

Hawai'i Giving Study²⁰⁰²

A Study of the State's Household Giving Patterns

Introduction

This is a summary of the second Hawai'i Giving Study, commissioned by the Hawai'i Community Foundation (HCF). Conducted in 2002, the study explores giving patterns among Hawai'i households in 2001. More results from the study are at www.hawaiicommunityfoundation.org

The present study is a follow-up to HCF's Hawai'i Giving Study 1999, the first-ever in-depth look at charitable giving in Hawai'i, which captured a picture of giving patterns in 1998.

The new study was undertaken to:

- Understand how giving may have changed since 1998
- Begin discussions on how giving may change in the future
- Provide information to nonprofit organizations to help them with their funding strategies
- Understand how the community responded following the terrorist attacks on Sept. 11, 2001

There are a few differences in methodology between the current study that was based on 2001 data, and the first study conducted that was based on 1998 data:

- In the current study, interviewers explored in more detail about gifts of goods. This should have increased respondents' recollection of such gifts, and it may account for part of the observed increase in total giving in 2001 as compared to 1998.
- Also in the current study, the number of surveys taken on O'ahu equals the total number of surveys taken on the neighbor islands. In the previous study, the neighbor island sample was not large enough to draw meaningful conclusions about differences in giving between counties. The present study makes such analysis possible.

The following key findings were identified in the current study:

- Hawai'i's people remain generous
- There is resiliency in Hawai'i's giving
- The economy impacts giving
- Sept. 11 did not have a big impact on the level of giving

The two giving studies serve to benchmark and begin to track the charitable giving patterns in Hawai'i. HCF will continue to monitor these patterns and provide periodic updates.

Established in 1916, the Hawai'i Community Foundation is a statewide, charitable services and grantmaking institution endowed with contributions from many donors. HCF also serves as a resource on philanthropy, and community issues and trends. Its mission is to help people make a difference by inspiring the spirit of giving and by investing in people and solutions to benefit every island community.

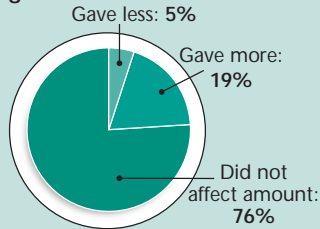


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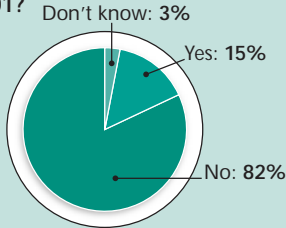
SEPT. 11 IMPACT ON GIVING

Overall, Sept. 11, 2001 did **not** have a big effect on giving in Hawai'i

Did Sept. 11 impact the *amount* you gave in 2001?



Did Sept. 11 impact the *type* of organization you gave to in 2001?



but it may have influenced **where** some people gave...

Giving in response to emergencies increased

Sept. 11 did increase the percentage of people who said that they give as a result of *emergency situations*.

2001: 22% 1998: 17%

Contributions to health organizations jumped

Share of dollar contributions to health

2001: 18% 1998: 7%

Support for health organizations soared

Percentage of households that gave to health

2001: 66% 1998: 43%

American Red Cross received most Sept. 11 giving

American Red Cross,	
Hawai'i Chapter:	41%
Sept. 11 Funds:	16%
Firemen Funds:	10%
Local United Ways:	9%

METHODOLOGY

- The 2002 Hawai'i Giving Study, a survey of household giving in 2001, was conducted by SMS Hawai'i, a local research and consulting firm, from April 29, 2002 to June 10, 2002.
- The target population was defined as households in the State of Hawai'i with working telephones. Individual respondents were identified using a random digit dial (RDD) method.
- The final sample consisted of a representative sample of 800 Hawai'i adults 21 years of age or older.
 - O'ahu residents constituted half of the sample, with the remaining 400 respondents divided proportionately between Maui, Hawai'i Island and Kaua'i according to population¹.
 - The current study has a slightly smaller margin of error: ± 3 percent, when compared to the 1999 study which had 607 respondents.
- Weighting procedures were used to ensure that the final sample of respondents was representative of individual adults 21 years of age and older statewide. This methodology is similar to that employed by Independent Sector for their nationwide report on *Giving and Volunteering in the United States*.
- SMS compared the results of this survey with similar surveys on the mainland and the levels of giving and participation are comparable. When the total level of giving in Hawai'i is compared to what nonprofits in Hawai'i indicate they are receiving, the reported giving levels are consistent and reasonable.
- In focus group discussions with executive directors from numerous nonprofit organizations in Hawai'i, this study is consistent with what they are experiencing for their respective institutions.

