

## 2

## Understanding Diverse Giving Patterns

We present in this chapter the standard indicators of wealth—household income, education levels, home ownership, asset accumulation, and business ownership—that demonstrate the important financial contributions to the U.S. economy of these four broad populations. This chapter also describes each large and complex population group’s philosophy of philanthropy and proposes brief answers to some basic questions:

- Who are the donors?
- What kinds of gifts do they give?
- Why do they give?
- When and where do they make gifts?
- How are they likely to make the gifts?

Staff members at nonprofit organizations whom we interviewed for this book and for *Cultures of Caring* (Council on Foundations, 1999) stated that some of the greatest impediments to involving diverse constituents at their organizations were lack of understanding of cultural differences, discomfort with the unfamiliar, and fear of making hurtful or embarrassing mistakes. To avoid showing disrespect or offending anyone, they have often concentrated efforts to attract support on the most familiar people—those of their own ethnicity and race. This chapter offers a

*To avoid showing disrespect or offending anyone, fundraisers have often concentrated efforts to attract support on the most familiar people—those of their own ethnicity and race.*

synopsis of each of the broad cultures to help ease that discomfort and fear.

People from all backgrounds demonstrate the human impulse to give and share. Please remember that individuals do not conform to statistical norms or aggregated data.

Some of the content and conclusions in this book may not apply to your local communities or to specific individuals and families within those communities. We offer it to encourage you to proactively diversify your organization, outreach, and fundraising practices.

## INDICATORS OF INCREASING WEALTH

Indicators of wealth among these four population groups demonstrate their increasing potential as prospective donors.

### Median Household Income

The U.S. Census Bureau (2001h) gives the 1998–2000 three-year-average median household income by race and Hispanic origin as follows:

Non-Hispanic White	\$45,500
African American	\$28,700
Asian American	\$52,600
Hispanic (of any race)	\$31,700
Native American	\$31,800

Keep in mind that the income of one-half of each population group is higher than the median and that one-half is lower. Within the broad categories are wildly varying subgroups. For example, the median income for a Filipino American in 1990 was \$43,300, whereas the median income for a Southeast Asian American in the same year was \$18,300 (Ong and Hee, 1994, p. 36).

## Home Ownership

Home ownership is not only an indicator of wealth but also of stability and acculturation. Although non-Hispanic whites (73.8 percent) were 50 percent more likely to own their own homes than blacks (47.2 percent) or Hispanics (46.3 percent) in 2000, the rate of increase in home ownership since 1995 was 4 percent for non-Hispanic whites compared to 10.5 percent for blacks and 10 percent for Hispanics. Home ownership for Asian Americans (52.8 percent) and Native Americans (56.2 percent) increased more modestly between 1995 and 2000 (U.S. Bureau of the Census, 2000f; see Table 2.1).

## Education

Educational attainment is another indicator of wealth. As of March 2000 the percentage of each population group, age twenty-five and over, that had completed high school and undergraduate school were as follows:

	<i>High School</i>	<i>Undergraduate School</i>
Non-Hispanic whites	88 percent	28 percent
African Americans	78.9 percent	16.6 percent
Asian Americans	85.7 percent	43.9 percent
Hispanics	57 percent	10.6 percent
Native Americans (1990 data)	66 percent	9 percent

**Table 2.1. Percent of Home Ownership by Race and Ethnicity of Householder.**

	1995	2000	Increase
African American	42.7%	47.2%	10.5%
Asian American	50.8%	52.8%	4.0%
Latino	42.1%	46.3%	10.0%
Native American	55.8%	56.2%	0.7%
White, non-Hispanic	70.9%	73.8%	4.0%

*Source:* U.S. Bureau of the Census, 2000f.

Although African American, Hispanic, and Native American rates of completion lag behind those for whites and Asians, the gap has been closing in recent years (U.S. Bureau of the Census, 2000e).

## Business Ownership

In 1997 members of diverse populations owned 3,132,000 nonfarm businesses and employed 4,517,000 people in the United States. Those businesses brought in revenues of nearly \$600 billion (U.S. Bureau of the Census, 2001; see Table 2.2).

Ownership of new businesses, often seen as an economic indicator, increased by 7 percent from 1992 to 1997 for all U.S. firms, excluding C corporations, for which prior comparable data are not available. During the same period, business ownership for African Americans rose 26 percent; for Asian Americans, 30 percent; for Latinos, 30 percent; and for Native Americans, 84 percent. Over the same period, receipts for all firms in the United States rose 40 percent, compared to a rise of 33 percent for African American firms, 68 percent for Asian American firms, 49 percent for Latino firms, and 179 percent for Native American firms (U.S. Bureau of the Census, 2001).

## Net Worth

*Net worth*, the difference between the value of everything one owns and the total amount of one's outstanding debt, may be an important indicator of financial philanthropic activity. If donors usually make philanthropic contributions from reserves of liquid resources (bank accounts, certificates of deposits, stocks, and mutual funds or bonds), as opposed to monthly income sources (jobs, gifts, or investments), then the relationship between assets and philanthropic activity is important.

In an article titled "The Racial Wealth Gap: Origins and Implications for Philanthropy in the African American Community," Dalton Conley (2001) explores the black-white difference in average net worth. The most recent year for which data are available is 1995, when the median household net worth for the highest

**Table 2.2. Survey of Minority-Owned Business Enterprises: Nonfarm Businesses (1997).**

	African American	Asian American	Latino	Native American
Businesses owned	823,000	913,000	1,199,000	197,000
People employed	718,000	2,200,000	1,300,000	299,000
Business revenues	\$71.2 billion	\$306.9 billion	\$186.3 billion	\$34.3 billion
Percentage of 20.8 million total U.S. businesses	4.0%	4.5%	5.9%	1.0%
Percentage of total U.S. business receipts	0.9%	3.7%	2.2%	0.4%

Source: U.S. Bureau of the Census, 2001I.

quintile (one-fifth of the population) for whites was \$123,781; for blacks, \$40,866; and for Hispanics, \$80,416 (U.S. Bureau of the Census, 1995b). We could find no comparable data for Asian American and Native American populations.

In the census's figures on percent distribution of net worth of households by asset type, we can see that whites have slightly more than half of their assets invested in their homes and vehicles (51.7 percent), whereas blacks (78.7 percent) and Hispanics (68.6 percent) have much higher percentages in those two categories. On the other hand, whites (17.2 percent) have a higher percentage of their assets invested in the stock market and retirement accounts than do blacks (4.8 percent) or Hispanics (10.5 percent) (U.S. Bureau of the Census, 2001g; see Table 2.3).

Thus whites may be more likely to make major gifts than diverse donors at the same income level because (1) the white donor has substantially more net assets, and (2) a greater portion of those assets are readily marketable. (For example, it is much easier to make a gift of common stock than, say, a portion of the value of a home.) We discuss more fully in Chapters Six and Seven additional cultural differences that contribute to the disparity in net worth.

