----	----	----	----	----	----	116.4
1979	----	----	----	----	----	----	----	----	----	131.3
1980	----	----	----	159900000	----	61.7	----	----	----	150.4
1981	----	----	----	----	----	----	----	----	----	170.7
1982	196303700	279638066	41272737	211900000	46200000	82.1	59.5	24.1	23	191.1
1983	224047813	331226616	46382698	----	----	----	----	----	----	208.5
1984	----	----	----	----	----	----	----	----	----	225.1
1985	268389632	423544289	55770719	----	----	----	----	----	----	242.4
1986	292483178	489180002	60115290	----	----	----	----	----	----	292.7
1987	310765938	529514045	61686060	316700000	72600000	129.2	88.5	26.4	33.7	292.2
1988	354646576	583573213	69061529	----	----	----	----	----	----	326
1989	398628410	655425991	76973160	----	----	154.8	105.3	37	----	358.5
1990	435566954	697315389	85332140	----	----	----	----	----	----	396.4
1991	491105661	777471601	87461613	----	----	----	----	----	----	431.8

1992	523729927	849324435	94992327	508500000	93700000	198.7	159.4	56.7	53	469.8
1993	566067394	926847263	103052916	----	----	----	----	----	----	499.1
1994	589101858	993381198	110723736	----	----	----	----	----	----	----
1995	663370551	114307868	127742791	----	----	----	----	----	----	----

1

<PH.C.3> Foundations, community trusts, and nonprofit organizations -- number, endowment income, and grant expenditures, by sector: 1921-1997

<AUTHOR> Colin Burke

<MAP>

<T> Grant expenditures of 100 large foundations and community trusts

<PH.C.3.1> total

<PH.C.3.2> for education

<PH.C.3.3> for health

<PH.C.3.4> for religion

<PH.C.3.5> independent foundations

<PH.C.3.6> private foundations

<T> income from endowments

<PH.C.3.7> foundations

<PH.C.3.8> nonprofit organizations (not foundations)

<T> foundations

<PH.C.3.9> active

<PH.C.3.10> independent

<PH.C.3.11> company-sponsored



<PH.C.3.12> community  
<PH.C.3.13> operating

<TITLE>

<PH.C.3.1>  
<PH.C.3.2>  
<PH.C.3.3>  
<PH.C.3.4>  
<PH.C.3.5>  
<PH.C.3.6>  
<PH.C.3.7>  
<PH.C.3.8>  
<PH.C.3.9>  
<PH.C.3.10>  
<PH.C.3.11>  
<PH.C.3.12>  
<PH.C.3.13>

<SOURCE>

Series <PH.C.3.1> to <PH.C.3.4>. Raymond Rich and Associates, *American Foundations and Their Fields*, (Copyright, New York, 1939) various issues, and, Edward C. Lindeman, *Wealth and Culture: A Study of One Hundred Foundations and Community Trusts and Their Operations During the Decade, 1921-1930*, (Copyright, New Brunswick, N.J., Transaction Books, 1988).

Series <PH.C.3.5>. Virginia Ann Hodgkinson and Murray S. Weitzman, et. al., *Nonprofit Almanac 1996-7: Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass, 1997), Table 2.20, and, The Foundation Center, *Guide to United States Foundations: Their Trustees, Officers, and Donors*, (Copyright, New York, The Foundation Center, 1996).

Series <PH.C.3.6>. Unites States Internal Revenue Service, Statistics of Income, *Bulletin*, (espec. Spring issues) various years.

Series <PH.C.3.7> and <PH.C.3.8>. Frank G. Dickinson, The Changing Position of Philanthropy in the American Economy, Occasional Paper #110, NBER, Columbia University Press, 1970, Table 2.5.

Series <PH.C.3.9> to <PH.C.3.13> The Foundation Center, *The Foundation Directory*, (Copyright, New York, The Foundation Center) various issues, and, *American Foundations and Their Fields*.

<DESCRIPTION>

Estimates of the number and finances of foundations, especially those for the years before the 1960s, have focused on the larger "charitable" foundations, those which have underwritten so many other nonprofit organizations. In contrast, reports based on federal tax records include organizations that may never have been active. That is one of the reasons for the great differences in the estimates of numbers, assets, and expenditures of foundations in tables <PH.C.3> and <PH.C.4>.