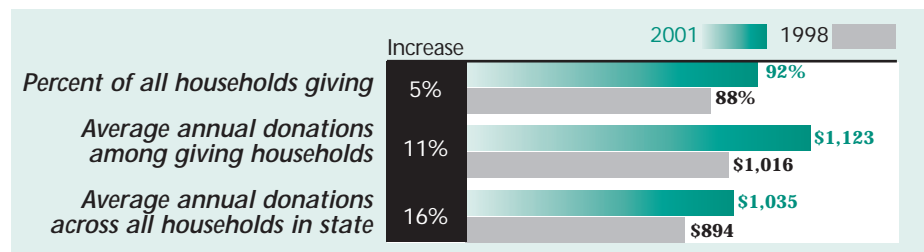
KEY FINDINGS

• Hawai'i's People Remain Generous

Giving is a part of the traditions and lifestyles of Hawai'i's people, despite the continuing problems in the state's economy and the uncertainties following the attacks of Sept. 11, 2001.

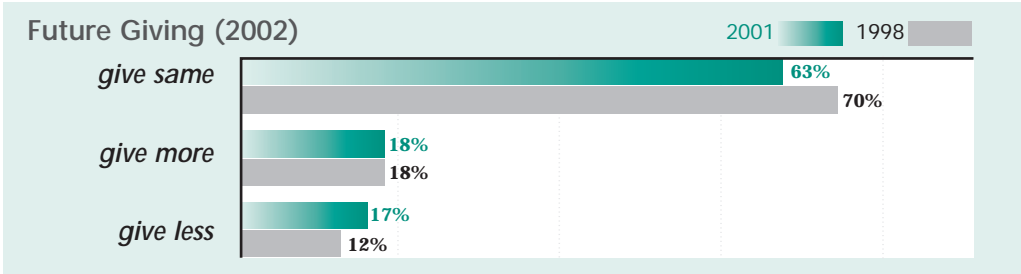
• Slight Increase in Giving

The current study shows that nine out of ten households in the state give to charity, a slight increase of five percent from the first study.



• People Remain Committed

Hawai'i's people are not only generous, but optimistic. Although five percent more of the respondents said that they would *give less* to charity in 2002 because of economic uncertainty, the good news is that four out of five households reported that they would *give as much or more* in 2002 than in the past—a remarkable testament to the resiliency of charitable giving in the state.



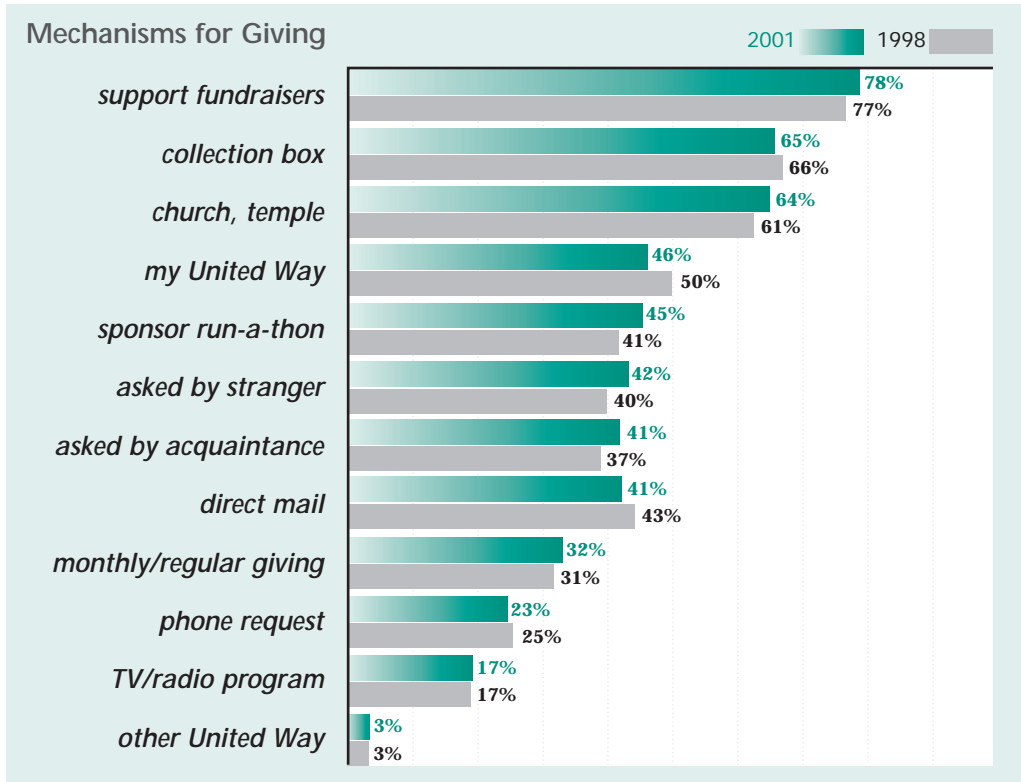
• There is Resiliency in Hawai'i's Giving

