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Toward an Understanding of the Revenue of Nonprofit Organizations

A Dissertation
Presented to
The Academic Faculty

By

Christopher S. Horne

In Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy in Public Policy

Georgia Institute of Technology and Georgia State University

December 2005

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Toward an Understanding of the Revenue of Nonprofit Organizations

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SUMMARY

Understanding the composition and distribution of the revenue of nonprofit organizations (NPOs) is key to understanding NPOs themselves. Understanding revenue is necessary for identifying the unique challenges of nonprofit management, contributing to current debates over the proper role of NPOs in society, and even explaining the very existence of NPOs. Even so, revenue in the nonprofit sector remains poorly understood.

This research uses revenue data for 87,127 charitable NPOs to draw three main conclusions. First, revenue structures of NPOs vary widely among subsectors and across organizational sizes, with many NPOs demonstrating revenue structures that might be considered uncharacteristic of the nonprofit sector; average revenue is almost \$8 million, and fees for services generate a very high proportion of revenue—54 percent for the average NPO. Second, despite the concerns of many nonprofit scholars, heavy dependence on either government funding or charitable contributions is atypical of NPOs. And third, nonprofit revenue is highly concentrated in relatively few NPOs; 20 percent of NPOs receive over 90 percent of all nonprofit revenue.

The description of revenue expands to examine the relationship between two of the most important sources of revenue, charitable contributions and government subsidies. Nonprofit scholars have long theorized that government funding diminishes charitable giving, conventionally explained as donors' negative reaction to government funding, which they feel makes their contributions less necessary or duplicative of contributions already made indirectly by paying taxes. The validity of this argument carries implications for policy makers, public administrators, and nonprofit managers, yet previous research has failed to

firmly establish the effect of subsidy on charity in the nonprofit sector. This research finds that the effect of subsidy on charity varies substantially among the nonprofit subsectors, but, contrary to widely accepted theory, these effects are more often positive than negative: More than half of government funding of the nonprofit subsectors appears to spur an increase in charitable giving, whereas only 6 percent of government funding is associated with decreased giving. This research suggests that the effects of subsidy on charity are less likely due to the decisions of donors than to the decisions of NPOs themselves.

These findings assuage some concerns about the future of the nonprofit sector but substantiate others. As government increasingly relies on NPOs to deliver government-funded services, it appears unlikely that NPOs will suffer decreases in charitable giving, and government funding may even enable NPOs to increase revenue from charitable giving. But marginal changes in charitable giving will not mitigate what many see as a distressing move away from reliance on charity toward generating fees for services and generally becoming more business-like. Whether these findings represent a nonprofit sector betraying its charitable roots, diluting its power to effect social change by “corporatizing,” emphasizing service delivery at the expense of advocacy, or becoming more efficient, financially stable, and responsive to market demands remains a matter of debate, but debate better informed by the understanding of nonprofit revenue provided by this research.

CHAPTER 1

Importance of Understanding the Revenue of the Nonprofit Sector

The public face of nonprofit organizations may be meager thrift stores and dilapidated homeless shelters, but such humble facades belie the vast resources devoted to the nonprofit sector in the United States. According to the most recent estimates the 1.6 million organizations comprising the nonprofit sector received over \$664 billion in revenue and accounted for more than 6 percent of the total national income in 1997 (Weitzman, Jalandoni, Lampkin, and Pollak, 2002) and generated 9 percent of the Gross Domestic Product in 2000 (Hammack, 2001). The nonprofit sector commands enormous resources, and these resources strongly shape the character of the organizations that comprise the nonprofit sector. Even so, revenue in the nonprofit sector remains poorly understood.

This research addresses this gap in our knowledge of the nonprofit sector by addressing two questions about revenue of nonprofit organizations (NPOs). First, what is the composition and distribution of the revenue in the nonprofit sector? And second, what is the relationship between government funding of NPOs and charitable giving to NPOs? This chapter explains these two questions and their importance for understanding the nonprofit sector, provides background information on the types of NPOs and the types of revenue, and introduces the data used to explore the research questions.

Understanding NPOs' revenue to understand NPOs

Understanding the composition and distribution of revenue in the nonprofit sector is more than a dry accounting exercise; it is key to understanding the existence of NPOs, the

unique challenges of nonprofit management, and current debates over the proper role of the nonprofit sector in democratic society.