Series <PH.C.3.5>. Based on tax records and includes all foundations, not just those with significant assets. Note the difference between these estimates and those in series <PH.C.3.6>, which are based on IRS files.

Series <PH.C.3.7> and <PH.C.3.8>. See the text in Hammack and Young for an explanation of their methods of estimating income before the mid-1950s.

Series <PH.C.3.9>. Covers foundations listed by *Foundation Directory*. This series gives higher

estimates than others in the table perhaps because of its more inclusive definition of a foundation.

Series <PH.C.3.9> to <PH.C.3.13>. Includes only larger or more active and prominent foundations. The Directory's compilers altered its criteria of "large" and "prominent" several times. In 1962, 1965, 1968-69, and 1972 they raised the amount of assets and total amount of grants issued by a foundation to qualify it for inclusion. By 1972 a foundation had to have at least \$1,000,000 in assets to qualify.

PH.C Foundations, community trusts, and nonprofit organizations -- number, endowment income, and grant expenditures, by  
.3 sector: 1921-1997

year	PH.C.3. 1	PH.C.3. 2	PH.C.3. 3	PH.C.3. .4	PH.C.3. .5	PH.C.3. .6	PH.C.3.7	PH.C.3.8	PH.C.3. .9	PH.C.3. 10	PH.C.3. 11	PH.C.3. 12	PH.C.3. 13
	dollars	dollars	dollars	dollars	number	number	million dollars	million dollars	number	number	number	number	number
1921	3634450	1507166	114897	751980	---	---	---	---	---	---	---	---	---
	9	0	43										
1922	4254646	1519999	202746	564141	---	---	---	---	---	---	---	---	---
	2	5	09										
1923	3879266	1496538	141327	237546	---	---	---	---	---	---	---	---	---
	4	6	75										
1924	4579687	2516157	113754	216849	---	---	---	---	---	---	---	---	---
	6	4	77										
1925	4015229	1471288	147191	261801	---	---	---	---	---	---	---	---	---
	2	9	13										
1926	4678800	1780747	177791	353180	---	---	---	---	---	---	---	---	---
	0	2	47										
1927	5673701	2840969	171588	391168	---	---	---	---	---	---	---	---	---
	4	9	82										
1928	8374349	2790581	302217	253990	---	---	---	---	---	---	---	---	---
	0	2	79	6									
1929	6581394	3110488	198334	154360	---	---	82	435	---	---	---	---	---
	1	1	40	3									
1930	6170478	3266115	151561	714799	---	---	94	414	122	---	---	---	---
	3	2	59										
1931	5460500	1357900	171440	370000	---	---	89	393	---	---	---	---	---
	0	0	00										
1932	---	---	---	---	---	---	70	372	---	---	---	---	---
1933	---	---	---	---	---	---	63	352	---	---	---	---	---
1934	3421100	9220000	916700	40000	---	---	66	376	---	---	---	---	---
	0		0										
1935	---	---	---	---	---	---	68	400	---	---	---	---	---
1936	---	---	---	---	---	---	80	424	---	---	---	---	---
1937	3847800	9170000	134960	275000	---	---	105	449	---	---	---	---	---
	0		00										
1938	---	---	---	---	---	---	87	450	---	---	---	---	---
1939	---	---	---	---	---	---	86	452	---	---	---	---	---
1940	4039000	1169700	122740	122400	---	---	96	461	---	---	---	---	---
	0	0	00	0									
1941	---	---	---	---	---	---	103	470	---	---	---	---	---
1942	---	---	---	---	---	---	109	473	---	---	---	---	---
1943	---	---	---	---	---	---	108	477	---	---	---	---	---
1944	---	---	---	---	---	---	142	524	505	---	---	---	---
1945	---	---	---	---	---	---	148	570	---	---	---	---	---
1946	---	---	---	---	---	---	155	560	---	---	---	---	---
1947	---	---	---	---	---	---	199	550	---	---	---	---	---
1948	---	---	---	---	---	---	225	580	---	---	---	---	---
1949	---	---	---	---	---	---	242	611	---	---	---	---	---
1950	---	---	---	---	---	---	277	663	---	---	---	---	---
1951	---	---	---	---	---	---	315	716	---	---	---	---	---