Most of Hawai'i's giving patterns remained stable from 1998 to 2001. Not only do people show great stability and resiliency in their levels of generosity, but also in how, where, why and when they give.

• How People Give

People Give When Asked.

Not surprisingly, *supporting fundraisers* was the most popular form of giving. What was interesting to note was that more than 40 percent give when they are *asked*.



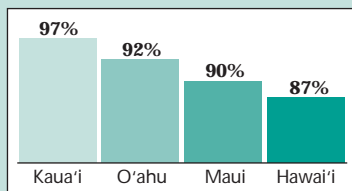
GIVING BY COUNTY

In 2001, giving across all four counties was relatively high. As earlier noted, the current study includes a breakdown of giving by county.

More Involvement from Kaua'i

Kaua'i led the other counties in terms of the percent of households that contribute at 97 percent.

Percent of Households Giving by County in 2001



The Iniki Effect

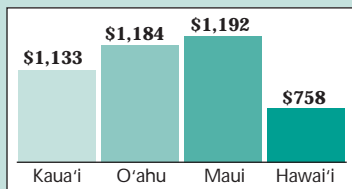
Kaua'i's impressive charitable giving participation can be linked to the high levels of civic engagement, or social capital*, among its residents. This connectedness is referred to by many Kaua'i residents as *The Iniki Effect*—when they all came together after Hurricane Iniki devastated the island in 1992.

*for more information on social capital, visit HCF's Web site.

More Dollars from Maui

Maui residents' total average contribution was more than other islands at \$1,192.

Total Average Contributions by



County in 2001

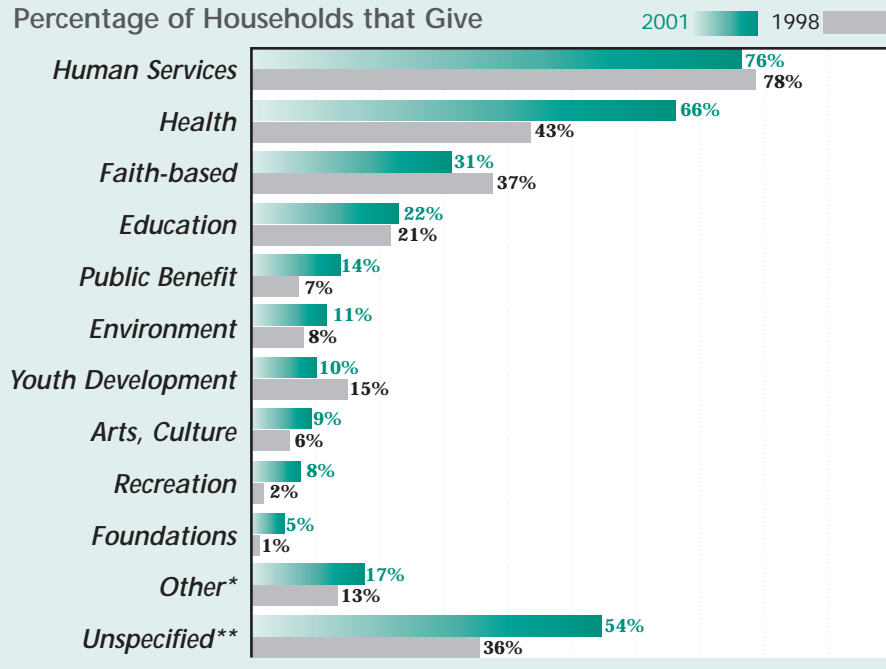
The level of giving by county appears to be related to the relative median income levels for each county (US Census Bureau's list of median household income for the counties of Hawai'i, 2000)

