

PRIVATE
DOLLARS
for

PUBLIC
GOOD:

A REPORT ON
GIVING IN THE
ST. LOUIS REGION

ABOUT GATEWAY TO GIVING

In 2001, the St. Louis Metropolitan Association for Philanthropy – the regional association for local corporations and foundations involved in grantmaking – brought together executives from the business, philanthropic and nonprofit sectors to work collaboratively to strengthen philanthropy in the region. Gateway To Giving was formed with a mission to encourage, educate and engage individuals and institutions in strategies to promote and expand philanthropy in the region. The coalition is not a grant-making organization nor does it promote specific organizations. Rather, it serves as common ground for those with knowledge and expertise to work together to create an even stronger culture of giving in the St. Louis metropolitan area.

In 2001, the coalition applied for and received a three-year grant from New Ventures in Philanthropy, a national initiative of the Forum for Regional Association of Grantmakers in Washington, D.C., that serves as a nexus for understanding the rapidly changing philanthropic landscape and for developing innovative ways to encourage giving.

OVERVIEW

PAGES 1-3

HOUSEHOLD GIVING

PAGES 4-7

BUSINESS GIVING

PAGES 8-9

FOUNDATION GIVING

PAGES 10-11

CONCLUSION

PAGES 12-13

APPENDICES

PAGES 14-16

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The coalition also wishes to thank New Ventures in Philanthropy at the Forum of Regional Grantmakers in Washington, D.C. for its three-year grant in support of Gateway To Giving.



GREATER SAINT LOUIS
COMMUNITY FOUNDATION
Established 1915



NEW VENTURES IN
PHILANTHROPY

Gateway To Giving is convened by the St. Louis Metropolitan Association for Philanthropy.

Why Study Giving?

Over the next several decades, trillions of dollars will transfer from one generation to the next. To better understand how this future intergenerational transfer of wealth can benefit a community, and with the enormous scope and impact of the nonprofit world in mind, it is increasingly important to study and understand the dynamics of charitable giving. This report offers new insights into the specific characteristics of charitable giving in the St. Louis region. With these insights comes an opportunity to increase both knowledge and results.

What Makes a Philanthropist?

Have you ever made a donation to a charity? Do you give to your religious organization, alma mater or child's school? Do you donate toys, books or clothing? Have you helped a neighbor in need? Have you purchased candy, wrapping paper or cookies to support an organization? Have you helped organize an event or benefit to support a worthy cause? Do you volunteer? If you answered yes to any of these, then you are a philanthropist.

Giving of yourself in some way is all that is required. And the St. Louis region is a community that gives. Most donations to charity in the region come from households. In fact, more than 80 percent of households give to charity. Of the \$1.8 billion donated to area charities in 2002, nearly \$3 out of every \$4 – a total of \$1.3 billion – came from households. On average, a St. Louis household donated \$2,300 to charity, 15 percent higher than the national average. Thousands of people in the St. Louis region are philanthropists.

A Challenge to the Reader

As you read this report, look for yourself in the data. Think about your own philanthropy. Are you giving all that you can or could you comfortably give more? If you are on a board or an active volunteer at a charity, have you made a gift to that organization? Have you defined what issues you care about and found charities that work in that area? If you have children, how are you teaching them about giving? Do you have a will? Have you named your favorite charity in your will?

There are many local resources to assist individuals and institutions in need of information about or help with charitable giving. An overview of the many places that offer help can be found on pages 12-13.

OVERVIEW OF THE ST. LOUIS METRO AREA

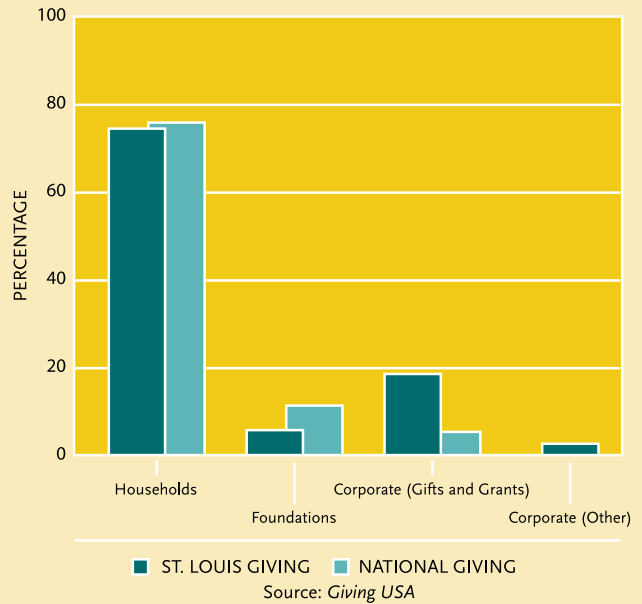
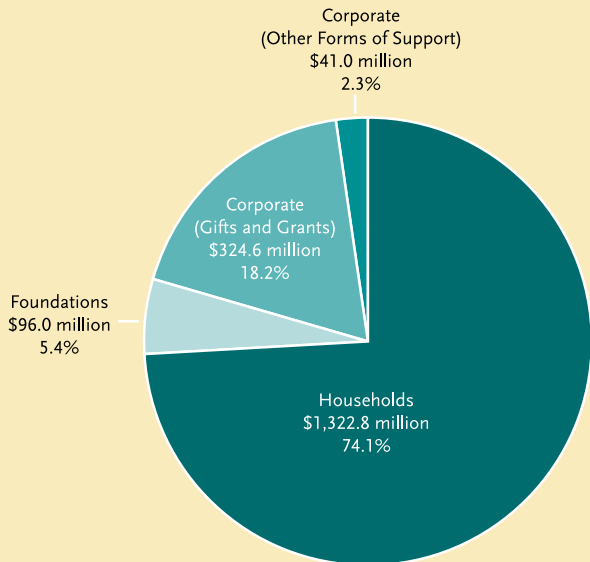
An estimated 2.7 million people call the St. Louis Metropolitan Statistical Area (MSA) home. It is the eighteenth most populated metropolitan area in the country and accounts for almost 1 percent of the total United States population. It is the largest and most populated metropolitan area in Missouri and trails only Chicago in population for metropolitan areas across Missouri and Illinois. Thirteen percent of the population is located in the central region of St. Louis and the remainder can be found in the surrounding counties. The St. Louis MSA population is 74 percent Caucasian, 18 percent African American, and 8 percent other racial and ethnic minorities.

The St. Louis MSA population grew 4.5 percent between 1990 and 2000, considerably less than the 16.5 percent average growth rate of all United States metropolitan areas with populations over one million. The St. Louis population shifted slightly in age with the median age rising from 32.9 to 34.5 years old. With 13.9 percent of total population over the age of 65 in 2000, St. Louis trailed only six other major United States metropolitan areas in the proportion of its population over 65.