## AFRICAN AMERICANS

African Americans increasingly realize the importance and advantages of full participation in philanthropy. We base this section on the report written by Mary-Frances Winters (1999) as well as on

**Table 2.3. Distribution of Net Worth of Households by Asset Type (1991).**

	White	Black	Hispanic
Home	43.7%	61.8%	55.6%
Vehicles	8.0%	16.9%	13.0%
Stocks or mutual funds	8.6%	2.1%	4.3%
Retirement assets	8.6%	2.7%	6.2%

*Source:* U.S. Bureau of the Census, 2001g.

the writings of Emmett Carson, Jean Fairfax, James Joseph, and others who have researched and written extensively about African American philanthropy.

### Indicators of Wealth

African American–owned businesses totaled 823,500 firms employing 718,300 people and generating \$71.2 billion in revenues in 1997, as Table 2.2 indicates. The number of African American–owned firms, excluding C corporations, increased 26 percent from 1992 to 1997, compared with a 7 percent increase in this category for all U.S. firms. In 1997 about 1 percent, or eighty-seven hundred, African American–owned businesses had sales of \$1 million or more. Nine hundred firms had one hundred or more employees and total receipts of \$12.3 billion (U.S. Bureau of the Census, 2001l).

Other indicators of wealth include the following:

- African American home ownership reached 47 percent during the third quarter of 2000, an increase of nearly 4 percent from 1995 (U.S. Bureau of the Census, 2001a).
- The number of blacks in managerial positions within corporations increased from 5.6 percent in 1987 to 6.9 percent in 1997 (U.S. Bureau of the Census, 2001d).
- The number of black households with annual incomes of more than \$100,000 increased from 4.0 percent in 1996 to 6.1 percent in 2000, according to census data (U.S. Bureau of the Census, 2001i).

### Philosophy

“Black philanthropy is based on a communal notion of philanthropy,” said Rodney Jackson, president of the National Center for Black Philanthropy, Inc. “When individuals in the black community support others, the community as a whole—not just immediate recipients—benefits.”

*“When individuals in the black community support others, the community as a whole—not just immediate recipients—benefits.”*

“We’re a hands-on kind of people,” said Pat Solomon, former director of the African American Legacy Program in Detroit. “Don’t write a check if you won’t come to the event.” Solomon said the will-

ingness to give time, energy, and work counts as much as money in the African American community.

James Ellis, a black attorney, pointed out that African Americans have a strong oral rather than written tradition. Personal interactions yield more than written invitations; physical presence means more than sending money. Money alone is sometimes seen as a way of salving the giver’s conscience rather than a way of getting in and helping.

Mark Dennis, president of The Alford Group Inc. and an ordained minister, offered eight characteristics of African American philanthropy at the Third National Conference on Black Philanthropy held in May 2001:

1. The “axiom of kinship”: shared values and identification with others in the African American community.
2. The power of what Emmett Carson calls “collective giving,” where each member contributes to a common pool.
3. The desire to leave something for grandchildren, a legacy; recognition that three generations are always present: the unborn, the current generation, and those who have passed on.
4. The thanksgiving and joy in giving, knowing that “the Lord loves a cheerful giver,” an attitude of gratitude.
5. The importance of seeing the “face” of the need and the willingness of leaders to stand up and express the need.
6. Gifts of time and talent are as valued as giving treasure; when people are involved, they tend to invest.

7. Sacrificial gifts happen if it is easier to pay; make giving affordable.
8. Ownership of the gift; claim the gift as your own.

“Blessing others blesses the donor,” said the Rev. Dr. Jeremiah A. Wright Jr., senior pastor of Trinity United Church of Christ in Chicago. “The acceptance of gifts brings with it obligations to the receiver. Self-help is an imperative.”

“Women are the biggest givers and the best fundraisers in the African American community,” said a successful black fundraiser. “We prefer events over planned giving. We will pay a lot to be entertained and listen to good music.”

## Spirituality

Spirituality has played and continues to play a central role in African American philanthropy.

### *The Black Church*

Historically, African Americans have made the bulk of their charitable donations through church organizations, giving \$4.8 billion to churches in 1999, up from \$4.3 billion in 1998. The black church tends to be at the center of black philanthropy, perhaps because blacks have consistently controlled it, and it appeals to different socioeconomic strata within the black community. Approximately sixty-five thousand black churches are active in the United States today, typically with congregations of three hundred to five hundred members (Lewis, 2000).

“The church, as historically, remains today the bedrock—the strongest and most influential institution of African American philanthropy. Across history, the black church has maintained a critical role in social welfare and community development for African Americans. In this regard, much giving of time, talent and treasure has been to and through the church. Indeed, theological beliefs

undergird and to a great extent dictate giving practices among African Americans. . . . In African American communities, theological beliefs support the practice of giving for the present, rather than giving *in perpetuity*" (Partnership for African American Endowment Development, 1999, p. 6).

"Philanthropy is part of the spiritual journey," said Rev. Paul Martin, senior pastor of Macedonia Baptist Church in Denver, one of the thirty-five African American "mega" churches (defined by Mary-Frances Winters as those with two thousand or more members). His congregation supports staff of twelve full-time and nine part-time employees. It offers forty-two ministries of outreach to the community, including a community development corporation, the Macedonia Village Project, which is a separate 501(c)(3) organization. It has a \$100,000 scholarship endowment fund created through the American Baptist Foundation and sponsors an annual educational fair for high school students. In 2000, Rev. Martin said, 55 percent of the fifteen hundred giving units (usually individuals or families) tithed, meaning that they gave 10 percent of their earnings to the church. "Tithing," Rev. Martin said, "helps people focus on one gift." Many in his church also give to missions work, often in the form of in-kind contributions to the church's food pantry and clothing bank.

#### *African American Muslims*

"Charity is one of the five pillars of Islam," writes philanthropist Jean Fairfax of Phoenix (1995, p. 15).

Consideration of how American Muslims, and especially African American Muslims, fulfill this religious duty should be included in any discussion about pluralism in philanthropy. Although we tend to focus on Christian churches when we think of black religious institutions, the Muslim community in America is diverse and important. It encompasses immigrants,

diplomats, students, employees of multinational corporations who are temporarily assigned here, and African Americans. The American Muslim community is considered one of the most important and rapidly growing in the world of Islam. As Islam has grown over the centuries, indigenous cultures have often shaped the ways in which the faithful fulfill their religious obligations.

*“Charity is one of the five pillars of Islam,” writes philanthropist Jean Fairfax.*

## Philanthropy

Early in their experience in the United States, African Americans recognized the critical importance of banding together economically, not only for survival but also to enhance their collective identity. Now known as *cultural capital*, this sense of group consciousness serves as an economic resource to support economic and philanthropic efforts.

Once philanthropy in the African American community has moved from the survival stage on the continuum, it focuses on social and economic empowerment as well as on helping others cope and succeed in the broader culture. This concentration on building community self-sufficiency and cultural capital travels along the continuum of philanthropy from direct personal giving to more structured and formalized contributions.