1952	----	----	----	----	----	----	323	794	----	----	----	----	----
1953	----	----	----	----	----	----	333	872	----	----	----	----	----
1954	----	----	----	----	----	----	341	950	4164	----	----	----	----
1955	----	----	----	----	----	----	386	1080	3795	----	----	----	----
1956	----	----	----	----	----	----	407	1100	----	----	----	----	----
1957	2478940	1161750	352140	852000	----	----	449	1200	----	----	----	----	----
	00	00	00	0									
1958	----	----	----	----	----	----	450	1200	----	----	----	----	----
1959	----	----	----	----	----	----	475	1200	5202	----	----	----	----
1960	----	----	----	----	----	----	----	----	5143	----	----	----	----
1962	----	----	----	----	----	----	----	----	6007	----	----	----	----
1965	----	----	----	----	----	----	----	----	6803	----	----	----	----
1968	----	----	----	----	----	----	----	----	5454	----	----	----	----
1972	----	----	----	----	----	----	----	----	2533	----	----	----	----
1974	----	----	----	----	----	26889	----	----	----	----	----	----	----
1975	----	----	----	----	21877	----	----	----	2823	----	----	----	----
1976	----	----	----	----	21447	----	----	----	2818	----	----	----	----
1977	----	----	----	----	22152	27691	----	----	----	----	----	----	----
1978	----	----	----	----	22484	29659	----	----	3138	----	----	----	----
1979	----	----	----	----	22535	27980	----	----	3178	2470	545	81	42
1980	----	----	----	----	22088	----	----	----	3363	----	----	----	----
1981	----	----	----	----	21967	----	----	----	----	2618	602	95	48
1982	----	----	----	----	23770	28468	----	----	4063	----	----	----	----
1983	----	----	----	----	24261	29863	----	----	----	----	----	----	----
1984	----	----	----	----	24859	----	----	----	----	----	----	----	----
1985	----	----	----	----	25639	31221	----	----	4402	3466	723	134	79
1986	----	----	----	----	----	35172	----	----	----	----	----	----	----
1987	----	----	----	----	27661	35907	----	----	5148	4100	781	160	107
1988	----	----	----	----	30338	37141	----	----	----	----	----	----	----
1989	----	----	----	----	31990	38773	----	----	6615	5383	904	175	153
1990	----	----	----	----	32401	40166	----	----	----	----	----	----	----
1991	----	----	----	----	33356	41348	----	----	----	----	----	----	----
1992	----	----	----	----	35765	42426	----	----	8729	7277	1010	233	209
1993	----	----	----	----	37571	44004	----	----	6334	5146	813	218	157
1994	----	----	----	----	----	----	----	----	6785	5547	839	230	169
1995	----	----	----	----	40140	----	----	----	7292	6018	841	248	185
1997	----	----	----	----	----	----	----	----	7960	6601	869	286	204

<PH.C.4> Foundations and endowments -- number, assets, revenues, disbursements, and foundings, by type and in selected states: 1921-1997

<AUTHOR> Colin Burke

<MAP>

<T> foundations

<PH.C.4.1> assets

<PH.C.4.2> gifts and contributions received

<T> private C3 foundations

<PH.C.4.3> assets

<PH.C.4.4> Revenue

<PH.C.4.5> Grants made by

<PH.C.4.6> foundations with assets of at least \$10 million

<PH.C.4.7> Disbursements of community trusts

<T> foundations in Massachusetts, Connecticut, New York and California

<PH.C.4.8> number

<PH.C.4.9> assets

<PH.C.4.10> foundation expenditures on research

<T> foundations founded

<PH.C.4.11> all types

<PH.C.4.12> independent

<PH.C.4.13> corporate

<PH.C.4.14> community

<TITLE>

<PH.C.4.1>

<PH.C.4.2>

<PH.C.4.3>

<PH.C.4.4>

<PH.C.4.5>

<PH.C.4.6>

<PH.C.4.7>

<PH.C.4.8>

<PH.C.4.9>

<PH.C.4.10>

<PH.C.4.11>

<PH.C.4.12>

<PH.C.4.13>

<PH.C.4.14>

<SOURCE>

Series <PH.C.4.1>, <PH.C.4.8>, and <PH.C.4.9>. Compiled using data in *The Foundation Directory*, (Copyright, New York, The Foundation Center), various editions, and Raymond Rich and Associates, *American Foundations and Their Fields*, (Copyright, New York, 1939) and various editions.