Revenue and the existence of NPOs

The ability to attract charitable contributions is a distinctive feature of NPOs and forms the basis of many NPOs' existence. Just like for-profit businesses, NPOs generate revenue through the voluntary exchange of goods and services for consumers' money. Unlike for-profit businesses' consumers, though, many of NPOs' "consumers"—those individuals, foundations, corporations, and governments that donate money to NPOs—purchase goods and services that benefit *other* individuals, the public at large, or groups sharing a common interest. Whether feeding orphans, rescuing beached whales, advocating for school vouchers, or searching for extraterrestrial intelligence, many NPOs exist as a vehicle for charitable donors to apply their pooled resources toward a common goal. For these NPOs, donated revenue is the tangible expression of a collective goal and a means to work toward it.

This central role of donated revenue in defining and sustaining organizational mission is the basis of prominent theories for explaining the existence of NPOs. Public goods theory argues that in a democracy, government action is driven by the preferences of the median voter, which leaves many individuals and groups dissatisfied with government output. These individuals and groups may form voluntary organizations, including formal NPOs, willingly "taxing" themselves to provide collective goods that are not provided by government (Weisbrod, 1975). Similarly, the "theory of the commons" (Lohmann, 1992) emphasizes that NPOs exist as vehicles for individuals and groups to pool resources to produce "common

goods” to promote values other than private gain held to be important by those supporting NPOs.

Other theories explaining the existence of NPOs underscore the roles of types of revenue other than charitable contributions. Highlighting the role of fee-for-service revenue, principal-agent theory and contract failure theory posit that some NPOs exist due to consumers’ distrust of profit-maximizing organizations in exchanges in which the consumer cannot easily judge the quality of the goods and services, such as parents’ difficulty in assessing the quality of their children’s daycare, and are therefore more willing to pay NPOs for such goods and services due to their trust in NPOs’ commitment to public service (Holtman and Ullman, 1993; Young, 1998). NPOs that rely on revenue from membership dues are, in part, the focus of consumer control theory, which explains the existence of some NPOs, such as social clubs and farmers’ cooperatives, in terms of the desire of members to have control over the organization rather than relinquishing monopolistic control to unrepresentative, profit-motivated owners (Ben-Ner, 1986).

In all of these alternative (if perhaps complementary) explanations of NPOs’ existence, NPOs’ revenue profiles are closely tied to the nature of the NPOs themselves and the rationale for their existence, indicating whose goals the NPO exists to pursue, whose needs the NPO must meet, whose demands must be placated, to whom the NPO must continue to demonstrate value and trustworthiness, and whose values must be promoted by the NPO in order for the NPO to survive.

Revenue and unique nonprofit management challenges

The theories explaining the nonprofit sector also draw attention to a reality faced by nonprofit managers—that different sources of revenue place different sets of external

demands on the organization. The external demands associated with revenue sources present two different challenges to nonprofit managers: competing demands and resource dependence. For the NPO with multiple sources of revenue, the various demands associated with those sources may contradict each other. Alumni of a liberal arts college may exert pressure toward conserving their alma mater's past, while current students—and their parents—may exert pressure toward adopting a career-focused curriculum. Unlike in the for-profit sector, where profit maximization pleases all shareholders, prioritizing among such competing demands in the nonprofit sector is guided by the more amorphous dedication to organizational mission and is one of the most challenging tasks of nonprofit managers and boards (Miller, 2002).

A lack of diversity in revenue sources, though, creates its own management challenges. A large body of literature has established the risks associated with overreliance on a single source of revenue, with different types of revenue carrying different risks. Too much dependence on government funding, for example, may subject an NPO to cash flow interruptions, bureaucratization, or distraction from the organization's primary mission (Froelich, 1999). Faced with the risk of competing demands from multiple revenue sources on one hand and the risk of dependence on too few revenue sources on the other, nonprofit managers' work is inevitably shaped by their organizations' revenue portfolios, underscoring the importance of understanding the composition and distribution of revenue in the nonprofit sector to understanding the sector itself.