### *History*

African Americans have a history of self-help, voluntarism, and charitable giving dating back to their arrival on the North American continent in the 1600s, when they eagerly shared their meager belongings. By the late 1700s, African Americans began to engage in organized philanthropic activities to provide for their own basic needs, usually conducted through the black church or organizations associated with the church (Carson, 1989).

Beginning with the Prince Hall Masons, founded in 1781, fraternal and mutual aid societies flourished during the 1800s and early 1900s, among them the ancient Egyptian Arabic Order, the Improved Benevolent Protection Order of Elks, the Masons, and the Eastern Star. Sororities and fraternities became popular social and philanthropic vehicles in the early 1900s (Carson, 1989, pp. 24–25).

During this same time period, civil rights organizations such as the National Urban League and the National Association for the Advancement of Colored People were formed. During the 1930s and 1940s, organizations such as the National Council of Negro Women and the United Negro College Fund emerged to focus on the issues and needs of women and youth. The most influential institutions in the African American communities were—and remain—civil associations, fraternal orders, and churches rather than businesses and financial institutions. After the 1960s African Americans increasingly focused on developing more formal mechanisms for charitable giving, such as the Black United Funds, funds in community foundations, and very recently, private foundations and giving circles. Today more than one million college-educated African Americans belong to historically black Greek organizations.

“Traditional philanthropy within the Caucasian community has often been from ‘rich to poor,’” according to the Partnership for African American Endowment Development (1999, p. 3). “Black philanthropy is more often a sharing among equals. African American philanthropy is derived from a distinctive notion of family as an inclusive and permeable institution. Therefore, much of African American giving is to family, neighbors, and needy strangers as a general obligation, rather than as philanthropy.” Historically and currently, philanthropy and benevolence within the African American community draws no distinction between gifts of money and gifts of labor.

As wealth increases, interest in pooling resources and in making a greater overall impact with charitable gifts also increases. African Americans prefer to establish their own charitable vehicles, at least in part as a result of a continuing mistrust on the part of many African Americans toward white-controlled mainstream institutions.

#### *Who the Donors Are*

African Americans of all economic classes contribute to the church and support family members. Most black donors to other causes are the first generation in their families to reach the middle and upper financial brackets. Some are highly paid entertainers and sports figures, but most are business owners and entrepreneurs. Most have multiple financial and social responsibilities to extended families and friends as well as to associations and organizations.

#### *What Kinds of Gifts They Give*

The largest annual gifts usually support the church and major educational organizations, such as historically black colleges, the United Negro College Fund, and other scholarship funds. In addition to immeasurable in-kind contributions of time, goods, skills, and expertise, financial gifts are usually cash from current income, although wealthy donors also contribute gifts of appreciated assets.

#### *Why They Give*

“Philanthropy is not about wealth. It is about giving back,” said Cleo Glen-Johnson-McLaughlin, president of the Black United Fund of Texas. The rich history of sharing whatever one has with family and friends continues to be the dominant motivation for charitable giving. Even among the more affluent, tax advantages play a lesser role than the desire to give back and share. African Americans most frequently support the following causes:

- Emergency and immediate assistance to family and friends
- Religion

- Education and scholarships
- Civil rights
- Youth programs, especially programs for at-risk youth
- Human services
- Health care and research, especially in areas such as substance abuse, diabetes, heart disease, and sickle cell anemia
- Community and economic development

Donors most often cite the first four items, generally in that order. A personal connection to the cause and the organization are important.

On another level, some affluent African Americans see charitable giving as a valuable opportunity for networking. Philanthropy provides opportunities to pursue business and social contacts.

#### *When and Where They Give*

In its African American research project, the Baltimore Giving Project (Winters, 1999) found a strong belief among affluent local African Americans that blacks tended to give many small amounts of money over time, whereas white donors were more likely to give one large gift. There was a sense that blacks do not wait until they have accumulated wealth to contribute and that they often give to multiple interests. Tangible causes, annual appeals, and impulse giving appear to be the most common approaches.

African Americans interviewed for *Cultures of Caring* contributed to numerous organizations and causes, including local scholarship funds, alma maters, the Urban League, local chapters of the American Cancer Society and the American Heart Association, the United Negro College Fund, the YWCA, the Black United Fund, and the United Way.

#### *How They Give*

African Americans make gifts through a wide range of charitable vehicles (Berry and Chao, 2001, p. 30):

- Direct giving through family, friends, and community members
- Black churches
- Mutual aid societies
- Fraternities, sororities, and social or civic groups
- Historically black colleges, black scholarship funds, and other higher education institutions and scholarship funds
- African American civil rights organizations
- Community human service organizations
- Black federated campaigns, united charitable funds, and community foundations

These donors generally make financial contributions and volunteer on a situational and personal basis, rather than on an abstract or organizational level (Hall-Russell and Kasberg, 1997).

In sum African American donors give in small increments over time, spontaneously, for immediate causes, by cash or check, and in time and talent. The tax benefits of giving are not an important consideration for them. African American communities are moving from a survival model to a model of community self-sufficiency and economic empowerment.

*In sum African American donors give in small increments over time, spontaneously, for immediate causes, by cash or check, and in time and talent.*

## ASIAN AMERICANS

The Asian American population has surpassed the size of the U.S. Jewish population. Its rate of growth, primarily due to immigration, is faster than that of Latinos (U.S. Bureau of the Census, 2001j).

Jessica Chao's research and writing in *Cultures of Caring* and in her essay, "Asian American Philanthropy" (2001), provide much of the background for this section.

### **Indicators of Wealth**

Asian Americans were 3.9 percent of the U.S. population in 2000; businesses owned by Asian Americans made up 4 percent of the nation's 20.8 million nonfarm businesses and generated 2 percent of all receipts. The number of Asian American-owned firms, excluding C corporations, increased 30 percent from 1992 to 1997, compared with a 7 percent increase for all U.S. firms. Receipts from these firms rose 68 percent to \$161 billion in 1997, compared with a 40 percent increase for all U.S. firms over the same period (U.S. Bureau of the Census, 2000b).

In 1997 businesses owned by Asian Americans in the United States totaled about 913,000 firms, employed more than 2.2 million people, and generated \$306.9 billion in revenues, according to the most recent data available from the U.S. Bureau of the Census (2000b).

Aggregate data from the Census Bureau and other sources obscure the diversity of economic reality among Asian Americans. The census data indicates that Asian Americans are now outpacing white Americans in terms of average total household income. There is, however, great variation among the various Asian ethnicities. Affluence was more concentrated among people of Japanese, Asian Indian, Chinese, Filipino, and Korean descent, and poverty was more concentrated among various Southeast Asian ethnicities (U.S. Bureau of the Census, 1993a).

### **Philosophy**

Stella Shao, a fundraising consultant in California and founding board member of Asian Americans/Pacific Islanders in Philanthropy, writes that "the Asian American culture of giving is based on commonly held beliefs in the value of compassion, the impor-

tance of relationships with families and communities, and in the reciprocity of gift-giving and relating, ceremonially and ritualistically carried out at each occasion throughout life. . . . Asians give because of their understanding that benevolence, compassion, interdependence, and basic respect for humankind are necessary ingredients to living, first in their families, then in their own ethnic communities, and then in the greater society” (1995, p. 56).