The United States Bureau of Labor statistics estimates that in 2002 there were 1.3 million workers employed in the St. Louis area. In 2001, the per capita personal income of St. Louis area residents was \$32,666, approximately 7 percent higher than the national average of \$30,413. When adjusted to 2002 dollars, the per capita income becomes \$33,183. The total personal income in St. Louis, representing almost 1 percent of total income in the United States, is consistent with the region's proportion of the nation's population.

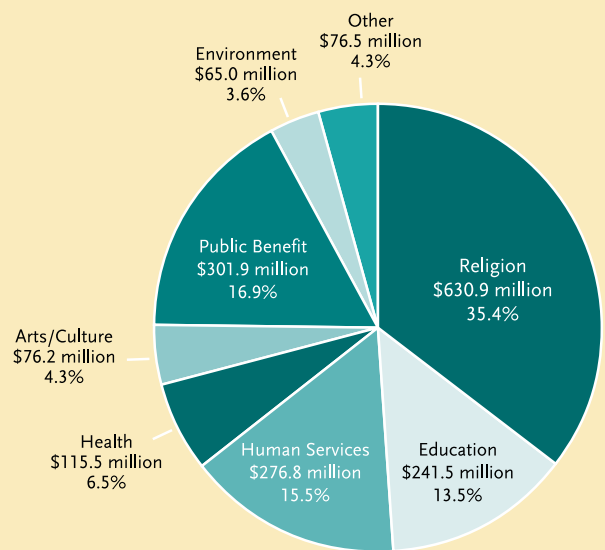
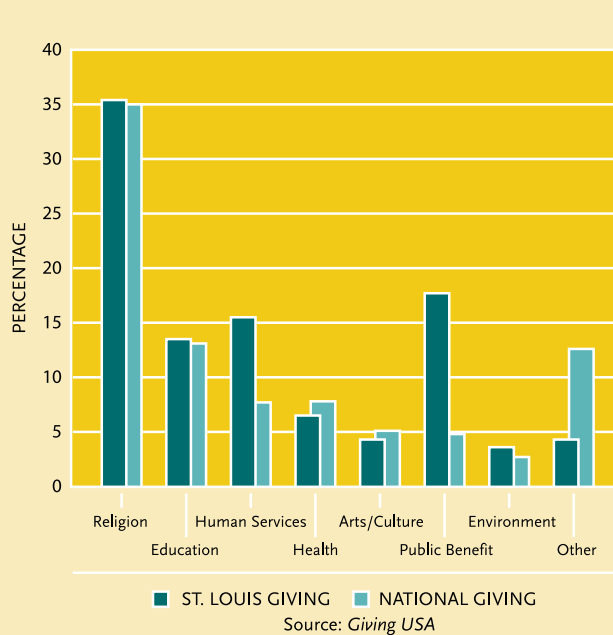
PROPORTION OF CHARITABLE DOLLARS COMING FROM ST. LOUIS AREA HOUSEHOLDS, BUSINESSES AND FOUNDATIONS, 2002

Households led the way in charitable giving in St. Louis, accounting for almost \$3 of every \$4 donated in 2002.



GIVING PRIORITIES OF ST. LOUIS AREA HOUSEHOLDS, BUSINESSES AND FOUNDATIONS, 2002

Nearly half of all charitable gifts in 2002 in St. Louis went to religious and educational institutions.



Private Dollars for Public Good: A Report on Giving in the St. Louis Region

What is interesting about charitable giving in the St. Louis area is not that some people give so much, but that so many people give. For the first time, there is broad community data demonstrating that the St. Louis metropolitan area is a giving community and one that outpaces national averages on a variety of measures.

In 2002, the most recent year for which data is available, businesses, households and foundations in the United States donated more than \$240 billion dollars to charity. St. Louis households, businesses and foundations gave \$2.53 billion of the national total to nonprofits in 2002, about 14 percent more than expected based on the region's population.

What's more, most of what was given stayed in the St. Louis region. Of the \$2.53 billion donated in 2002, more than 70 percent, or \$1.78 billion, went to local charities. In the St. Louis region, there are 8,000 registered nonprofits. One in every four of those nonprofit organizations had annual revenue over \$25,000, the revenue threshold at which a nonprofit organization is required to file a report with the Internal Revenue Service.

More than one-third of all giving in the St. Louis area in 2002 supported religious organizations, the single largest beneficiary of the region's philanthropy. Most of these gifts came from individual households.

In 2002, St. Louis area households, businesses and foundations gave twice as much to human services than did the nation's donors and gave more than three times as much to public-society benefit organizations, such as the United Way of Greater St. Louis and the Arts & Education Council of Greater St. Louis. Slightly more was given to religion and education when compared to national averages. The community, however, directed slightly smaller shares of their giving to the arts and health-related issues when compared to national data.

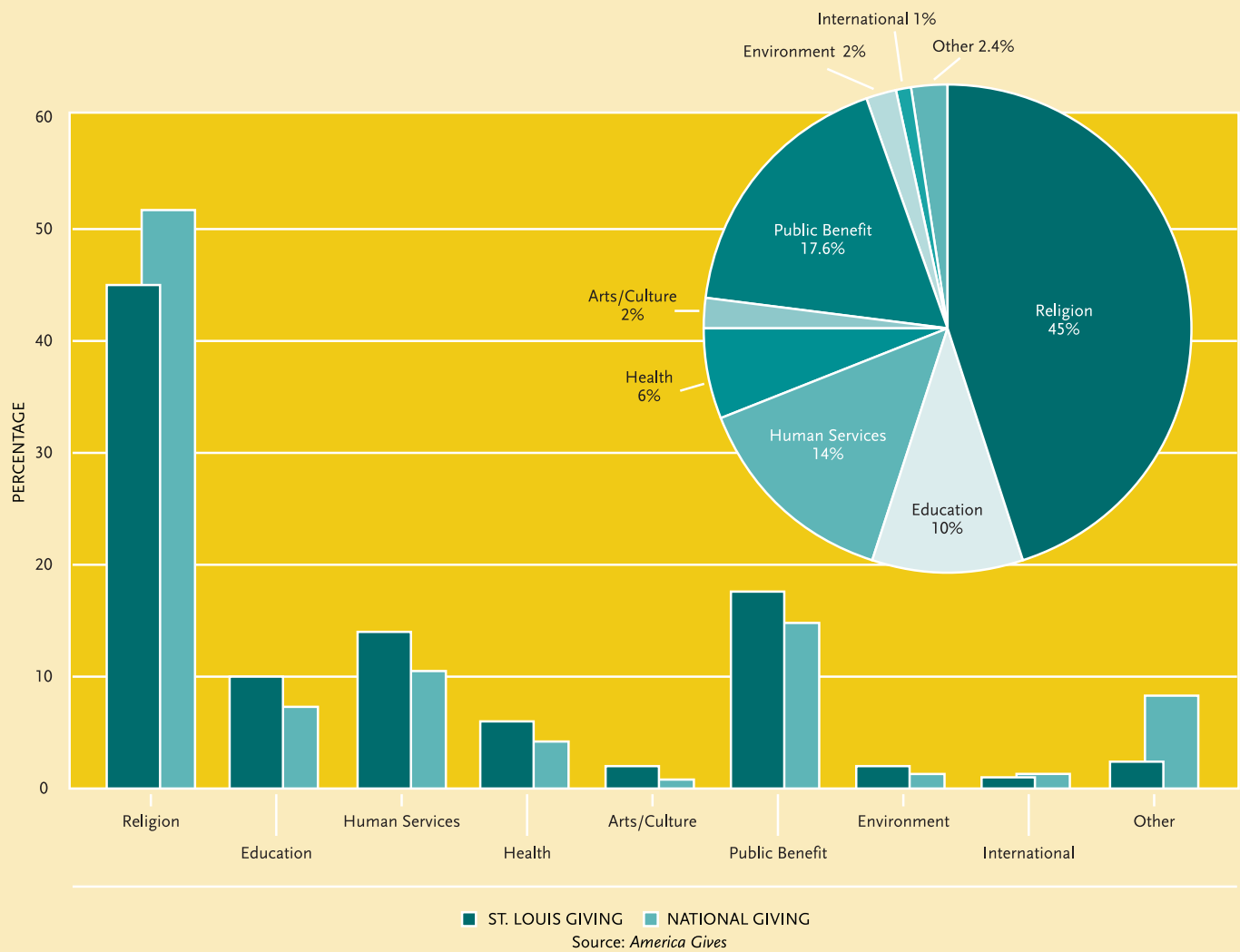
This report offers details about household, business and foundation giving and comparisons to national statistics. The Gateway To Giving coalition hopes that this report will provide meaningful information that allows each person in this community to celebrate his or her own giving and to understand the collective power of charitable gifts. Foremost, it is hoped that through continued education and engagement, the region's philanthropy will be expanded. The result? A region recognized by its citizens and the nation as a caring and committed community as reflected through the private dollars that do so much public good.