Revenue and the role of the nonprofit sector in society

The role of revenue in explaining the existence of the nonprofit sector and the nonprofit management challenges posed by different revenue structures are widely agreed

upon by nonprofit leaders and scholars. However, sharp disagreements exist over the nonprofit sector's changing role in society, and NPOs' revenues play a central role in that debate. Citing the sector's decreasing reliance on charitable contributions and increasing reliance on commercial revenue generation, critics charge that this "marketization" (Eikenberry and Kluver, 2004; Salamon, 1999a) of NPOs weakens the sector's role in providing a venue for citizens to participate in policy advocacy and undermines the sector's contribution to civil society in general (Alexander, Nank, and Stivers, 1999; Carson, 2002; Eikenberry and Kluver, 2004; Salamon, 1999a). Similarly, nonprofit leaders are split over the implications of the concentration of revenue in a relative few NPOs. A popular listserv for nonprofit sector researchers, for example, perennially debates whether the distribution of nonprofit revenue among small and large NPOs is evidence for a sector dominated by a few, efficient, large NPOs with many superfluous, redundant, small NPOs or a sector made vibrant by countless small NPOs doing grassroots democracy and contributing untold service to the common good in the shadows of large NPOs that have long forsaken their charitable roots. Whether arguing for or against the marketization of NPOs or the proliferation of small NPOs, an empirically derived understanding of the composition and distribution of nonprofit revenue is essential to improving the discourse surrounding the role of NPOs in democratic society.

The importance of understanding the relationship between subsidy and charity

An important first step toward understanding the nonprofit sector, then, is understanding the strong influence of different types of nonprofit revenue on the character and persistence of NPOs, on nonprofit management, and on the role of the nonprofit sector in society. This understanding of nonprofit revenue can be extended by identifying

relationships among the different types of revenue and the implications of these relationships for NPOs. Of all the relationships among the various combinations of revenue sources, the relationship between charitable contributions and government subsidy is the most widely debated, yet remains unclear. Some argue that government subsidy of an NPO decreases, or “crowds out,” the charitable giving of donors who receive less satisfaction from giving to an NPO as its government funding increases or donors who feel satisfied that they have already supported the NPO indirectly by paying taxes. Others argue that government funding of NPOs acts as a signal to charitable donors (and potential donors), encouraging, or “crowding in,” giving to organizations that have received the government’s “stamp of approval.” The effect of government funding on private charity (the “subsidy-charity relationship”) has been a focus of research among public policy, public administration, public economics, and nonprofit scholars, whose work has yielded mixed conclusions, but most often has supported the hypothesis that government funding to nonprofit organizations crowds out private contributions.

A better understanding of the nature of the subsidy-charity relationship is worth pursuing for its potential import for nonprofit management, public management, and public policy. A better understanding of the subsidy-charity relationship will equip nonprofit managers to maximize their resources and ability to fulfill their missions. Nonprofit scholars recognize that various revenue sources have different advantages and disadvantages, that revenue sources are interrelated, and that competent nonprofit administrators manage resource portfolios so as to maximize revenue (Froelich, 1999; Benefield and Edwards, 1998; Kingma, 1993). Given the heavy reliance of many NPOs on both government funding and private charity, it behooves nonprofit managers to understand the subsidy-charity relationship. Nonprofit managers would benefit from knowing the true cost of applying for

government funds if part of that cost is hidden as future crowding out of private giving, and they would benefit from knowing the true benefits of government funding if part of that benefit is hidden as future crowding in of private giving.

Similarly, a better understanding of the subsidy-charity relationship could improve public managers' ability to meet their obligation to allocate funds—over \$200 billion annually—efficiently. Public managers are often responsible for developing contractual arrangements with NPOs, determining NPOs' eligibility for receiving government vouchers, procuring services from NPOs, and awarding grants to NPOs (Salamon, 2002). Understanding the subsidy-charity relationship may help public managers promote an optimal level of private giving and NPO output.

Current policy trends also underscore the importance of better understanding the potential impact of government subsidies on charitable giving. Contemporary governance has come to be characterized by an increase in “third party” or “indirect” government that relies on NPOs for delivering publicly funded services with, for instance, NPOs providing over half of all government-funded social services (Salamon, 2002). With the 2003 CARE Act, Congress encouraged more charitable giving by expanding eligibility for tax deductions and other tax incentives, and legislators at the federal and state levels have encouraged faith-based NPOs to compete for government funding with the recent proliferation of Charitable Choice provisions. Clearly, the nonprofit sector has become a key player in social policy. As this trend continues, policymakers would benefit from better understanding the effects of government funding on nonprofits, including the effect on private giving to nonprofits.