The meaning of money and its uses may vary depending on the ethnicity of the donor. “The way in which money is handled is different in the different Asian cultures,” said Penelope Haru Snipper, cochair of the Asian Pacific Endowment for Community Development. “In China success is measured by money, much as it is in the U.S. Money is the goal. In Japan people live behind closed gates. No one in the outside would know how much wealth the family had. A person would not broadcast wealth. In Hmong societies, a culture with no written language, bartering counts more than money. A sack of rice is valued more than the equivalent amount of money. In many Asian cultures a man would not talk with a woman about money.” (This last belief can be an issue if the development officer is a woman.)

“Well-to-do Asians are fairly assimilated in the professional Western world,” said Vishakha N. Desai, senior vice president and director of the museum at the Asia Society.

“Philanthropy, however, is more emotional. [Asian Americans] want to know what in their Asian-ness connects them to a project.”

Dignity and prestige are important in Asian cultures, often associated with the concept of “face.” As an example, an Asian would be reluctant to ask directly for a charitable gift. If the answer was no, both the person who was asked and the person doing the asking would lose face. We will discuss methods to avoid making direct solicitations in Chapter Four.

*Dignity and prestige are important in Asian cultures, often associated with the concept of “face.”*

Asian donors, regardless of the size of the gift they make, expect a personal thank-you letter, preferably from the CEO or a board member. Etiquette is important because it is a matter of face, and relationships cannot be built without face. Similarly, deciding who contacts the prospective donor about the gift is very important. The initial letter should come from someone respected in the community, a friend. The merits of the organization will come later.

## **Philanthropy**

Asian Americans have a long tradition of exchanging gifts and caring for family members, which extends to their ethnic communities and sometimes to the community at large.

### *Who the Donors Are*

Asian American donors are usually first-generation Americans who have made their wealth through entrepreneurial businesses. Although most are sixty years old or more, some entrepreneurs in their forties and fifties make major charitable contributions. In recent years, some wealthy Asian American donors have established private foundations, and a few have established donor advised funds in community foundations.

Here's how a donor advised fund works. An individual, family, or corporation establishes a donor advised fund with a charitable gift to the community foundation, for which the donor takes an income tax deduction at the time the fund is established. The donor, from time to time, makes nonbinding recommendations for distributions from the fund to local, regional, and national charities.

### *What Kinds of Gifts They Give*

In the early immigrant years, Asian Americans share gifts of time, money, knowledge, and skills. Once the donor is sufficiently acculturated to help those less fortunate, the gift is usually cash or stock. For the few individuals of high net worth, gifts may include setting aside a percentage of equity in a company before it goes public to

donate to a charity after the initial public offering, loaning employees to a nonprofit organization for months or years, or annually giving a steady percentage of stock to a charitable fund that will grow as the value of the stock grows.

### *Why They Give*

Asian Americans feel a personal obligation to assist family, friends, and community members in need. First-generation immigrants send money to their countries of origin in the billions of dollars each year, including to countries like Vietnam and Bangladesh. They may send contributions directly to family members and friends or to relief organizations and governmental agencies. Filipinos report that Filipino Americans send approximately \$8 billion to the Philippines annually (Berry and Chao, 2001).

“Compared with those of mainstream America, giving practices among Asian Americans are more focused, ethnic-specific, ritualistic, and institutionalized. Giving is often related to specific occasions and causes that will help preserve Asian culture and assist in the survival of Asian people in a foreign, and at times hostile, environment” (Shao, 1995, p. 56).

According to Gail Kong of the Asian Pacific Fund, Asian Americans often give to universities because they feel an obligation to give back. Steve Suda at Stanford University reports that some Asian Americans are motivated by the desire to be associated with a specific institution or cause at the institution, whether or not they are alumni.

Charitable causes that Asian Americans are likely to support include

- Emergency and financial aid to family and friends
- Causes and organizations in countries of origin
- Education
- Health and human services for the elderly

- Youth development
- Cultural heritage and appreciation
- Social justice and human rights

#### *When and Where They Give*

“The arts, culture and appeals for the country of origin are important to foreign-born Asians,” said Vishakha Desai at the Asia Society. The prospective donor who is interested in the immigrant experience in the United States may find pan-Asian organizations, serving the interests of people from multiple Asian countries, and social issues such as health care, community centers, and civil rights more appealing.

Asian American donors make gifts at all stages along the continuum of philanthropy, although they are more likely to make substantial gifts after they reach a level of what they determine to be financial stability. Asian American donors that we interviewed support schools of business, finance, or law in U.S. universities; scholarship funds to attract students from Asian backgrounds; projects and programs in countries of origin; private and community foundations, art museums, cultural centers, and health care organizations.

#### *How They Give*

Asian American immigrants provide assistance to individuals and families and build associations and infrastructure to support the community. As they settle and establish themselves in their new country, immigrants continue to give directly to friends and relatives and through various ethnic and faith-based associations. As they become more acculturated and financially secure, they make the transition to more formal nonprofit organizations, both ethnic-specific and mainstream. Here are some vehicles for their charitable giving (Berry and Chao, 2001, p. 36):

- Family and close networks of friends
- Mutual aid associations defined by ethnicity, village, province, dialect, or surname
- Faith-based institutions including churches, temples, and mosques
- Alumni, professional, and business associations
- Asian ethnic nursing homes
- Community centers and cultural institutions
- Asian American and ethnic-based social justice organizations and civic associations
- United funds (for example, United Way, Black United Fund) and community funds (for example, Asian Federation of New York, National Council of La Raza)
- Mainstream organizations that focus on community programs.

Asian American immigrants would be more likely to support those vehicles for charitable giving at the beginning of the list, such as mutual aid associations and alumni, professional, and business associations related to specific ethnic subgroups. U.S.-born generations would be more likely to give through those organizations listed near the end of the list, such as social justice and community funds (Berry and Chao, 2001).

Family and friends are both sources of philanthropic giving and receivers of gifts. As Asian Americans become more financially

*Asian American immigrants provide assistance to individuals and families and build associations and infrastructure to support the community.*

secure and assimilated, the vehicles for charitable giving move from individuals whom the donor knows to philanthropic institutions.

In summary, the following are key observations about Asian American giving:

- Gift size increases with greater acculturation.
- Donors give in response to specific requests by respected individuals.
- Donors carefully plan their gifts.
- Gifts provide both immediate and long-term impact.
- The concept of “face” is important (see Chapter Four).
- Prestigious institutions provide donors a sense of acceptance by the wider community.