• Where Contributions Go

Great Support for Health and Human Services.

Both studies show tremendous support for health and human service organizations among the households that give.

Percentage of Households that Give



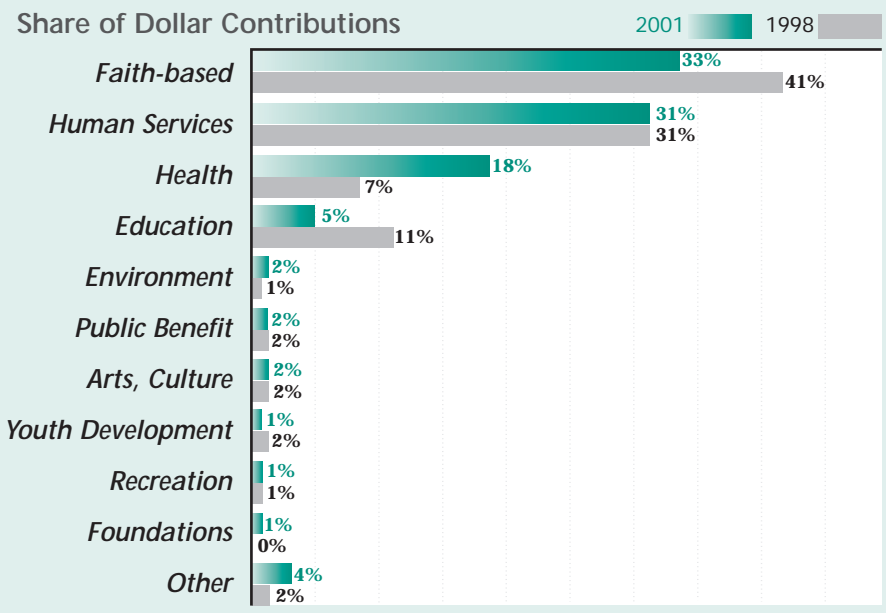
Other: *Organization did not fall into other categories above

Unspecified: **Respondent did not mention a specific category or organization

The classification of charitable organization definitions were taken from Appendix B of *Giving and Volunteering in the United States, 1996*, and modified by SMS slightly to better accommodate the needs of the current study. A sample of the definitions is located at www.hawaiicommunityfoundation.org

Faith-based organizations continued to receive the largest share of the dollar contributions in 2001 from Hawai'i households, followed by human services. Health organizations, most likely because of Sept. 11, made significant gains in 2001 compared to other types of beneficiaries.