Types of nonprofit organizations and revenue

A prerequisite to understanding nonprofit revenue is to understand the different types of NPOs and their different types of revenue. The organizations that comprise the nonprofit sector in the United States are as diverse as the organizations of the private sector, making generalizations about the entire sector of limited value. This analysis narrows the focus on the nonprofit sector in two ways. First, it focuses on “operating public charities,” those organizations that are on the front lines in providing benefits directly to the public. In 1998, 89 percent of all nonprofit organizations registered with the federal government were operating public charities (calculated from Weitzman et al., 2002, p. 124, Table 6.1). This focus excludes support organizations, which provide services to other organizations, such as accounting, management consulting, fundraising, and grant-making. Support organizations include United Way, community foundations, and private foundations. Also excluded from this research are mutual benefit organizations, which provide benefits only to their members. Such organizations include nonprofit insurance groups, unions and guilds, and fraternal associations. By examining only operating public charities, this research focuses on those public-serving, externally focused organizations at the heart of the nonprofit sector. Second, results are reported not only for the nonprofit sector as a whole, but also for individual subsectors (such as the human services subsector and the environment subsector) and for NPOs grouped by organization size. As will become evident, disaggregating the nonprofit sector proves valuable for identifying the widely varying revenue profiles and subsidy-charity relationships for different types of NPOs.

Nonprofit revenue can be classified in several different ways. Nonprofit revenue may be generated from contributions, program services, or from unrelated activities. Contributions include monetary donations made to NPOs by private individuals,

corporations, foundations, or governments for the purpose of supporting NPOs in fulfilling their missions. Contributions may be given directly to NPOs or indirectly, such as contributions channeled through the United Way, a community foundation, or a parent organization. When revenues are classified as contributions, services are paid for by someone other than the beneficiary. Program service revenues, in contrast, are received by the NPO in exchange for providing the goods and services that form the basis of their nonprofit status and tax exemption. Examples include university tuition, payments to hospitals for medical care (including third party insurance payments), fees for counseling services, museum ticket sales, membership dues that pay for member benefits, and fees for services rendered to other organizations. Unrelated revenue is generated by activities unrelated to the organization's tax exemption, such as renting extra space to another organization, selling excess office equipment, or trading securities.

Nonprofit revenue may also be classified as coming from either private or government sources. Private revenue includes contributions from individuals, foundations, and corporations, fees paid by individuals or private organizations for services, and membership dues. Revenue from government sources includes all transfers of federal, state, and local government funds directly to NPOs, including grants, payment for services provided under government contracts, and fees for services provided to government agencies. Government funds may also be paid to individuals who use those funds to obtain services from NPOs, such as grants for college tuition and Medicare payments. These may be considered indirect subsidies to NPOs, or they may be treated as program revenue.

Introduction of dataset

Despite the centrality of understanding nonprofit revenue to understanding the nonprofit sector, the only available detailed descriptions of nonprofit revenue are pieced together from multiple sources and experts' estimates. This study improves understanding of the nonprofit sector by providing a more systematic description of revenue in the nonprofit sector derived from a single, comprehensive data source. This research examines these different types of revenue of NPOs and the relationship between revenue from government sources and private charitable contributions by analyzing data reported by NPOs to the Internal Revenue Service using IRS Form 990 in 1998, 1999, and 2000. The dataset was constructed by combining six separate datasets, two for each year, obtained from the National Center for Charitable Statistics (NCCS), a part of the Urban Institute. These datasets have only very recently become available and have not yet been used to describe revenue in the nonprofit sector or to study the subsidy-charity relationship.

Most NPOs are required to submit Form 990 annually to the IRS to report financial information required to document their continued eligibility for tax-exempt status. On Form 990, NPOs give detailed reports of revenue, expenses, assets, and liabilities. Although questions have been raised about the reliability of Form 990 data, the IRS, nonprofit accountants, and, most recently, NCCS, have made efforts to improve the quality of Form 990 data. These efforts seem to have paid off; a recent study reports a high correlation between Form 990s and audited financial statements (Froelich and Pollak, 2000).¹

To the Form 990 data, NCCS added classifications of the NPOs according to the National Taxonomy of Exempt Entities (NTEE). The NTEE codes were used to exclude

¹ The study found correlations between 1994 Form 990 entries and their corresponding audited financial statements of .84 for total revenue, .81 for total contributions, .84 for total expenses, .73 for program service revenue, and .89 for total assets.

support and mutual benefit organizations from the sample and to group the remaining operating public charities by subsector. It is possible to use the NTEE codes to group operating public charities at several levels of aggregation, ranging from five major subsectors (arts and culture, environment and animals, human services, education, and health) to 401 very specific classifications, such as homeless shelters, food pantries, bird sanctuaries, and children's museums. This research takes a middle-ground approach, using the 25 NTEE categories listed and defined in Table 1.