“Collectively we can do what
no person can do singly.”

—Leland Kaiser, Ph.D.
Futurist

GIVING PRIORITIES OF ST. LOUIS AREA HOUSEHOLDS, 2002

Nearly half of all gifts to charities made by households went to religious organizations.



“To keep a lamp burning,
we have to put oil in it.”

—Mother Teresa of Calcutta

HOUSEHOLD GIVING

St. Louis area households gave more than \$1.3 billion to charity in 2002. The average St. Louis household gave 15 percent more than did the average American household.

WHY ARE THE ST. LOUIS AVERAGES SO HIGH FOR HOUSEHOLD GIVING? THERE ARE TWO PRIMARY REASONS:

- **St. Louis area households give.** More than 83 percent of households in the St. Louis region gave to charity in 2002, compared to the national average of 70 percent. More than 98 percent of the region's high-income households, those with an annual income of \$100,000 or more, reported making gifts in 2002, compared to 90 percent of households in this group nationally. Similarly, nearly 93 percent of middle-income households in the region, those earning between \$50,000 and \$100,000 per year, contributed to charity in 2002, compared to 78.6 percent nationally. And nearly 70 percent of lower-income households in the region made charitable contributions in 2002, compared to 50 percent nationally.
- **More St. Louis area households give at a higher level.** Among households that made donations in 2002, the average gift was \$2,336 – 15 percent higher than the national average. This average was lifted most by middle-income households, who gave 26 percent more to charities than did their national counterparts. Gifts from those 65 years of age and younger also were higher than their peers nationally.

WHERE HOUSEHOLDS GIVE

Most gifts made by St. Louis area residents were made to St. Louis area organizations. Nearly \$3 of every \$4 donated in 2002 stayed in the St. Louis area. While St. Louis area households support a range of charitable causes, religious organizations claim the lion's share of contributions. In 2002, 45 percent of all money donated by area households went to religious causes, compared to 52 percent of household giving nationally.

St. Louis area households show a higher level of commitment to education, human services and public-society benefit organizations than do average households nationwide.

Similarly, in 2002, local charitable organizations active in the arts and culture arena as well as environmental groups garnered a higher than average proportion of giving when compared to national household giving.

THE IMPORTANCE OF INDIVIDUAL GIVING

Giving to charity is a uniquely American phenomenon – no other country voluntarily supports causes to the financial extent that Americans do. In 2002, more than \$240 billion was contributed to charity nationwide. In this region, more than \$1.3 billion was donated to local charities by local citizens. Household giving is the single largest source of philanthropy in the nation and in the St. Louis region.

Historically, and today, a gift to charity is an investment in the human, physical, artistic or intellectual capital of a community. Julia Soulard's gift of land that led to the creation of Soulard Market is a testament to her commitment to the community. The Missouri Botanical Garden and Tower Grove Park exist because of Henry Shaw's vision and generosity. And Annie Malone's concern for children lives on today in a social service agency that bears her name. There are thousands of stories relating how a St. Louisan made a difference through his or her generosity. Some are well-known, but most are everyday acts that support the mission of hundreds of charities and collectively make this region a better place to live.

Although giving by individuals is higher than average, there is an opportunity to increase giving in St. Louis. The study found that older residents and college-educated citizens gave less when compared to their peers nationally.

The challenge for anyone who works with a donor, whether a nonprofit employee or a professional advisor, is to help that individual or family define the issues about which they care and help make sure the impulse to be charitable helps that donor make a difference.

FACTORS THAT INFLUENCE GIVING: AGE, EDUCATION AND INCOME, 2002

GIVING BY AGE

St. Louis area heads-of-households younger than 65 give at levels higher than the national average. Heads-of-households 65 and older give less than national averages.

AGE GROUP	ST. LOUIS	NATION	%DIFFERENCE
<40	\$1,653	\$1,191	+39%
40-65	\$2,705	\$2,414	+12%
65+	\$2,239	\$2,683	-17%

GIVING BY INCOME

St. Louis area households give a below average amount for households earning less than \$50,000. Households earning between \$50,000 and \$100,000 outpace national giving averages.

INCOME LEVEL	ST. LOUIS	NATION	%DIFFERENCE
<\$50,000	\$1,086	\$1,179	-8%
\$50-100,000	\$2,298	\$1,824	+26%
\$100,000+	\$4,539	\$4,493	+1%

GIVING BY EDUCATION

St. Louis area heads-of-households with a high school education or less are more generous than are their peers. However, those with some college or more give less than the national average.

EDUCATION	ST. LOUIS	NATION	%DIFFERENCE
<High School	\$1,729	\$1,025	+69%
High School	\$1,429	\$1,352	+8%
Some College	\$1,772	\$1,979	-10%
College+	\$2,942	\$3,337	-12%

GIVING AS A PERCENTAGE OF INCOME

Households earning between \$50,000 and \$100,000 outpace their peers.