Series <PH.C.4.2>. Estimated by Professor Ralph. L. Nelson, 1973.

Series <PH.C.4.3> to <PH.C.4.5>. Alecia Meckstroth and Paul Arnsberger, "20-Year Review of the Nonprofit Sector, 1975-1995," Special Projects Section, U.S. Internal Revenue Service, circa 1998, forthcoming.

Series <PH.C.4.6> and <PH.C.4.11> to <PH.C.4.14>. Virginia Ann Hodgkinson and Murray S. Weitzman. et. al., *Nonprofit Almanac 1996-7: Dimensions of the Independent Sector*, (Copyright, San Francisco, Josey-Bass, 1997), Table 2.23, which utilized data from *Foundation Giving*, (Copyright, New York, The Foundation Center).

Series <PH.C.4.7>. Shelby M. Harrison and F. Emerson Andrews, *American Foundations for Social Welfare*, (Copyright, New York, The Russell Sage Foundation, 1946).

Series <PH.C.4.10>. National Science Foundation, *Patterns of Research and Development Resources, Funds and Manpower in the United States*.

<DESCRIPTION>

Note that the estimates for foundations that are based on tax files, such as those published by the Statistics of Income division and Special Studies Section of the Internal Revenue Service, are different from those found in publications by such institutions as the Foundation Center. This is due to the greater inclusiveness of the tax files which contain the names of several thousand more foundations than do the files of the foundation-watch centers, and to the use of different accounting procedures and definitions.

Series <PH.C.4.1>, <PH.C.4.8>, and <PH.C.4.9>. Covers foundations listed by *Foundation Directory*. The year is approximate as a result of data reporting practices.

Series <PH.C.4.3> to <PH.C.4.5>. Covers private C3 foundations reporting their finances to the Internal Revenue Service. Assets reported in terms of fair market values.

Series <PH.C.4.4>. Revenue is defined as income minus the cost of doing business. The IRS changed its definition of revenue after the issuance of its 1970s special reports on the nonprofit sector.

Series <PH.C.4.10>. Covers 37 foundations.

Series <PH.C.4.11> to <PH.C.4.14>. The source defined a "large" foundation as one with at least \$1 million in assets or one making at least \$100,000 in grants during the previous year.

Series <PH.C.4.11> to <PH.C.4.14>. Covers large foundations active in 1994. The data represent the middle year of the decade in which the foundation was born, except for 1995 which covers only 1900-1994.

PH.C Foundations and endowments -- number, assets, revenues, disbursements, and foundings, by type and in selected states:  
4 1921-1997

year	PH.C.4.1	PH.C.4.2	PH.C.4.3	PH.C.4.4	PH.C.4.5	PH.C.4.6	PH.C.4.7	PH.C.4.8	PH.C.4.9	PH.C.4.10	PH.C.4.11
	thousand dollars	million dollars	thousand dollars	thousand dollars	thousand dollars	number	thousand dollars	number	million dollars	thousand dollars	number
1921	----	----	----	----	----	----	375	----	----	----	----
1922	----	----	----	----	----	----	350	----	----	----	----
1923	----	----	----	----	----	----	350	----	----	----	----
1924	----	----	----	----	----	----	400	----	----	----	----
1925	----	----	----	----	----	----	500	----	----	----	159
1926	----	----	----	----	----	----	550	----	----	----	----
1927	----	----	----	----	----	----	600	----	----	----	----
1928	----	----	----	----	----	----	700	----	----	----	----
1929	----	----	----	----	----	----	852	----	----	----	----
1930	853000	----	----	----	----	----	941	72	707	----	----