## LATINOS

Latinos are people of Spanish or Latin American descent. The word *Latino* is an umbrella term for diverse and distinct subgroups, each with its own characteristics, issues, and philanthropic traditions. The Catholic Church and experiences of discrimination in housing, jobs, and politics have served as unifying forces for Latinos, even though they are diverse both ethnically and geographically, as Chapter One describes. Much of this section relies on the research and data of Henry Ramos (1999), along with *Engaging Diverse Communities for and Through Philanthropy* by Mindy Berry and Jessica Chao (2001).

### Indicators of Wealth

Latino-owned businesses totaled 1.2 million nonfarm firms, employed over 1.3 million people, and generated \$186.3 billion in revenues in 1997, as Table 2.2 indicates. Approximately 2 percent

of those firms (26,700 firms) had sales of \$1 million or more. The eleven hundred firms with one hundred or more employees generated revenue of \$28.3 billion. Receipts of Latino-owned firms rose 49 percent over five years, from \$77 billion in 1992 to \$114 billion in 1997, compared with a 40 percent increase for all U.S. firms of the same type over the same period (U.S. Bureau of the Census, 2001).

*Latino-owned businesses totaled 1.2 million nonfarm firms, employed over 1.3 million people, and generated \$186.3 billion in revenues in 1997.*

With these statistics, it is easy to envision a time in the near future when substantial numbers of Latino businesspeople and professionals will have the stability and financial security to expand their philanthropic giving and volunteering. Whether and to what degree they become active philanthropists will depend largely on the efforts that current philanthropic leaders and institutions make today to promote expanded Latino participation.

## Philosophy

“My personal vision of the meaning of philanthropy is that life is larger than we are,” wrote Olga Villa Parra (1999, p. 77), a consultant and former executive director of the Midwest Council of La Raza. “Life will go on long after we are gone. Life is a gift from God. Life does not owe us anything. On the contrary, we owe it much, because it is an opportunity to do something larger than ourselves; that is, do deeds, help our families, offer whatever we can pass on for the benefit of others.”

In Latin American cultures, philanthropy provides benefits to both donor and recipient. The donor receives a sense of comfort in knowing that these good works may offset past misdeeds or missed opportunities, and the feeling of being right with the world (or with God). The recipients of philanthropy can benefit from improved health, productive livelihood, richer cultural experiences, or greater opportunities to improve themselves. “In the end,

a significant transaction occurs between donor and donee, and vice versa,” wrote Charles Rodriguez (1999, p. 48), executive director for development and public affairs at the University of Texas Health Science Center in San Antonio. “Philanthropists gain emotional, psychic, and social satisfaction (and perhaps even financial satisfaction in the form of a tax benefit from the IRS), where donees have their personal situations and aptitudes enhanced, perhaps for the rest of their lives.”

Bea Stotzer, board president of New Economics for Women, an organization that provides affordable housing for women and single parents in Los Angeles, said, “In other communities, services are provided based on deviant behavior (kids on drugs, teenage mothers, and so on). The Latino community seeks to support and reinforce assets, not deficits. Latinos want to work together to make life better; there is a great sense of hope, of deciding together.”

Stotzer finds that Latinos define success by simple solutions to complex problems. She recently facilitated a neighborhood meeting at which the group decided that the two most pressing issues were to get a mailbox and to get a police observation station in the neighborhood. “Next year, they’ll want a post office,” she quipped.

“For U.S. Hispanics, the entire cosmos—including the earth below and the heavens above—is an intrinsically relational reality,” wrote the late Roberto Goizueta, former CEO of Coca-Cola, “where . . . each member is necessarily related to every other member. . . . To be an isolated, autonomous individual is, literally, to have no humanity, no identity, no self; it is to be a no-thing, a no-body” (1995, p. 50).

Latino cultures highly value dignity—both one’s own and that of family members and friends. A person’s word is sacred, and the individual has an obligation to help others in a quiet and noncompetitive way. Many Latinos manifest this in a hesitancy to claim credit, admit weakness, or deal with rejection (Royce and Rodriguez, 1999, p. 20).

## Religion

One-third of the membership of the Catholic Church in the United States is Latino (Miranda, 1999, p. 60). Many of the Latino individuals we interviewed consider giving to the Catholic Church an integral part of their lives; they see their contributions not as charitable giving or philanthropy but rather as an ongoing responsibility.

In recent years Protestant evangelical churches have significantly increased in Latino followers, and other Christian organizations are becoming increasingly attractive to Latinos. For example, World Vision, one of the nation's leading Christian charities and a supporter of ministries in developing countries, now receives some 17 to 20 percent of all its contributions from U.S. Latino donors, according to its director of public relations, Dean Owen.

## Empowerment and Nonprofit Organizations

The oldest Latino nonprofit organizations were established during the civil rights movement in the 1960s, and fully half of all formal nonprofits are fewer than ten years old. Although Latino nonprofits still represent less than 1 percent of the nation's more than one million tax-exempt organizations, they are developing at a rate of more than three hundred per year, double their growth rate from 1985 to 1989 (Campoamor, 1999, p. 15).

Much of the Latino nonprofit sector's short history of voluntary action was inspired by individuals' experiences in the labor movement and a desire for political empowerment. In the 1960s and 1970s, with the help of several mainstream private foundations, some major Latino civil rights and educational organizations were established, including the National Council of La Raza, the Mexican American Legal Defense and Education Fund, and the Puerto

*The oldest Latino nonprofit organizations were established during the civil rights movement in the 1960s, and fully half of all formal nonprofits are fewer than ten years old.*

Rican Legal Defense and Education Fund. Community development and social services organizations developed shortly thereafter (Cortés-Vasquez and Miranda, 1999).

## Philanthropy

Although examples of informal charity and social giving through family networks date back to the 1500s in Latino cultures, philanthropy—as practiced in the United States—is a relatively unknown concept. In large measure, this is because Latinos come from nations where governments and churches, rather than private and nonprofit organizations, have traditionally played the central roles in providing social and human services as well as arts and culture. The dominant role of state and church institutions in Latin American social welfare has been the largest impediment to Latino familiarity and comfort with U.S. philanthropic models (Ramos, 1999).

“Many Latinos—especially newer immigrants—do not give because they either do not relate to the organization seeking funds, or because they believe government or the church should provide the needed service or intervention,” said a Chicago-based Mexican American in an interview.

“Family-driven, church-based giving is what largely defines Hispanic philanthropy, said a Cuban American tax attorney from Miami. “Typically, this giving is highly informal and personalized.”

In recent years, as more Latinos feel financially secure and stable, Latino giving reflects an increasingly wider spectrum of philanthropic vehicles and practices.

### *Who the Donors Are*

Latinos are primarily in the early and middle stages of the continuum of philanthropy. Although many share freely with one another as they struggle to obtain an economic foothold, others have reached the stage of helping others who have less. They are generally the first generation in their families to have reached a level of financial stability, and they have many competing interests for their discretionary funds.

Those few who have obtained significant wealth often are responsible for a large number of extended family members, are asked to participate and contribute to every nonprofit, both ethnic and mainstream, and are still growing their businesses and investments. Many are not yet ready—emotionally, mentally, or financially—to make large or long-term philanthropic commitments, and many are concerned about diminishing their capacity to address more immediate community needs in the current hostile environment that confronts many Latinos nationwide. “Latinos and Giving, 1999” (Cortés-Vasquez and Miranda, 1999), published by The Hispanic Federation, reports that giving by Latinos to nonreligious institutions and charitable causes increases with educational attainment and income.