INCOME LEVEL	ST. LOUIS	NATION
<\$50,000	4.3%	4.7%
\$50,000-\$100,000	3.0%	2.4%
\$100,000+	2.9%	2.8%

Source: *America Gives*

“No one has ever become
poor by giving.”

—Anne Frank

Factors that Influence Giving

FACTORS THAT INFLUENCE GIVING

There are four primary factors that predict charitable behavior: income, age, education and regular attendance at a religious service. And while St. Louis area households gave more when compared to national averages, there are opportunities to increase giving. For instance, among St. Louisans with a college degree or some college education, average household giving in 2002 was 10 to 12 percent lower than national averages. Those 65 years of age or older gave an average of 17 percent less than did their peers.

Interestingly, neither race nor gender affect giving, a finding consistent with national studies. Page 6 compares local giving to national figures when examining household giving by income, age and education.

This study also finds that, in the St. Louis area, there is potential for increased charitable giving through bequest gifts, suggesting an opportunity to increase education about planned gifts.

GIVING BY INCOME LEVEL

On average, St. Louis households with an income greater than \$100,000 gave 1 percent more to charity than did their national peers. However, donors in this income bracket gave the lowest percentage of household income. Nationally, households with incomes greater than \$100,000 typically donate 2.9 percent of annual income to charity, which is close to the regional average household of 2.8 percent of income donated to charity.

Households with incomes between \$50,000 and \$100,000 donated 26 percent more dollars than the national average, or 3 percent of their annual income compared to a 2.4 percent national average. Those households in the region with incomes below \$50,000 gave 8 percent fewer dollars than expected, reflecting 4.3 percent of annual income donated to charity compared to 4.7 percent nationally.

GIVING BY AGE

Elsewhere, older heads-of-households donate more to charity, yet this was not the finding for the region. St. Louis area residents between 40 and 65 years old gave 12 percent more when compared to national data; those under 40 gave 39 percent more. People over 65 gave 17 percent less than did their national peers.

GIVING BY EDUCATION LEVEL

National research shows that the more education completed by heads-of-households, the more the household gives to charity. Yet, in the St. Louis region, households with college degrees or higher gave between 10 and 12 percent less than did their peers.

HOW RELIGION AFFECTS GIVING

As St. Louis area residents' attendance at religious services increased, so did the amount they reported giving. People who attended more than one religious service a week in 2002 gave nearly three times as much as those who reported that they did not attend religious services. More than 87 percent of those attending services made donations in 2002, compared to 64 percent of those who identified a religious affiliation but did not attend services.

GIVING THROUGH BEQUESTS

Less than 7 percent of the St. Louis area residents surveyed said they have named a charity in their will, about 1 percent lower than the national average. However, 28 percent said they would consider adding a charity to their will if asked. While the number of area donors in this group is relatively small, it has great potential for growth.

St. Louis area residents who give to charity during life also are more likely to make a bequest. Of those who reported naming a charity in their will, 96 percent contributed to charity in 2002. On average, those donors gave \$4,895 in 2002, more than twice the average of other local donors.

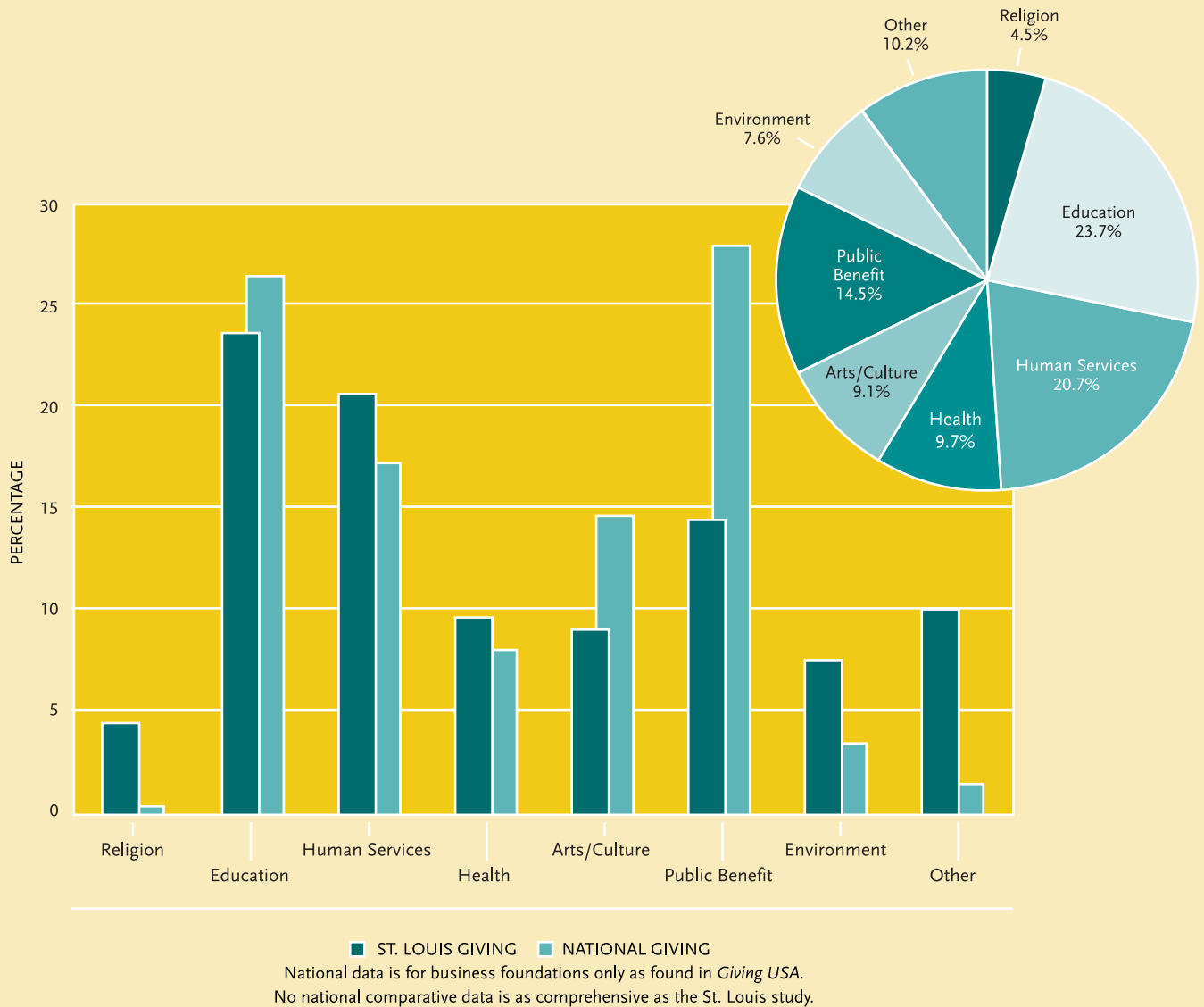
GIVING BY RACE AND GENDER

St. Louisans of different racial groups who are similar in age, income and education level had no significant difference in giving patterns. Differences in giving, in other words, have more to do with differences in income and education, rather than differences in skin color.