1931	----	----	----	----	----	----	1002	----	----	----	----
1932	----	----	----	----	----	----	1107	----	----	----	----
1933	----	----	----	----	----	----	1026	----	----	----	----
1934	----	----	----	----	----	----	1060	----	----	----	----
1935	----	----	----	----	----	----	1129	----	----	----	198
1936	----	----	----	----	----	----	1109	----	----	10022	----
1937	----	----	----	----	----	----	1150	142	----	----	----
1938	----	----	----	----	----	----	1757	----	----	----	----
1939	----	----	----	----	----	----	1278	----	----	----	----
1940	----	----	----	----	----	----	2225	183	----	----	----
1941	----	----	----	----	----	----	1606	----	----	----	----
1942	----	----	----	----	----	----	1725	----	----	----	----
1943	----	----	----	----	----	----	1740	----	----	----	----
1944	1402000	----	----	----	----	----	1918	272	789	----	----
1945	----	----	----	----	----	----	2022	----	----	----	778
1946	----	----	----	----	----	----	2205	----	----	44454	----
1947	----	----	----	----	----	----	2250	----	----	----	----
1948	----	----	----	----	----	----	3362	----	----	----	----
1949	----	----	----	----	----	----	3855	----	----	----	----
1953	----	252	----	----	----	----	----	----	----	23225	----
1954	4524000	291	----	----	----	----	----	1698	2826	----	----
1955	----	330	----	----	----	----	----	1551	----	----	1858
1956	----	369	----	----	----	----	----	----	----	----	----
1957	----	408	----	----	----	----	----	----	----	----	----
1958	----	447	----	----	----	----	----	----	----	----	----
1959	11518000	486	----	----	----	----	----	2034	7836	----	----
1960	----	525	----	----	----	----	----	2019	----	----	----
1961	----	567	----	----	----	----	----	----	----	----	----
1962	14511000	729	----	----	----	----	----	2391	9004	----	----
1963	----	793	----	----	----	----	----	2391	8937	----	----
1964	----	952	----	----	----	----	----	2721	10608	----	----
1965	19927000	1043	----	----	----	----	----	2711	10481	----	1670
1966	----	1135	----	----	----	----	----	----	----	----	----
1967	----	1215	----	----	----	----	----	----	----	----	----
1968	25180700	1300	----	----	----	----	----	2157	11457	----	----
1972	31510000	----	----	----	----	----	----	941	14198	----	----
1973	27306000	----	----	----	----	----	----	----	11427	----	----
1974	----	----	25514367	3263351	1953060	----	----	----	----	----	----
1975	29649000	----	----	----	----	----	----	1018	12903	----	983
1976	28635000	----	----	----	----	----	----	1022	12368	----	----
1977	----	----	----	----	----	471	----	1191	----	----	----
1978	32359000	----	----	----	----	----	----	1124	13723	----	----
1979	38522000	----	44600000	6013129	2801000	----	----	----	15984	----	----
1980	41594000	----	----	----	----	626	----	----	17054	----	----
1981	----	----	----	----	----	----	----	----	18989	----	----
1982	----	----	62886606	9126529	4429979	----	----	----	24644	----	----
1983	----	----	71934891	12131748	4363354	----	----	----	----	----	----
1984	----	----	----	----	----	----	----	----	1180	----	----
1985	63075000	----	97089280	16412533	5244114	----	----	1532	43442	----	3082
1986	----	----	113175809	20031228	6205413	----	----	----	----	----	----
1987	89916000	----	114301195	17116794	6770100	1272	----	1790	37296	----	----
1988	----	----	128889124	16280190	7379690	1343	----	----	----	----	----
1989	106940000	----	151694261	19916920	8801108	1477	----	2264	42560	----	----
1990	----	----	164828987	19521182	8880590	1593	----	----	52730	----	----
1991	----	----	189571401	24610028	10146287	1741	----	----	----	----	----
1992	134191000	----	192207531	23566388	10910350	1928	----	3060	50932	----	----
1993	151182000	----	207536468	25415288	11652564	2066	----	2216	57033	----	----
1994	162145000	----	222542546	29859556	12308958	----	----	2331	62164	----	----
1995	173513000	----	263386454	32289714	12858843	2347	----	2513	66733	----	687
1997	207373860	----	----	----	----	----	----	2696	77086	----	----