#### *What Kinds of Gifts They Give*

Much Latino giving is directed informally to family members and communities outside the United States. Carlos Tortolero of the Mexican Fine Arts Center Museum in Chicago said in our interview that the third largest source of revenue in Mexico (after oil and tourism) is *remittances*, financial support or gifts that individuals in the United States send to family members, agencies, or the government in their countries of origin. Fernando Ascencio (1993) determined that the total amount of remittances sent from the United States to Mexico during 1990 alone was \$3.2 billion. This type of giving is particularly responsive to natural or economic crises that directly affect the donors’ families, communities, or countries of origin. A 1998 collaborative fundraising effort to benefit the Central American and Puerto Rican victims of Hurricanes George and Mitch, spearheaded by The Hispanic Federation, raised \$1.2 million within a few months.

*Much Latino giving is directed informally to family members and communities outside the United States.*

Latinos also give to those who are significantly impoverished or otherwise disadvantaged, both in the United States and abroad.

They provide personal caretaking services for the young and old, rather than relying on institutions. The most significant portion of Latino giving supports their churches—both Catholic and evangelical Christian churches. Interviewees reported a preference for supporting Latino causes, mainly through direct cash contributions from current income and volunteer service at the board of directors' level.

### *Why They Give*

The Latinos we interviewed for *Cultures of Caring* consistently expressed their chief motivation for participation in philanthropy as a sense of personal responsibility—a desire to give back to the Latino communities from which they came and, in the process, to help accelerate Latino rights and opportunities within the United States. Many sense an increasing anti-Latino trend in the United States—as evidenced by new laws and policies in states such as California. They view participation in philanthropy as an important vehicle to mitigate such sentiments. Philanthropy can serve as “an increasingly important bridge to the mainstream,” said a Cuban American interviewee, “enabling mainstream leaders to see us increasingly as societal givers rather than mere takers.”

As we have said, many foreign-born Latinos feel a strong motivation to give by helping family members and communities in the home country. Latino culture is oriented toward the family, heavily influenced by the Catholic Church, and intensely driven by a sense of ethnic and community pride. Causes that are particularly appealing to Latinos include

- Emergency and financial assistance to family and close friends, both in the United States and abroad
- Religion
- Family-related issues including, especially, children, youth, and the elderly
- Community rights and economic opportunities

- Scholarship funds, education, and youth development
- Cultural heritage or preservation and the arts
- Health care and human services
- Disaster relief in home countries

#### *When and Where They Give*

A significant number of the wealthy and influential Latinos interviewed for *Cultures of Caring* reported that they were as likely to support mainstream organizations that address Latino issues and needs as they were to support Latino nonprofit agencies. In fact, many felt that participation in mainstream organizations was their most appropriate focus, because those organizations afforded them unique opportunities to influence mainstream thinking on behalf of Latino community interests.

“The opportunities I have to engage in leading mainstream philanthropic institutions as a major donor and trustee are not about just writing a check or volunteering time,” said Mexican American donor from Los Angeles. “They are much broader and necessarily more strategic. These opportunities are about gaining access and influence on behalf of Latinos. They are about responsibility to my family and my [ethnic] community.”

The donors interviewed for *Cultures of Caring* supported organizations including the American Heart Association, the March of Dimes, the Houston Museum of Fine Arts, and the Florida Symphony, as well as the University of Notre Dame and St. Mary’s College in San Antonio, Texas. A 1996 nationwide independent survey showed that the Latinos polled donated as frequently to United Way campaigns as white Americans did (“Market Research,” 1996, p. 11).

Age also affects Latino giving, according to the report “Latinos and Giving,” 1999. The youngest and the oldest give the least, and the thirty-five- to forty-nine-year-old age group gives the most. Almost half of Latinos from ages eighteen to twenty-four do not

*Age also affects Latino giving. . . . The youngest and the oldest give the least, and the thirty-five- to forty-nine-year-old age group gives the most.*

give to any institution; 42 percent of Latinos in this age range report giving to the church. Among those older than fifty-four, 42 percent do not give to any cause or institution. In contrast, within the thirty-five- to forty-nine-year-old age group, 72 percent give, and 28 percent do not. In this age group, 53 percent contribute to a church, 26 percent to a nonchurch institution, and 19 percent to a charitable cause (Cortés-Vasquez and Miranda, 1999).

#### *How They Give*

Michael Cortés (2001), assistant professor of public policy at the University of Colorado at Denver, describes charity among Latinos as including “an element of traditional Latin-American *personalismo*, in which personal, intimate, one-to-one relationships shaped the nature and extent of giving” (p. 14). Cultural values such as the importance of one’s word, the intrinsic worth of each person, obligation, giving back, family, and trust shape Latinos’ highly personalized and informal patterns of philanthropy.

Much of Latino giving is directed to people, the church, or voluntary organizations. Preferred vehicles for giving include the following (Berry and Chao, 2001):

- Family and friends
- Church
- *Mutualistas*, mutual assistance associations
- Civic associations, chambers of commerce, and business and professional associations
- Latino civil rights and social justice organizations
- Latino community development corporations and other community organizations

- Latino community funds and federated campaigns
- Mainstream nonprofits that address Latino needs

Family and friends are both the recipients of gifts and the vehicles through which charitable gifts are made. As Latinos travel across the continuum of philanthropy, the methods of giving also change, from hand-delivered gifts (financial and in-kind) to checks to established nonprofit organizations.

The following characteristics summarize Latino charitable giving in general:

- Donor seeks personal, hands-on participation.
- Giving is family-driven and church-based.
- Focus is on concrete and visible causes and projects.
- Donor was asked to give by a credible individual.
- Current needs and opportunities are of paramount importance.
- Contributions are given directly to recipients.

## NATIVE AMERICANS

The term *Native American* in this book includes American Indians and Alaska Natives. The information in this section relies heavily on the work of Mindy Berry (1999), her work with Jessica Chao (2001), and the work of Sherry Salway Black (2001).

### Indicators of Wealth

Native American-owned businesses totaled 197,300 firms, employed 298,700 people, and generated \$34.3 billion in revenues in 1997, as Table 2.2 indicates. The vast majority of Native American-owned firms, 88 percent, were sole proprietorships (unincorporated businesses owned by individuals). The U.S. Census Bureau excluded

some businesses not owned by individuals, such as those owned by tribes, from the survey (U.S. Bureau of the Census, 2001).

The number of Native American–owned firms, excluding C corporations, increased 84 percent from 1992 to 1997, compared with a 7 percent increase for all U.S. firms. Receipts of such firms rose 179 percent, to \$22 billion in 1997, compared with a 40 percent increase for all U.S. firms over the same period (U.S. Bureau of the Census, 2001).