National studies show that, when considered together, marital status and gender play a role in a person's giving habits. When men and women of similar age, income and education are compared, single women are more likely to give, and to give more, than single men of similar backgrounds. Married couples are more likely to give than are single men, although the amounts they give are similar to those of single men of comparable income, education and age. The giving patterns of St. Louis area married couples, single men and single women of similar backgrounds were comparable to those of their national counterparts.

GIVING PRIORITIES OF ST. LOUIS AREA BUSINESSES, 2002

Education and Human Services are the top two funded areas (includes business foundations).



“If you are not poor enough to take charity, you are rich enough to give it.”

—Unknown

BUSINESS GIVING

St. Louis area businesses are particularly generous. Their gifts to charity account for nearly 20 percent of local giving – four times higher than the national average.

One in every five dollars donated in the St. Louis area comes from a local business. That is nearly four times the national average.

On a per employee basis, St. Louis' largest businesses exceeded the national average by nearly six times. In 2002, the largest businesses in the nation gave \$478 to charity for each employee on their payroll. By comparison, the largest St. Louis businesses gave an average of \$2,717 per employee. All other businesses in the region gave an average of \$402.

In all, St. Louis area businesses gave an estimated \$606.4 million to charities in 2002. Sixty percent of that total – \$365.6 million – went directly to local charities. These contributions include cash gifts, corporate foundation grants, donations of products or services, and corporate sponsorships.

WHERE ST. LOUIS BUSINESSES GIVE

Education is the single greatest beneficiary of charitable giving by St. Louis area businesses, followed by human services and public-society benefit organizations. These three types of charities received nearly 59 percent of all business giving in 2002.

In 2003, businesses planned to increase donations to educational and human service causes, while decreasing their giving to environmental organizations. Overall, businesses reported that giving in 2003 was expected to drop less than one percent.

HOW ST. LOUIS BUSINESSES GIVE

St. Louis companies give back to their community in many different ways. In addition to making direct contributions to charity, 20 percent of St. Louis large businesses match the charitable contributions made by their employees. One in four makes gifts through a separate corporate foundation funded by company profits.

Companies also give in ways that are not so easily measured in dollars. Many encourage their employees to volunteer on civic or nonprofit boards, and make in-kind donations by the use of their facilities or “loaned executives” to assist nonprofits.

While overall corporate giving is on a slight decline, two forms of donations, in particular, are growing:

Sponsorships—Businesses are using a small, but growing, portion of their own marketing dollars to sponsor community programs and services. Sponsorships accounted for 5.4 percent of all business contributions in 2002. Between 2002 and 2003 alone, however, businesses budgeted to increase their marketing expenditures for corporate sponsorships from \$32.7 million to \$58.4 million, an increase of 79 percent.

Donations of products or services—In-kind donations of products and services are another comparatively small, but growing, form of corporate giving. One in two St. Louis area companies reported donating products and services in 2002, totaling an estimated \$46.9 million in in-kind gifts for the year. Companies expected to increase donations of products and services by 4.5 percent in 2003.