PH.C Foundations and endowments -- number, assets, revenues, disbursements, and foundings, by type and in selected states: 1921-1997

year	PH.C.4. 12	PH.C.4. 13	PH.C.4.14
	number	number	number
1921	----	----	----
1922	----	----	----
1923	----	----	----
1924	----	----	----
1925	125	5	20
1926	----	----	----
1927	----	----	----
1928	----	----	----
1929	----	----	----
1930	----	----	----
1931	----	----	----
1932	----	----	----
1933	----	----	----
1934	----	----	----
1935	179	7	5
1936	----	----	----
1937	----	----	----
1938	----	----	----
1939	----	----	----
1940	----	----	----
1941	----	----	----
1942	----	----	----
1943	----	----	----
1944	----	----	----
1945	681	63	20
1946	----	----	----
1947	----	----	----
1948	----	----	----
1949	----	----	----
1953	----	----	----
1954	----	----	----
1955	1488	318	30
1956	----	----	----
1957	----	----	----
1958	----	----	----
1959	----	----	----
1960	----	----	----
1961	----	----	----
1962	----	----	----
1963	----	----	----
1964	----	----	----
1965	1420	174	36
1966	----	----	----
1967	----	----	----
1968	----	----	----
1972	----	----	----
1973	----	----	----
1974	----	----	----
1975	811	100	54
1976	----	----	----
1977	----	----	----
1978	----	----	----
1979	----	----	----
1980	----	----	----
1981	----	----	----
1982	----	----	----
1983	----	----	----
1984	----	----	----
1985	2618	303	71

1986	----	----	----
1987	----	----	----
1988	----	----	----
1989	----	----	----
1990	----	----	----
1991	----	----	----
1992	----	----	----
1993	----	----	----
1994	----	----	----
1995	594	58	13
1997	----	----	----

<PH.C.5> Active tax-exempt organizations, farmer's cooperatives, and non-exempt charitable trusts, by type: 1969-1996

<AUTHOR> Colin Burke

<MAP>

<T> Active 501

- <PH.C.5.1> (C1) corporations organized under Act of Congress
- <PH.C.5.2> (C2) titleholding corporations
- <PH.C.5.3> (C3) religious, charitable, etc., organizations
- <PH.C.5.4> (C4) social welfare organizations
- <PH.C.5.5> (C5) labor, agricultural organizations
- <PH.C.5.6> (C6) business leagues
- <PH.C.5.7> (C7) social and recreation clubs
- <PH.C.5.8> (C8) fraternal benevolent societies
- <PH.C.5.9> (C9) voluntary employees' beneficiary societies
- <PH.C.5.10> (C10) domestic fraternal beneficiary societies
- <PH.C.5.11> (C11) teachers' retirement funds
- <PH.C.5.12> (C12) benevolent life insurance associations
- <PH.C.5.13> (C13) cemetery companies
- <PH.C.5.14> (C14) credit unions
- <PH.C.5.15> (C15) mutual insurance companies
- <PH.C.5.16> (C16) corporations to finance crop operation
- <PH.C.5.17> (C17) supplemental unemployment benefit trusts



<PH.C.5.18> (C18) employee funded pension trusts  
<PH.C.5.19> (C19) war veteran's organizations  
<PH.C.5.20> (C20) legal service organizations  
<PH.C.5.21> (C21) black lung trusts  
<PH.C.5.22> (D) religious/apostolic organizations  
<PH.C.5.23> (E) cooperative hospitals  
<PH.C.5.24> (F) cooperative service organizations of educational organizations  
<T> Active farmer's cooperatives  
<PH.C.5.25> 521  
<PH.C.5.26> taxable  
<PH.C.5.27> Active nonexempt charitable trusts

<TITLE>

<PH.C.5.1>  
<PH.C.5.2>  
<PH.C.5.3>  
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<PH.C.5.27>

<SOURCE>

U.S. Internal Revenue Service, *Annual Report(s)*, U.S. Internal Revenue Service, *IRS Databook* ;  
Statistics of Income Division, *Supplements to the Statistics of Income Bulletin, 1945 and 1946*; and,  
Burton A. Weisbrod, *The Nonprofit Economy*, (Copyright, Cambridge, Harvard University Press, 1988),  
p 176.