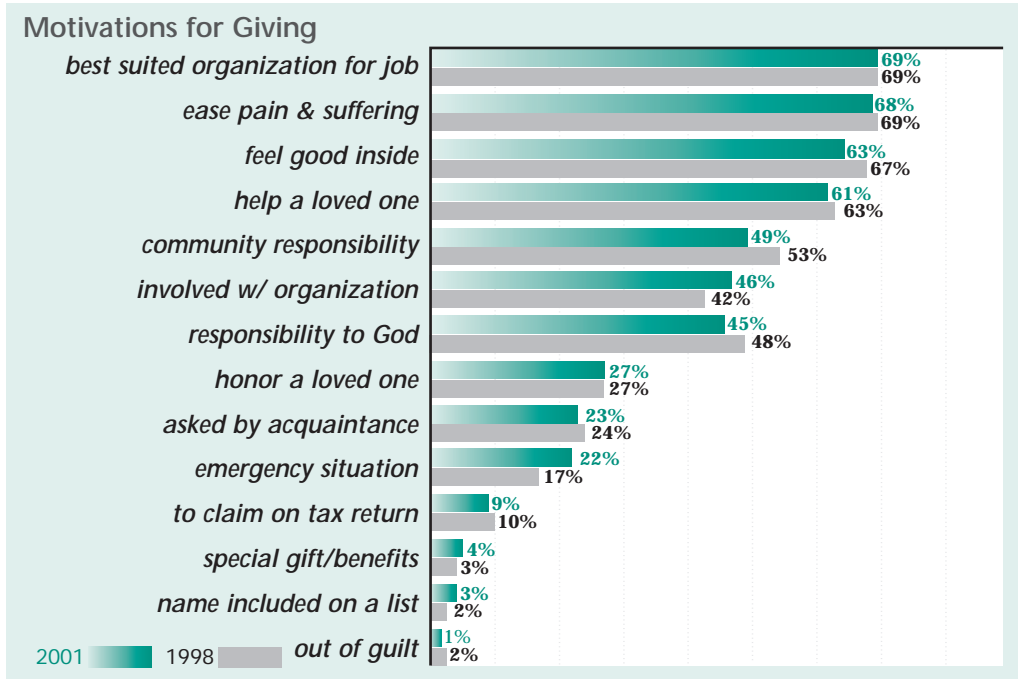
Share of Dollar Contributions



• **Why People Give**

Most Give Because It's the Right Thing To Do.

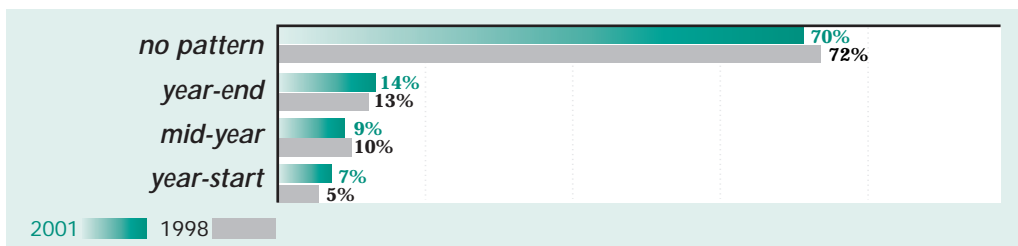
Motivations for giving were similar in 1998 and 2001. Almost 70 percent of households said they give because: the organization they support was best suited for the job; to ease pain and suffering; or giving makes them feel good inside. Fewer than ten percent gave for tax purposes, publicity or out of guilt.



• **When People Give**

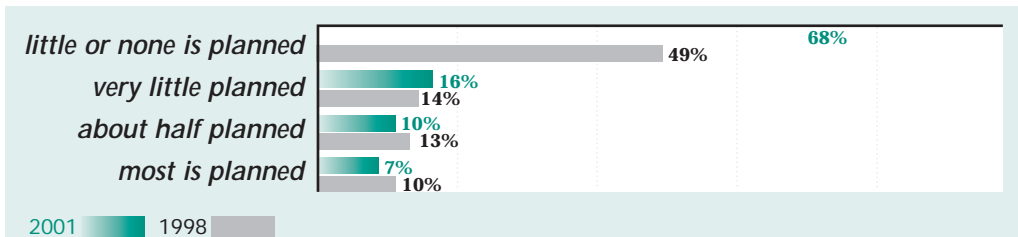
Giving is Non-Seasonal.

Contrary to popular belief, there is no “giving season.” Although there are people who review their discretionary income and make year-end gifts, the study shows that there is no exact timetable or pattern when people in Hawai‘i give.



Giving is Not Planned.

For the most part, charitable giving is not planned. The big jump in the *little or none is planned* category from 1998 to 2001 may be a reflection of people responding to Sept. 11.

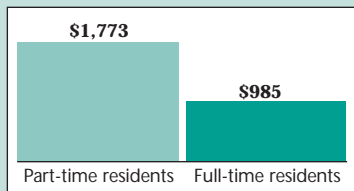


GIVING BY RESIDENCY

The current study gathered information about whether a household is part-time or full-time in Hawai'i. A part-time household was defined as residing at least 100 days per year outside of Hawai'i.