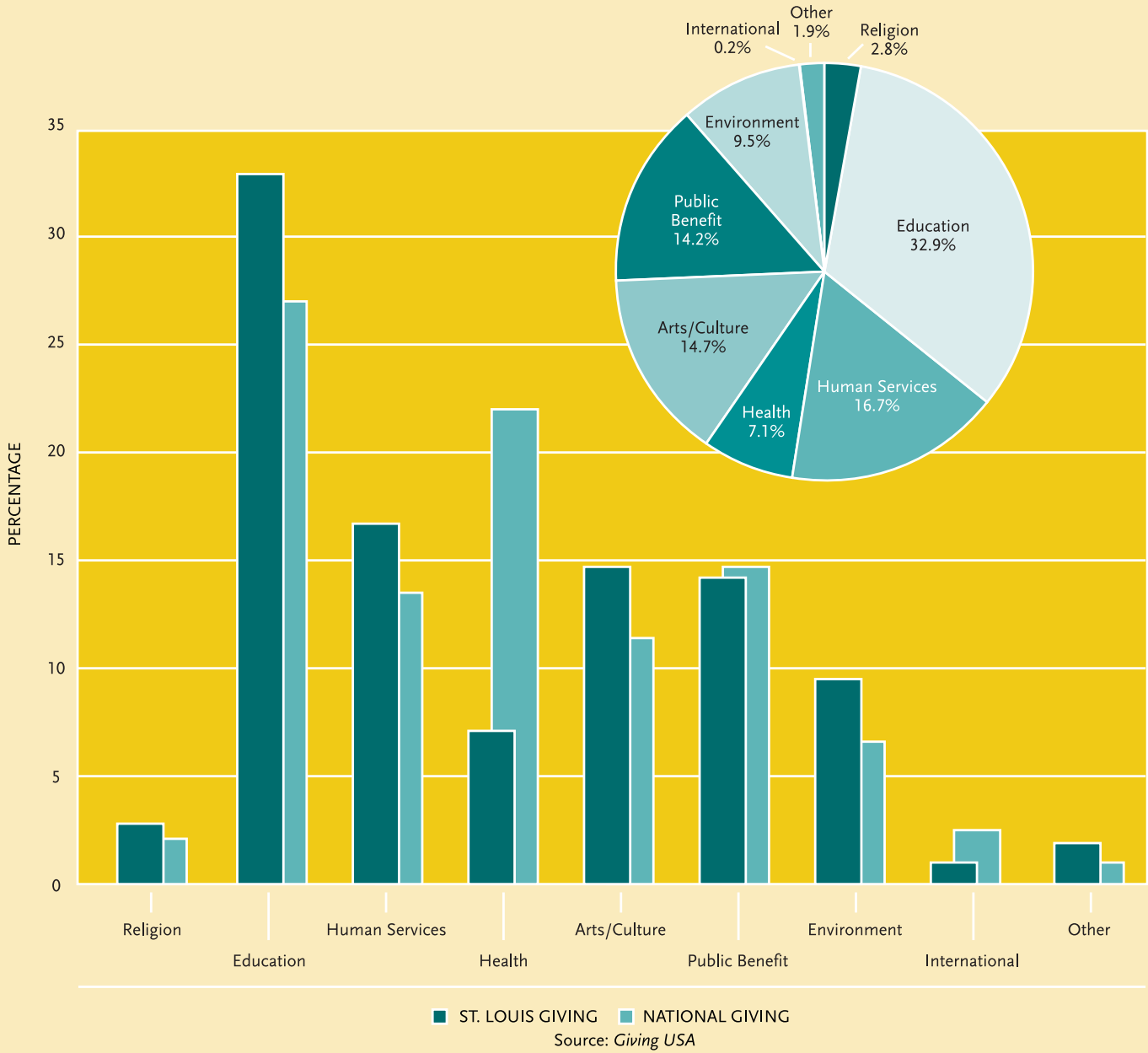
THE GENEROSITY OF BUSINESS

Over the past several years, the St. Louis area has seen an increase in business mergers, moves and buy-outs. Couple this with an economic downturn that has had an impact on the entire country, and one wonders about the extent to which area business giving is affected. Overwhelmingly, this study has found that businesses are active and engaged partners with nonprofit organizations. Historically, corporate officers in the region have understood, and understand today, the important role philanthropy can play to benefit the community. Although affected by the economic factors that businesses face, the region's largest corporations have remained steadfast in their giving, with the largest companies – many of which are members of Civic Progress, an organization of chief executives from leading businesses in the St. Louis region – outpacing their national peers at a remarkable level.

Business commitment to philanthropy continues to grow. In 2001, St. Louis Social Venture Partners at the Regional Business Council was launched. It is a philanthropic venture fund that supports nonprofit organizations and is a collaborative partnership involving the Regional Business Council, individual business investors, foundation leaders, the Greater Saint Louis Community Foundation and the United Way of Greater St. Louis. The goal is to invest financially in a charity and at the same time offer time and professional expertise to that organization.

The challenge for the community is not growing overall business giving to area charities. Rather, the prominent role business plays in charitable support signals a need to educate, engage and expand individual and family involvement in the issues addressed by charities.

GIVING PRIORITIES OF ST. LOUIS AREA FOUNDATIONS, 2002



“Think of giving not as a duty
but as a privilege.”

—John D. Rockefeller

Local foundations provide an enduring source of funding to nonprofit organizations.

WHAT IS A FOUNDATION?

A foundation is a legal entity that is established to serve the common welfare by supporting educational, social, artistic, religious and charitable activities, primarily by making grants to nonprofit organizations. There are four types of foundations – independent, corporate, community and operating. An independent foundation is generally a private foundation created by a family or individual with an initial contribution to the foundation, which is invested, and the investment earnings are used for making grants to charities. A corporate sponsored foundation receives its assets from the company with which it is associated. A community foundation is a philanthropic institution that is a collection of funds created by individuals, families, or businesses to serve the greater good of a community. An operating foundation uses its funds to operate its own charitable programs.

THE STATUS OF FOUNDATIONS IN THE REGION

More than 580 organizations in the area are registered as foundations. Of those, about 140 are active grantmaking foundations. For this study, gifts from corporate foundations are included in business giving and not included in this section. Grantmaking is directly related to the assets held by a foundation. In the St. Louis area, foundation assets totaled an estimated \$1.92 billion for 2002. Among the 90 largest St. Louis foundations, grants totaled an estimated \$150 million.

In total, area foundations had \$732 in assets for each man, woman and child in the St. Louis area, which was less than half of the \$1,519 per capita in foundation assets nationally. As a result, annual per capita grantmaking in the St. Louis area was \$57.16, compared to the national average of \$94. Since the earnings generated from a foundation's assets typically support foundation grantmaking, St. Louis area foundations have less to give. Nationally, foundation gifts to charity account for 11 percent of all philanthropy. In the St. Louis region, foundation gifts account for 5 percent of all local philanthropy.

GIVING PRIORITIES OF AREA FOUNDATIONS

Nearly 85 percent of local grants in 2002 came from 38 of the region's foundations. Among these 38 foundations, education was given the highest priority, accounting for nearly one-third of grant funding. Human services received almost 17 percent of the funding. In addition, local foundation giving to religious, artistic and environmental causes was a higher priority when compared to the national allocation of private foundation grants.

CREATING A LEGACY

Unlike an individual or a business, a private foundation's sole purpose is philanthropy. The assets are invested and earnings from those assets are granted to arts, education, human service, health, environmental and other nonprofit organizations. Over time, as the assets grow, so does the impact a foundation has in the community.

While it may take a certain level of income to create a foundation or designated fund, the legacy of that gift benefits the entire community by providing a unique and enduring source of contributed income to charities. Further, a foundation or fund provides the structure through which a family or individual can have an impact on issues of importance to them and see, over time, that the portfolio of its grants have indeed improved the region. The foundation or fund serves as a philanthropic asset dedicated to making a difference on issues of importance.

For a metropolitan area the size of St. Louis, the region is far below what is expected with respect to dedicated assets for philanthropy. Often, it is a foundation that has the ability to invest in innovative, creative and sometimes risk-taking ideas that have the potential for deep and long-term impact on an issue. The need to increase dedicated sources for philanthropy is vital.

CONCLUSION

So What Does All This Mean?

GROWING GIVING

Now that the scope of giving in the region is better understood, it is important to use this knowledge. It is clear that the citizens of the St. Louis metropolitan area have a strong charitable impulse as evidenced by the historical and present day contributions to area nonprofit organizations. The St. Louis community is home to premier nonprofit institutions and a strong network of organizations that significantly contribute to the quality of life. Indeed, the religious, social service, artistic, cultural and educational institutions that do so much for the region have excelled, in part, due to philanthropy. Yet, clearly, there are unmet needs in the region and opportunities to increase giving in the community.

ENGAGING GIVERS

Families, individuals and businesses may want to review their giving and consider how well it reflects their individual or institutional values and concerns. A plan for philanthropy to address the issues most important to the giver helps a donor better direct charitable resources.

It is incumbent upon anyone who interacts with those who give – professional advisors, nonprofit executives, volunteers, clergy and colleagues – to begin any conversation with the question, “What do you want to accomplish with your gifts to charities?” In this way, a meaningful dialogue can begin about the values of giving, the role of institutions to carry out that intent and the impact on the community.

DEFINING PHILANTHROPY’S IMPACT

The challenge for anyone who makes gifts to charity is to define his or her philanthropy to reflect personal values, a desire to make a difference and the need to contribute to a greater good. Every donor asks, “What has my contribution accomplished?” To be sure, collectively the St. Louis area benefits from each gift. However, there is a need to better articulate the outcomes of giving and how charitable dollars leverage other resources. To that end, nonprofit boards of directors and executives, development professionals and civic leaders can develop coordinated efforts to educate, engage and promote philanthropy’s impact on the quality of life in the community.

Learn More About Philanthropic Organizations in the St. Louis Area

Listed below are local nonprofit organizations that have information for individuals and institutions interested in learning more about philanthropy.

THE ARTS & EDUCATION COUNCIL OF GREATER ST. LOUIS is an arts fundraising and marketing organization working in partnership with donors and the arts community to raise private money to support the arts and arts education activities of cultural organizations in greater St. Louis. It serves as an umbrella organization distributing funds to arts groups in Missouri and Illinois. More information can be found at www.stlartsanded.org.