<DESCRIPTION>

The organizations in these series are those on the IRS Exempt Organization Master File. The organizations granted some type of federal tax exemption under section 501 C of the Internal Revenue Code cover a wide range of activities. Those organizations formally termed "charitable" by IRS analysts and accorded a 501 (C3) status include universities, schools, United Way campaigns, hospitals, social service organizations, private foundations, and other organizations that operate programs, provide

services, or make grants to support charitable activities. The C3 organizations must serve the public good, not private interests, and they are restricted from influencing legislation and politics. In return, C3 organizations are not only exempt from most federal taxation but may receive tax-deductible contributions, a privilege not granted to the other 501 tax-exempt organizations. That encourages individuals to contribute to the C3 organizations due to tax savings. Most organizations that fit the traditional definition of charitable institutions are granted a C3 status although some experts in the field accord those with a C4 status membership in the "independent" or charitable sector. It should be recognized that the Internal Revenue Service requirements concerning the amount of charitable activity and spending needed to gain and maintain C3 or C4 status have changed over time. Some observers have expressed concern that in the last two or three decades IRS policy changes have allowed a significant increase in the number of nonprofit organizations and their financial powers while there has been a decline of the importance of charitable activity and popular participation to their operations. For an example of such observations, see Gilbert M. Gaul and Neill A. Borowski, *Free Ride: The Tax-exempt Economy*, (Kansas City, Andrews and MCMeel, 1993.)

Series <PH.C.5.3>. The Internal Revenue Service used a different set of categories during the 1940s. If those organizations with codes that appeared to fit the post-1960 definition of C3 organizations are tallied, these values are obtained for the series in 1943 and 1946: 8901 and 14424, respectively. Also, the IRS cautions that their C3 files remain an incomplete count of charitable and religious organizations: "certain organizations, such as churches, their integrated auxiliaries and conventions and associations of churches, need not apply for recognition of exemption unless they desire to receive a ruling. When issued the ruling letter goes to the central organization on the Master File where it is counted as one entity in the figure as stated above. However, this one ruling may represent a large number of subordinate units, as in the case of larger religious sects. An exception are subordinate units considered nonintegrated auxiliaries, which are included in the above figures since they may be required to file information returns as prescribed under IRC sec. 6033." ( IRS, *Annual Report*, 1981, Table 20.)

<FOOTNOTE>

\1 Counts may be incomplete. See text

PH.C. Active tax-exempt organizations, farmer's cooperatives, and non-exempt charitable trusts, by type: 1969-1996

5

year	PH.C.5.1	PH.C.5.2	PH.C.5.3	FN.PH.C.5.3	PH.C.5.4	PH.C.5.5	PH.C.5.6	PH.C.5.7	PH.C.5.8	PH.C.5.9	PH.C.5.0	PH.C.5.1.1	PH.C.5.1.2	PH.C.5.1.3
	1	2	3	3	4	5	6	7	8	9	0	1	2	
	number	number	number	\1	number	number	number	number	number	number	number	number	number	number
1969	961	3992	137487		104546	77737	27594	36189	989	4330	467	14	4211	
1970	----	0	----		----	----	----	----	----	----	----	----	----	----
1971	----	0	----		----	----	----	----	----	----	----	----	----	----
1972	----	0	----		----	----	----	----	----	----	----	----	----	----
1973	----	0	----		----	----	----	----	----	----	----	----	----	----
1974	----	0	----		----	----	----	----	----	----	----	----	----	----
1975	----	0	----		----	----	----	----	----	----	----	----	----	----
1976	1067	5114	259523		125415	87412	42120	47820	141725	6271	11612	14	4685	
1977	1072	5223	276455		129496	87656	44100	50031	141438	6486	12410	13	4801	
1978	25	5272	293947		125317	87531	45325	49964	140963	6827	12199	11	4863	
1979	110	5324	304315		127254	85479	46940	50577	137417	7122	16525	10	4891	
1980	42	5358	319842		129553	85774	48717	51922	137449	7738	16178	12	4945	
1981	45	5355	327758		129101	84489	48908	51958	135798	7995	15995	11	4973	
1982	24	5522	322826		131578	86322	51056	54036	116549	8703	18570	13	5071	
1983	24	5567	335767		129209	79775	51714	53467	88272	9303	16871	12	5125	
1984	24	5679	352884		130344	76763	53303	56060	92431	10145	16116	11	5200	
1985	21	5758	366071		131250	76632	54217	57343	94435	10668	15924	11	6244	
1986	24	5859	393051		133490	76236	57064	58625	95623	10776	17931	11	5392	
1987	24	5977	422103		138485	75238	59981	60145	98979	10927	17813	11	5572	