Nationwide, reservations hold 4 percent of U.S. oil and gas reserves, 40 percent of uranium deposits, and 30 percent of western coal reserves, among other natural resources. In recent years reservations have generated new wealth from mineral extraction, gaming enterprises, and a growing array of entrepreneurial ventures, such as banks, resorts, retail establishments, and other Native-owned businesses.

*Nationwide, reservations hold 4 percent of U.S. oil and gas reserves, 40 percent of uranium deposits, and 30 percent of western coal reserves, among other natural resources.*

## Philosophy

“Differences in philosophies that separate non-Native people from their counterparts in the Native world are vast,” according to Rebecca Adamson (1999, p. 9), president of First Nations Development Institute. “Non-Native socioeconomic activities are based on a philosophy of personal property rights and ownership, market economics, the accumulation of wealth, and consumerism. Traditional Native American societies rely on communal ownership, communal economies, redistribution of wealth, and spirituality and its connection to humans and to nature.”

### *Interdependence*

For Native Americans, “the good of the community takes precedence over the good of the individual” (Joseph, 1995, p. 27). The survival of the tribe is of primary importance—not the well-being

of particular individuals. The group gives significance to the individual, not the individual to the group (Black, 2001, p. 43). Because the entire tribe usually owns the assets, philanthropy is often communal. The tribal council or leadership often makes philanthropic decisions. Gifts include money, time, talents, and goods.

Sharing the earth's abundance is central to Native American values. For Native Americans, who believe that everything belongs to the earth and nature and that everything is inherently interconnected and spiritual, giving connects the individual to his or her ancestors and to nature. "The fundamental appreciation of interdependence between all elements in creation, that all reality participates or shares in one form of life, lies at the root of the Native sense of responsibility for other people and tribal willingness to share" (Black, 2001, p. 46).

#### *Redistribution*

Rather than accumulating wealth, Native Americans redistribute what they have. One traditional method of redistribution common among many Native American tribes is the potlatch. A *potlatch* or "giveaway" refers to the custom of giving one's belongings to others. Before the arrival of European goods, typical items given away at potlatches were food, shawls, blankets, and necklaces. Such items of value are gathered over a long period of time to be given away during powwows or celebrations in honor of births, anniversaries, marriages, birthdays, deaths, and other special occasions. Sometimes the giver gives away nearly all of his or her possessions. In such instances, seeing how little the giver has left at the end of the potlatch, recipients of the gifts return some items out of kindness. The giver and the receiver are equally honored in the exchange (Black, 2001).

"Native Americans are incredibly generous with what they have," said Barbara Bratone, development director at the American Indian College Fund. "Wealth is measured not by what you have, but in terms of what you give away and how you care for

the well-being of the tribe and its members.” Native Americans approach giving from the perspective of stewardship rather than ownership. They give as much as it takes to sustain the system, without disturbing the balance.

### *Mutual Responsibility*

The distinction between sharing and charity is critically important to understanding Native American giving. “Philanthropy in the Native sense means the tradition of sharing and honoring,” writes Sherry Salway Black (2001, p. 42), “which is a question of mutual responsibility. To share wealth is a responsibility of every caring member of a community.”

Donna Chavis, executive director of Native Americans in Philanthropy, described a contribution in terms of a birthday present: “the gift giver expects nothing in return and both the giver and receiver are equally honored.”

“By accepting the gift, the recipient validates and honors the giver’s responsibility to give,” according to Native American Jeanette Armstrong (Wells, 1998, p. 29). “It’s not a shameful thing or a social stigma to receive a gift. What you’re actually doing is helping the giver by receiving—because they may be rebalancing their poor luck, or their hardships. Since they are receiving blessings in giving, and doing a good thing in terms of their own feelings, the recipient is doing them a service by receiving in an honorable way.”

### *Reciprocity*

“In Native giving, there is always an understanding of broad reciprocity . . . that requires that the gift must continue to be given, to be passed on,” said Rebecca Adamson (Wells, 1998, p. 36), president of First Nations Development Institute.

This is probably the pan–Native American value that underpins all the different forms of tribal giving. Every tribe has different forms, different rituals, different ceremonies, different understandings of what a gift is, how a gift is given. But you see in all those different kinds of ceremonies the understanding that gift-giving is really reciprocally based—that you give to someone, and that person is expected to give—but not merely as a *quid pro quo* back to you. . . . That is the reciprocity of it—the gift is given, the beneficiary is expected also to give—not necessarily back, but on, so the gift is always alive.

In Alaska, individuals do not have a long history of donating to community projects, other than for immediate needs. Native corporations, however, are different. According to Diane Kaplan in Anchorage, they give more generously and more long-term because they realize that their grandchildren’s grandchildren will live on the same land. Their unique long view is expressed vividly in the slogan of the NANA Corporation: “Doing Business in Alaska for 10,000 Years.”

The symbol of the circle appears frequently in Native American cultures from the recycling of materials and goods among tribal members in the potlatch, to the traditional cycle of knowledge that has helped to perpetuate Native societies for hundreds of generations, to the cycles of renewal during the earth’s seasons, and to the interlocking spheres of influence within each nation and among all Native cultures. Thus the individual is connected to all other individuals, life forms, and the mother earth.

### **Unique Philanthropic Structures**

Since the 1970s, Native Americans have established an increasingly wide range of mainstream philanthropic vehicles. These vehicles include mainstream institutions such as college foundations, funds at community foundations, service organizations, and payroll

deduction programs. Other forms of philanthropy are unique to Native cultures, such as tribal foundations, tribal enterprise giving programs, tribal government giving, and giving by intertribal consortia. Tribes have a special relationship with the U.S. government to interact as sovereign nations with laws and regulations that govern many aspects of commercial and business activity.

#### *Internal Revenue Code Section 7871*

In 1982 Congress passed the Indian Tribal Governmental Tax Status Act, codified as Section 7871 of the Internal Revenue Code, treating tribal governments as state governments for a variety of specified tax purposes including private foundation rules and the tax deductibility of charitable contributions. In effect the act affirmed tribal self-regulated sovereignty rather than dependence upon exemptions from state tax regulations. First Nations Development Institute, through its program called Strengthening Native American Philanthropy, encourages the establishment of Native organizations under Section 7871. The Hopi Tribal Council, for example, provided the initial investment of \$10 million in 2000 to help establish the Hopi Education Endowment Fund as a 7871 organization.

#### *Alaskan Regional Corporations*

Other vehicles for philanthropic giving were established in the early 1970s in Alaska. When the U.S. government wanted to lay the Alaskan pipeline, it reached an agreement with Alaska Natives in the Alaska Native Claims Settlement Act of 1971. The agreement divided the tribes into twelve regional corporations, with members of each tribe as the shareholders of the corporations. Some of these corporations have become very successful commercial enterprises. The largest is CIRI, which was started with \$34 million and 2 million acres of land, oil, and gas and by the end of 2000 was worth \$1.2 billion even after substantial dividends were paid to shareholders. Some of the regional corporations have formed private foundations and public charities from the proceeds of farming, energy-related, or other businesses. Some have contributed a por-

tion of legal settlements from land claims and lawsuits to scholarships and special community needs.