THE ASSOCIATION OF FUNDRAISING PROFESSIONALS ST. LOUIS CHAPTER (formerly known as the National Society of Fund Raising Executives – NSFRE), founded in 1974, serves more than 500 area professionals responsible for generating philanthropic support for a wide variety of charitable organizations. The national organization advances philanthropy through its 26,000 members in 174 chapters throughout the world. For more information, go to www.afpnet.org.

CATHOLIC CHARITIES, ARCHDIOCESE OF SAINT LOUIS, is the largest private provider of social services in Missouri. Catholic Charities comprises 14 agencies offering more than 100 programs to assist, on average, more than 100,000 poor and impoverished people annually. For more information, go to www.ccstl.org.

ESTATE PLANNING COUNCIL ST. LOUIS CHAPTER is the local chapter of the National Association of Estate Planning Councils. The local chapter is an interdisciplinary organization of professionals involved in estate planning that provides education and training opportunities to its members. For more information, go to www.epcstlouis.org.

CONCLUSION

Learn More About Philanthropic Organizations in the St. Louis Area

GATEWAY TO GIVING is a coalition of business, nonprofit organization and foundation leaders convened by the St. Louis Metropolitan Association for Philanthropy (MAP). Its mission is to educate, engage and expand community involvement in philanthropy and increase charitable giving. Gateway To Giving has three main components: research, public awareness and targeted efforts to help increase philanthropy in the region. For more information, go to www.gatewaytogiving.org.

GREATER EAST ST. LOUIS COMMUNITY FOUNDATION is dedicated to enhancing the social, economic and physical quality of life in East St. Louis, to enriching the residents' intellectual and cultural environments and to increasing citizen participation in civic affairs.

THE GREATER SAINT LOUIS COMMUNITY FOUNDATION has been helping St. Louisans put charitable dollars to work addressing the issues most important to them in the communities they care most about since 1915. It is a public charity with more than 280 individual charitable funds that together total more than \$85 million. Each fund represents a unique charitable giving partnership with an area individual, family or business. More information on the Foundation is available at www.gstlcf.org.

JEWISH FEDERATION OF ST. LOUIS is the central planning and fundraising agency for the Jewish community of St. Louis. It assesses community needs; plans, designs and implements human service programs; and raises money to fund charitable organizations that improve quality of life. For more information, go to www.jewishinstlouis.org.

THE SAINT LOUIS PLANNED GIVING COUNCIL (www.slpgc.org), founded in 1974, is the local chapter of the National Committee on Planned Giving that serves 150 area planned giving professionals by offering educational and training opportunities. The Council also sponsors Leave A Legacy® St. Louis (www.leavealegacystlouis.org), a community-based program that educates individuals about the benefits of charitable giving through bequests and other estate planning opportunities.

SOUTHERN ILLINOIS CHARITABLE GIVING COUNCIL is an organization dedicated to promoting charitable gifts and seeks to lift up, celebrate and encourage philanthropy throughout Southern Illinois. The Council serves as an educational resource about philanthropy to professional advisors, nonprofit organizations and the public.

THE ST. LOUIS METROPOLITAN ASSOCIATION FOR PHILANTHROPY (MAP) is the regional association of grantmakers in the St. Louis area. MAP's members include foundations, corporations and trusts that make contributions to improve the quality of life in the region. Since 1970, MAP has provided its members with research and support, education and professional development, and networking and collaborative opportunities to help them increase the effectiveness of their grantmaking. More information is available at www.mapstl.org.

THE ST. LOUIS PUBLIC LIBRARY houses a Foundation Center Cooperating Collection that has holdings of books and online resources about local, state and national foundations. For more information, go to www.slpl.lib.mo.us/index.htm.

ST. LOUIS SOCIAL VENTURE PARTNERS, founded in 2001, is a philanthropic venture fund involving the Regional Business Council, individual business investors, foundation leaders, the Greater Saint Louis Community Foundation and the United Way of Greater St. Louis. The goal is to invest financially in targeted nonprofit organizations and at the same time offer time and professional expertise to build the long-term sustainability of that organization.

UNITED WAY OF GREATER ST. LOUIS raises funds that support more than 200 health and human service organizations throughout the City of St. Louis and 15 surrounding counties in Missouri and Illinois. It also operates St. Louis Cares (www.stl-cares.org), a program that handles the logistics and much of the scheduling and legwork to identify volunteer opportunities and provides a communications link between those who want to volunteer and the organizations that need assistance. For more information about the United Way, go to www.stl.unitedway.org.

Research Methods

The Center on Philanthropy at Indiana University (www.philanthropy.iupui.edu) was chosen to undertake the St. Louis metropolitan study because of the Center on Philanthropy's scholarship and research in philanthropy. It has been the primary researcher for *Giving USA*, a publication of the AAFRC Trust for Philanthropy. The Center on Philanthropy uses models that estimate the amount of philanthropic giving to charitable organizations. St. Louis estimates are based on gifts from three sources of contributions: living individuals, foundations and similar grantmaking entities, and corporations. The data in this report reflects information from 2002, the year for which the most recent national and local information is available.

Charitable revenue is the amount received in cash from gifts made by individuals or corporations or through grants from foundations or corporations. Charitable revenue also can include the value of contributions made in the form of tangible assets (in-kind gifts) that the charity reports as revenue. It does not include government grants or contracts, membership dues received, fees for services performed, and many other forms of revenue.

This study does not estimate all forms of revenue at nonprofit organizations. Among the types of revenue not included are allocations from other charitable organizations, fees for services, payments that are not tax-deductible as gifts because the donor receives services of value in exchange, gross proceeds from special events and membership dues.

This study estimates the allocation of giving in the St. Louis region by type of recipient organization, using nine major subsectors: arts, education, environment, health, human services, international affairs, religion, public-society benefit, and other (giving that is reported in a survey of donors but not attributed to any one subsector).

The geographic area covered in this study of philanthropy is the St. Louis Metropolitan Statistical Area (MSA), which includes St. Louis City and fifteen counties in Illinois and Missouri. This study involved research on three forms of charitable giving to nonprofit organizations: household giving, foundation gifts and corporate donations. Each of these is covered below.

The primary source of information for the estimate of individual giving consisted of a telephone survey of household philanthropic activity. The questionnaire was based on a household survey used in the Center on Philanthropy Panel Study (COPPS), which is a national study done in conjunction with the Survey Research Center at the University of Michigan. It also was used in a national study, called *America Gives*, which was conducted by the Center on Philanthropy. *America Gives* tested five different survey methodologies to examine the implications, if any, of differences in household surveys of giving and volunteering. The use of a field-tested survey is important because it allows comparison of results from St. Louis and the United States as a whole. Before it was used in the current study, the survey was reviewed by the Gateway To Giving Steering Committee and staff.