Part-timers vs. Full-timers

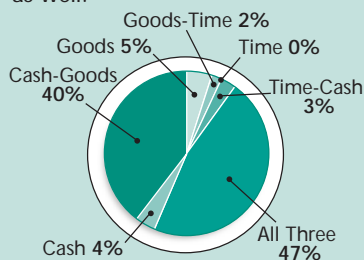
While the study shows that part-time residents make up only six percent of givers in the state, their households contributed nearly twice the average donation than that of full-time residents.



WHAT PEOPLE GIVE*

Those Who Give Time, Give In Other Ways

Most participants said that they gave a combination of cash, goods and time in 2001. Only a few people gave cash only, and only a few gave time only. This can mean that people who give time generally contribute to the causes for which they volunteer as well.



94% gave cash

* rounded

The Economy Impacts Giving

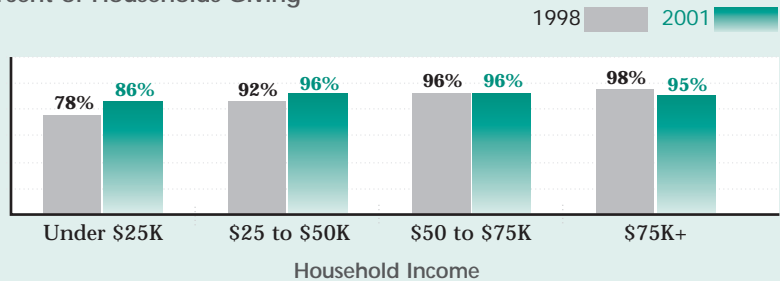
Decreases in giving at the higher end of the household income level and age categories suggest that the economic downturn and poor performance of the stock market had a dampening effect on charitable giving in 2001.

By Income

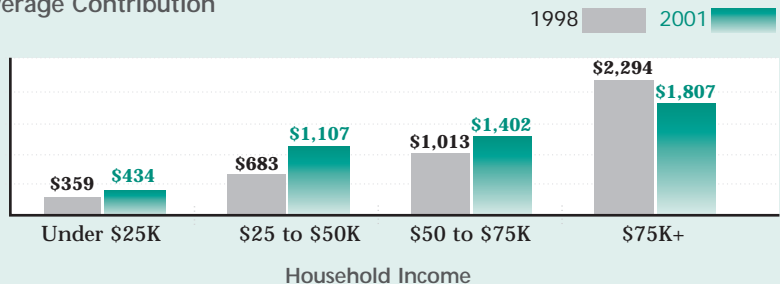
A slight decline in giving in the \$75,000 or more category, however, is part of a bigger picture underscoring the effects of the down economy on giving.

The average dollar contribution increased in every category based on income, with the exception of the highest end—a considerable drop-off for households with an annual income of \$75,000 or more.

Percent of Households Giving



Average Contribution

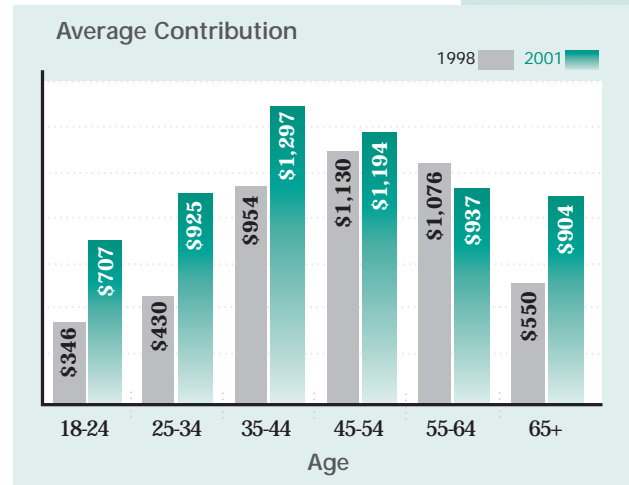
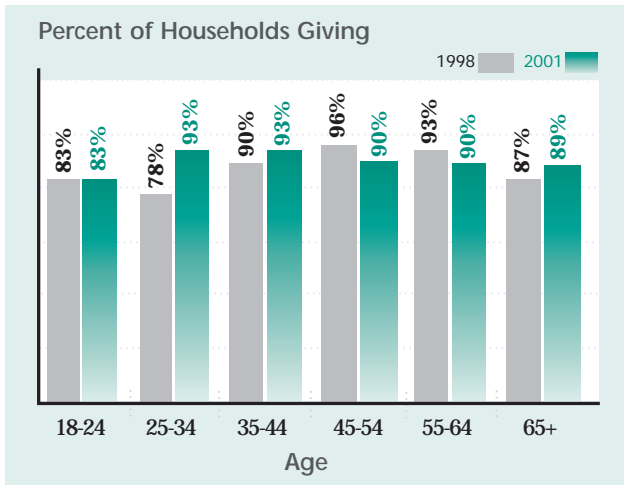