### *Tribal Gaming*

Tribal gaming generated \$9.6 billion in gross income in 1999, more than 10 percent of the total U.S. gaming industry. Of 561 federally recognized Indian nations, 196 are involved in gaming. Although only one tribe in ten produces significant revenue from gaming, a few tribal gaming operations have seen spectacular success—such as the Mashantucket Pequot tribe in Connecticut and the Shakopee Mdewakanton in Minnesota—but these operations are the exception rather than the rule. In fact, these two tribes, located near major urban areas, have benefited the most from the gaming boom generating 40 percent of all Indian gaming revenue (National Indian Gaming Association, 2001).

*Tribal gaming generated \$9.6 billion in gross income in 1999, more than 10 percent of the total U.S. gaming industry.*

“Native Americans are fundamentally givers,” according to Diane Wyss of the National Indian Gaming Association. This organization and the First Nations Development Institute recently completed a survey and reported that the gaming tribes gave over \$68 million to charity in 2000. By comparison, other forms of gaming—namely, Las Vegas and Atlantic City casinos—donated \$58 million in that same year to charity.

## **Philanthropy**

Although many of the philanthropic practices of Native Americans are similar to those of Caucasians, significant differences and nuances exist.

### *Who the Donors Are*

Donors in Native American communities are often the tribes themselves or tribal enterprises, although individuals, families, and extended clan also give, but usually in undocumented gifts as part

of their daily lives. The elders or the tribal council often make the grantmaking decisions. Very recently some tribes have established tribal foundations with grantmaking programs.

Wealthy Native Americans who do not live on reservations are more likely to give individually. “The age of the donor and the newness of the donor’s wealth are also influences on Native giving,” according to Adamson (2000, p. 5). “The younger the donor, the greater the tendency to seek advice, give incrementally, and target their donees carefully. The more recent the acquisition of wealth, the more the donor tends to engage in giving on a gradual basis. The age of the donor and newness of wealth may be helpful predictors because the median age of the American Indian population (26 years old) is below that of the U.S. population as a whole (33 years) and personal giving both on and off reservations is derived primarily from recent or first-generation wealth.”

#### *What Kinds of Gifts They Give*

As we have said, Native American gifts take many forms, including time, skills, food, goods, services, and money. “If you give the most you can,” said Tia Oros with the Seventh Generation Fund, “that is more valuable than a large gift that is insignificant to the giver.” Monetary gifts are generally fairly small.

Because their wealth is new, donors tend to be cautious and very selective in their giving, usually starting with a small gift to assure that the recipient uses it wisely before giving a substantial gift.

Tribal enterprises are just beginning to develop partnerships with nonprofit organizations and to institute matching funding for projects and causes. Increasingly they are making in-kind gifts and sponsoring various public and community events. Although Native Americans highly value in-kind contributions as symbols of support, they can also view monetary gifts from individual donors, tribes, and enterprises as a modern way of giving back to ancestors, the land, and the spirits.

### *Why They Give*

When asked why they give, individuals from the successful gaming tribes responded with reasons such as sharing, reciprocity, and bettering the tribe. The charities they fund are primarily designed to serve youth, education, health, and elders. "Taking care of each other is an important value," said Diane Wyss. According to her organization's survey (National Indian Gaming Association, 2001), tribal councils generally select recipients, with 40 percent of the dollars going to non-Indian organizations. Tribes give 75 percent on an as-needed basis, and 21 percent of the tribes have a foundation or fund. Tribes that have accumulated substantial assets from commercial enterprises have been more likely to fund visible mainstream institutions such as the United Way, Special Olympics, local museums, and relief organizations.

Native Americans are not interested in funding administrative costs but are supportive of small projects, according to Barbara Poley, executive director of the Hopi Foundation. Individuals who live on reservations tend to give to and through the family, and to the community through the tribe itself. Those who live off the reservation tend to give to Native-run nonprofits and funds or to mainstream nonprofits that focus on Native issues (Berry and Chao, 2001).

Charitable causes likely to receive Native American support include the following (Berry and Chao, 2001, p. 39):

- Education and scholarships
- Cultural preservation and the arts
- Economic development
- Youth
- Emergency aid and disaster relief
- Health care
- Services for the elderly

- Development of human, economic, and environmental assets
- Rehabilitation services, especially substance abuse counseling

#### *When and Where They Give*

Native Americans give primarily to address current and immediate needs. The more traditional tribes tend to give to local issues, whereas the more progressive tribes give more to pan–Native American and mainstream types of interests. Native Americans who were interviewed mentioned gifts to the Smithsonian Institution, United Way, scholarship funds, tribal and mainstream colleges and universities, and cultural centers.

#### *How They Give*

Native Americans often, both individually and tribally, make gifts personally and directly to the recipient. Individuals tend to make anonymous gifts and are generally very modest about their giving, so publicity about gifts may be inappropriate. More formal and structured gifts typically take place through legal structures that the tribe or the U.S. government sanctions. The following is a list of methods or vehicles by Native Americans make gifts, with the more traditional listed first:

- Family, friends, and tribal members
- Tribally focused membership organizations
- Native American nonprofits
- Tribal enterprises and businesses
- Tribal governments
- Tribal foundations
- Tribal college funds
- Community foundations and the United Way

Family, friends, and tribal members can be both the vehicles through which gifts are given and the recipients of the gifts. It appears that as philanthropic practices evolve from communal giving to more institutional giving, a parallel transition occurs from using voluntary charitable vehicles to the more structured and formal vehicles of nonprofit organizations.

We can broadly summarize giving by Native Americans and their tribes as follows:

- Both the giver and recipient are equally honored.
- Donors give incrementally and gradually.
- They give directly to the recipient for immediate needs.
- The tribe and tribal consortia often make the gifts.
- Donors select recipients carefully.
- Gifts are often in-kind.

*Native American individuals tend to make anonymous gifts and are generally very modest about their giving, so publicity about gifts may be inappropriate.*

## WHERE WE GO FROM HERE

Standard indicators of wealth demonstrate the increasing importance and clout of the four diverse populations. Donors of diverse ethnic backgrounds are often first-generation Americans, college graduates (generally), and entrepreneurs who have limited disposable income—as well as complicated and multiple responsibilities to parents, siblings, children, and others. As they become affluent, they first take care of the needs and desires of those closest to them: family, friends, neighbors—a pattern that a number of scholars have also observed in philanthropy among whites—and only then make gifts targeted for projects that address their communities' current needs.



Often members of ethnic groups who are the most likely prospective donors are focused on generating or accumulating wealth. Concurrently they are helping to meet immediate needs in their communities, including giving considerable support to religious, spiritual, and educational organizations.

Organizations that seek to expand their prospective donor pools to include new ethnicities and races must first assure that their internal policies and practices encourage diversity within the organization. We will explore this issue further in Chapter Three.

