

# Research examines differences in charitable giving among communities of color

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New research released today by the Indiana University Lilly Family School of Philanthropy explores charitable giving trends by race and ethnicity—a topic that has not been extensively studied—and looks at

declines in participation in giving among communities of color during a nearly two-decade period.

[The research](#) also examines how economic factors such as wealth and income, religious affiliation, and other demographics, as well as [trust](#) in individuals and institutions, help explain the charitable behavior of donors of color in myriad and nuanced ways.

[The Giving Environment: Giving Trends by Race and Ethnicity](#) is part of the school's Everyday Donors of Color research series. It is also part of the school's research series The Giving Environment, which reports on the "declining donors" phenomenon.

The new report expands upon that previous research—which showed a significant drop in the percent of U.S. households that gave to charity between 2000 and 2018—to explore how long-term giving rates vary across different racial and [ethnic groups](#).

"Generosity is inherent in all cultures; it is expressed and carried out in different ways in different communities. By better understanding the diverse practices and long-term giving trends of donors of color, both donors and nonprofit organizations gain valuable insights on ways they can come together to achieve shared goals," said Una Osili, Ph.D., Associate Dean for Research and International Programs at the Lilly Family School of Philanthropy.

"People of color are often disproportionately affected by economic downturns and other financial shocks. Closing the racial wealth gap and engaging donors of color in culturally relevant and appropriate ways are both critical to increasing philanthropic participation and fostering a more inclusive and equitable society."

Key findings from the study include:

- Giving rates—the share of U.S. households that participated in charitable giving—decreased among all racial and ethnic groups studied, but there were variations in the timing and extent of these declines. Age, education, gender, marital status, income and wealth all played roles in giving rates. Specifically, religious giving rates declined between 15 and 25 percentage points for all groups between 2000 and 2018. For example, Hispanic American households saw an 18-percentage-point decrease from 2000 to 2018. As for secular giving, giving rates also experienced an overall decline across all groups between 2000 and 2018, ranging from a decrease of 6 percentage points among Asian American households to a decrease of 24 percentage points among American Indian households.
- The decline in giving rates can be partially attributed to economic factors, including recessions. The study observes differential rates of giving by race and ethnicity before and after the Great Recession. For example, while giving by American Indians decreased by 11 percentage points pre-recession, the decline lessened to 7 percentage points following the recession. In contrast, Asian American giving rates rose by 8 percentage points before the recession but declined by 21 percentage points post-recession—suggesting that times of economic downturn influence philanthropic behavior by race and ethnicity in different and complex ways.
- Non-[economic factors](#) such as a decrease in interpersonal trust also help explain the decline in giving rates. Interpersonal trust showed a gradual decline over time among all racial and ethnic groups to varying degrees. In particular, the interpersonal trust among Hispanic Americans declined more substantially than other groups. About 26 percent of Hispanic Americans agreed that others can be trusted in 2000, while only 8 percent agreed in

2022.

The new report explores the implications of these and other findings for nonprofit professionals, including charitable organizations seeking to develop meaningful ways of engaging everyday donors of color and align with the values and preferences of diverse communities. The report also includes case studies illustrating some of the various ways that diverse [communities of color](#) practice generosity, such as funding collaboratives, giving circles and partnerships with culturally relevant institutions and organizations.

"Philanthropy does not conform to a one-size-fits-all approach," said Osili. "It's important for nonprofits and philanthropy professionals to understand the formal and informal channels through which communities of color practice generosity and to adapt their strategies for reaching and retaining donors of diverse backgrounds and rich traditions of generosity. Authentically engaging donors in long-term efforts to build trust in their organizations is also important, as our research suggests trust is another important factor in developing strong relationships."

The main findings of The Giving Environment report are based on the Indiana University Lilly Family School of Philanthropy's Philanthropy Panel Study (PPS), a submodule of the University of Michigan's Panel Study of Income Dynamics (PSID) that allows researchers to examine changes in philanthropic behaviors in more than 9,000 U.S. households over time. The report also analyzes data from the General Social Survey (GSS) to understand trust and its relationship to the giving patterns of donors of [color](#).

The Giving Environment report is supplemented by a second report, ["The Speed of Trust: An Experiment Examining the Effect of Trust on Giving among Members of Diverse Racial/Ethnic Groups,"](#) as part of the

school's Everyday Donors of Color research series. The Speed of Trust is an experimental study that explores whether a participant's awareness that a charitable organization is highly trusted by others affected that [donor](#)'s willingness to donate to that charity and/or to give directly to a person in need. It also examines whether willingness to give in either way was influenced by the participant's race or ethnicity.

**More information:** Everyday Donors of Color: Giving Trends and Patterns. [philanthropy.iupui.edu/research ... onors-of-colors.html](https://philanthropy.iupui.edu/research/2023-11-differences-charitable-communities.html)

Provided by Indiana University

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