The St. Louis survey instrument consisted of 78 questions relating to donations of money, assets and time in the year 2002, and 54 questions on demographic characteristics such as household income, race, gender, education and motivations for giving. A total of 501 individuals through-

out St. Louis were surveyed about their philanthropic behavior in the year 2002. Survey production began by telephone in early September and was completed in mid-October, 2003. Average interview length was approximately 20 minutes.

Two sampling strata of random digit dial telephone numbers were developed to conduct the survey. Most telephone numbers were selected from all exchanges in the St. Louis MSA. A separate "Targeted Affluent" random sample was generated from the telephone exchanges in the St. Louis area which had a 50 percent probability of being households with an estimated annual household income of \$100,000 or greater. Thus, affluent households were interviewed at a rate of approximately 14.8 times the frequency of the general population. The results are weighted to take into account the over-sampling procedure. The sampling error was +/- 5 percentage points.

Business giving was assessed using a mail survey with two follow-up communications to St. Louis area businesses. The St. Louis business survey instrument consisted of 69 questions (three pages) relating to donations of money, assets and time for the year 2002 and projected figures for the year 2003. Both local (within the St. Louis area) and non-local giving were queried. The survey also included questions on business characteristics such as the company's legal form, the number of employees and its relationship to St. Louis.

The sampling frame consisted of 478 companies. These were selected from the *St. Louis Business Journal* listing of the 63 largest public companies and the 150 largest private companies in the St. Louis area defined by 2002 gross revenue. In addition, the sample incorporated 265 companies from a list of family businesses in the *St. Louis Business Journal*.

The sample frame was drawn from not only known contributors and the largest of the public and private companies, but also smaller companies. This ensures that the pool of respondents is representative of the entire business sector in St. Louis. It is reasonable to consider the responses collected and the results obtained to be a snapshot of the overall practice of philanthropy by businesses operating in St. Louis.

To understand foundation giving in St. Louis, IRS Forms 990-PF for 2002 for 38 private foundations with St. Louis addresses were analyzed. These foundations accounted for an estimated 85 percent of total foundation grantmaking activity in St. Louis. Also examined was IRS Form 990 for public charities operating grantmaking programs. These foundations were identified through research done by The Foundation Center as independent and community foundations that made the highest level of grant awards in 2001. Finally, supplemental information was obtained from *The Foundation Yearbook, 2003*, published by The Foundation Center.

For a copy of the surveys, or for more information about the specific statistical techniques used in the estimating models, please contact Gateway To Giving at (314) 621-6220.

Nonprofit Category Definitions

For the purposes of this research and for consistency with national definitions, nonprofit organizations were grouped in the following categories:

ARTS, CULTURE AND HUMANITIES

Museums, visual arts, performing arts
Nonprofit media
Historical societies and related historical activities
Ethnic and cultural awareness activities
Multi-purpose organizations that do a combination of the above

EDUCATION

Elementary and secondary education (pre-school through grade 12)
Vocational/technical schools
Higher education
Graduate/professional schools
Adult/continuing education
Libraries

ENVIRONMENT/ANIMALS

Pollution abatement/control
Natural resources conservation and protection
Botanic/horticultural activities
Environmental beautification/open spaces
Animal protection/welfare, humane societies
Wildlife preservation/protection
Zoos and aquariums
Parks

HEALTH

Health care, health treatment
Public health and wellness education
Mental health and crisis intervention
Transitional care, halfway houses
Services for or public education about diseases/disorders/
medical disciplines
Medical research about diseases/disorders

HUMAN SERVICES

Public protection, crime prevention, legal services
Employment services
Food, nutrition, agriculture services
Housing/shelter
Public safety/disaster preparedness and relief
Recreation, leisure, sports, athletics
Youth development
Social services (children, family, elderly, etc.)

INTERNATIONAL AFFAIRS

Exchange programs
International development
Relief services
Peace and security
Foreign policy research and analyses
International human rights

PUBLIC-SOCIETY BENEFIT

Civil rights/civil liberties
Community or economic improvement/development
Community service clubs
Fundraising (combined campaigns, community funds, federated giving)
Special focus funds (women's funds, children's funds)
Scientific research (not medical)
Social science research
Public policy research
Consumer rights and education

RELIGION

Christian churches, missionary societies and related religious bodies
Jewish synagogues
Houses of worship and administrative offices of other religions
Nonprofit religious broadcast and print media

A Philanthropy Glossary

501(c)(3): Section of the Internal Revenue Code that designates an organization as charitable and tax-exempt.

509(a): Section of the tax code that defines public charities, as opposed to private foundations. A 501(c)(3) organization also must have a 509(a) designation to further define the agency as a public charity.

Bequest: A sum of money or asset committed to an organization and donated upon the donor's death.

Charity: Nonprofit organizations that encompass religion, education, government assistance, health promotion, arts and culture, relief of poverty or distress and other purposes that benefit the community. Nonprofit organizations are generally recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and eligible to receive tax-deductible charitable gifts.

Community Foundation: A tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution comprised primarily of permanent funds established by many separate donors for the defined geographic area. Community foundations provide an array of services to donors who wish to establish endowed and non-endowed funds without incurring the administrative and legal costs of starting independent foundations.

Corporate Foundation: A private foundation that receives its grantmaking funds primarily from the contributions of a profit-making business. The company-sponsored foundation often maintains close ties with the donor company, but it is a separate, legal organization, sometimes with its own endowment, and is subject to the same rules and regulations as other private foundations.

Endowment: The principal amount of gifts and bequests that are to remain intact and are invested to create a source of income for a foundation or nonprofit organization.

Independent Foundation: A private foundation that often is founded by individuals through a bequest. These foundations make grants to other tax-exempt organizations to carry out charitable purposes. Private foundations must make charitable expenditures of approximately 5 percent of the market value of their assets each year and pay an annual excise tax.

Nonprofit Organization: An organization whose income is not used for the benefit or private gain of stockholders, directors or other persons with an interest in the company. A nonprofit organization's income must be used solely to support its operations and stated purpose.

Operating Foundation: Also called a private operating foundation, which is an entity that uses income to provide charitable services or to run charitable programs. Few, if any, grants are made to outside organizations.

Private Foundation: A non-governmental, nonprofit organization with funds from an individual, family or corporation and managed by its own trustees or directors. A private foundation is established to maintain or aid social, educational, artistic, cultural, religious or other charitable activities serving the common welfare, primarily through grantmaking.

Public Charity: A nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that receives its financial support from a broad segment of the general public.

Public Foundation: A nonprofit organization that receives at least one-third of its income from the general public. The foundation may make grants or engage in charitable activities.

Tax-Exempt Organization: An organization that does not have to pay state and federal taxes under Section 501(c)(3) of the Internal Revenue Code. A charity also may be exempt from state income, sales and local property tax.

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