There was a significant increase in giving among the percent of households with an annual income of *under \$25,000*. This nearly 10 percent rise shows that people at the lower end of the income scale, who are most vulnerable to a poor economy, continue to be very generous in the community.

By Age

Among all age groups, giving increased in 2001, except those ages 45-64. This group is made up of people on the cusp of retirement, many of whom saw their 401K plans and savings decrease significantly. The equity market meltdown may have affected the level of their charitable giving and participation.

In terms of average dollar contributions, giving again increased in nearly every age category, except those ages 55-64.



MOVING FORWARD

A Call to Action for the Nonprofit Organizations in Hawai'i

Nonprofits are sometimes tempted to think that in a down economy, there's little they can do to increase donations. The results from the HCF study suggest that by getting back to the basics, it's possible for organizations to tap into Hawai'i's well of generosity.

The study shows that people give generously to organizations they believe are best equipped to handle the problem that concerns them. They also respond to "asks," by both people they know and don't know. In addition, they give to organizations they're personally involved with.

Suggestions for Nonprofits

- **Sharpen the message.** An organization should make sure that people know the need it is addressing is important, and that the organization is the right one to meet the challenge.
- **Ask for contributions.** Asking is what people respond to. The study shows that there is no "giving season." *The giving season is whenever an organization asks.*
- **Get people involved as volunteers.** When people invest time, they invest emotion. Donations follow emotion. The study results make it clear: volunteers are donors too. Almost no one surveyed contributed time only.
- **Make appeals early.** In many cases, year-end appeals come too late because donors have already given away their charitable dollars. Interestingly, most charitable giving is not planned. Only seven percent of people consciously plan their contributions in advance.

VIEWPOINTS

Conclusions from the Study

- Through tough economic times, the people of Hawai'i remain exceptionally generous, giving more than \$1,100 a year on average. In fact, they give more now than they did three years ago.
- More than nine out of ten Hawai'i households contribute money or goods to charity. This good news reflects the fact that the work of nonprofits is deeply woven into the community.
- With the people of Hawai'i clearly giving at or near the limit of their ability to contribute, it would be a mistake to assume that government budget cuts for social programs can be counterbalanced by increased private giving. People's pockets are simply not as deep as their hearts are generous.
- Although household giving in Hawai'i is at a high of 92 percent, we should not take this good news for granted. Nonprofits touch nearly every one of us on some form every day and they rely heavily on funding from various sources—private contributions being an important one.
- There is great resiliency in Hawai'i's giving. People are not only generous, but there is a pattern to their giving. With only a handful of exceptions, these patterns remained stable from 1998 to 2001.
- From the perspective of nonprofits seeking to maximize giving, two things stand out: people give, or give more, when they are involved with an organization—as a volunteer, for example. People also give, or give more, when they are directly asked to give.
- The economy impacts giving. Decreases in giving by upper income households and by people approaching retirement age may reflect the pressure on personal resources these individuals are experiencing from the decline in the stock market and their concerns about the future.
- Interestingly, giving among those with an annual household income *under \$25,000*, increased. Since this group is most likely to use and benefit from nonprofit services, perhaps they have made giving part of their every day lives and understand first-hand the value that nonprofits bring to the community.

For more results from the *Hawai'i Giving Study 2002* visit
www.hawaiicommunityfoundation.org



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