1988	24	6026	447525	138430	73200	61257	60877	99568	12360	18574	11	5682
1989	----	----	----	----	----	----	----	----	----	16178	----	4973
1990	9	6278	489891	142473	71653	65896	62723	100321	14210	18350	10	5873
1991	9	6408	516554	142811	72009	68442	63922	98840	14706	18360	10	5984
1992	9	6529	546100	142673	71012	70871	64681	93544	14986	21415	10	6103
1993	9	6739	575690	142325	70416	72901	64924	93728	15048	20827	11	6177
1994	9	6967	599745	140143	68144	74273	65273	92284	14835	21215	11	6221
1995	10	7025	626226	139451	66662	75695	65501	92115	14081	21046	11	6291
1996	20	7100	654186	139512	64955	77274	60845	91972	14486	20925	13	6343

PH.C. Active tax-exempt organizations, farmer's cooperatives, and non-exempt charitable trusts, by type: 1969-1996  
5

year	PH.C.5.1 3	PH.C.5.1 4	PH.C.5.1 5	PH.C.5.1 6	PH.C.5.1 7	PH.C.5.1 8	PH.C.5.1 9	PH.C.5.2 0	PH.C.5.2 1	PH.C.5.2 2	PH.C.5.2 3
	number	number	number	number	number	number	number	number	number	number	number
1969	3809	5022	1728	39	674	----	----	----	----	40	----
1970	----	----	----	----	----	----	----	----	----	----	----
1971	----	----	----	----	----	----	----	----	----	----	----
1972	----	----	----	----	----	----	----	----	----	----	----
1973	----	----	----	----	----	----	----	----	----	----	----
1974	----	----	----	----	----	----	----	----	----	----	----
1975	----	----	----	----	----	----	----	----	----	----	----
1976	4959	4686	1454	30	790	4	13960	----	----	59	----
1977	5264	5074	1450	31	800	4	14305	----	----	63	----
1978	5529	5118	1408	28	807	4	21233	4	----	67	----
1979	5752	5149	1312	26	794	3	22210	11	----	67	----
1980	5947	5639	1140	22	806	4	22247	46	----	67	----
1981	6025	5665	1009	22	798	4	21858	61	----	58	112
1982	6290	6074	1073	22	784	3	23851	90	9	68	107
1983	6412	5754	1017	22	771	3	22130	116	12	72	98
1984	6845	6053	938	19	747	3	22100	140	14	81	90
1985	7239	6032	967	18	726	3	23062	167	15	82	82
1986	7600	6068	949	18	712	3	24716	191	19	82	81
1987	7942	6652	950	18	728	5	24749	210	21	88	80
1988	8148	6786	1079	17	704	9	26122	207	22	93	79
1989	----	----	----	----	----	----	----	----	----	----	----
1990	8565	6352	1137	19	667	8	27460	197	22	94	76
1991	8781	6219	1147	20	644	8	27962	206	23	93	72
1992	9025	5559	1157	23	625	8	28096	217	23	92	68
1993	9184	5637	1165	22	611	4	29974	213	22	96	69
1994	9294	5391	1161	23	601	4	30282	181	25	99	68
1995	9433	5225	1185	23	583	3	30828	141	25	107	61
1996	9562	5157	1212	23	565	2	31464	131	25	113	54

PH.C. Active tax-exempt organizations, farmer's cooperatives, and non-  
5 exempt charitable trusts, by type: 1969-1996

year	PH.C.5.2 4	PH.C.5.2 5	PH.C.5.26	PH.C.5.27
	number	number	number	number
1969	----	6462	----	----
1970	----	----	----	----
1971	----	----	----	----
1972	----	----	----	----
1973	----	----	----	----

1974	----	----	----	----
1975	----	----	----	----
1976	----	3969	----	----
1977	----	3794	----	----
1978	----	3606	----	----
1979	----	3312	----	----
1980	----	2965	----	----
1981	----	2960	----	----
1982	----	2791	----	28297
1983	----	2713	----	31248
1984	----	2973	----	32908
1985	----	2542	1233	27973
1986	0	2453	2133	29858
1987	1	2405	3150	36421
1988	1	2347	3300	39888
1989	----	----	----	----
1990	1	2129	3276	45401
1991	1	2372	3219	48900
1992	1	2086	3161	52021
1993	1	1950	3123	56518
1994	1	1866	2537	62103
1995	1	1810	2982	68134
1996	1	1773	2930	75362