The original dataset includes data for 105,863 operating public charities that filed Form 990s in 1998, 1999, and 2000. Some of these cases, though, are omitted from analysis due to two limitations of the NTEE and Form 990 data. First, 10,020 cases (10 percent) are omitted because they are not yet assigned NTEE classifications, meaning that they could be support organizations or mutual benefit organizations and thus out-of-scope for this research, leaving 95,843 cases. Second, filing Form 990 is required only of NPOs with \$25,000 or more in annual revenue, but organizations with less than \$100,000 in revenue and less than \$250,000 in total assets may elect to file the simpler Form 990EZ. Unfortunately, Form 990EZ does not include the level of detail required for this research. To avoid any bias that may be introduced by differences between the organizations that file a Form 990EZ and those that could file Form 990EZ but elect to file the full Form 990, the 6,477 NPOs (7 percent of remaining cases) reporting both less than \$100,000 in revenue and less than \$250,000 in total end-of-year assets are omitted from analysis. This introduces an important limitation to the generalizability of the findings, which only extends to the population of nonprofits with \$100,000 in annual revenue and/or \$250,000 in assets—presumably excluding many small nonprofit organizations. This limitation, though, is unavoidable with currently available data;

Table 1. NTEE subsector classifications and definitions

Subsector	Definition
Animal-related	Private nonprofit organizations whose primary purpose is to provide for the care, protection and control of wildlife and domestic animals that are a part of the living environment; to help people develop an understanding of their pets; and to train animals for purposes of showing. Includes: Organizations that develop and maintain fisheries resources and wildlife habitats to preserve and protect endangered species and other wildlife; humane societies; veterinary services; aquariums; and zoos.
Arts, culture, and humanities	Private nonprofit organizations whose primary purpose is to promote appreciation for and enjoyment and understanding of the visual, performing, folk, and media arts; the humanities (archeology, art history, modern and classical languages, philosophy, ethics, theology, and comparative religion); history and historical events; and/or communications (film, video, publishing, journalism, radio, television). Includes: Museums and halls of fame; historic preservation programs; organizations that provide services to artists, performers, entertainers, writers, or humanities scholars; programs which promote artistic expression of or within ethnic groups and cultures; art and performing art schools, centers, and studios; historical societies; and genealogical or heredity-based organizations (e.g., Sons of the Revolution, Daughters of the Confederacy).
Civil rights, social action, advocacy	Private nonprofit organizations whose primary purpose is to protect and promote the broad civil rights and civil liberties of individuals, to work for the realization of specific social or political goals or to encourage the participation of people in the public policy debate. Includes: Organizations that work to improve relations between racial, ethnic, and cultural groups; advocacy and citizen action groups that work to change public policy and opinion in a variety of areas; and organizations that promote voter education and registration.
Community improvement, capacity building	Private nonprofit organizations whose primary purpose is to strengthen, unify and build community spirit and increase the capacity of various community organizations to improve the quality of life for all. Includes: Organizations that provide community and neighborhood development and improvement services; urban and rural economic development programs; business services and services to develop or improve commercial enterprises within communities; services that enhance the performance of nonprofit organizations; volunteer recruitment, training and placement services; and community service clubs (e.g., Kiwanis, Lions, Altrusa, Pilot International and Junior League).
Crime and legal-related	Private nonprofit organizations whose primary purpose is to promote and preserve conditions that enable community residents to live in a safe and peaceful environment through enforcement of laws that protect life and property and administration of justice according to the principles of law and equity. Includes: Crime and delinquency prevention services (including regulation and control of dangerous weapons; prevention and regulation of drunk driving); police and other law enforcement agencies; detention and rehabilitation services for offenders and ex-offenders; services to prevent or protect individuals from neglect, abuse or exploitation; administration of justice services (including courts and alternative dispute resolution services); and organizations that provide legal assistance to individuals and organizations, including groups that conduct public interest litigation.

Table 1 (continued)

Subsector	Definition
Diseases and medical disciplines	Private nonprofit voluntary health organizations such as the American Cancer Society that are organized on a national, state or local basis and supported primarily by voluntary contributions from the public at large, and are engaged in a program of service, education and research that is related to a particular disease, condition or disability, or group of diseases, conditions or disabilities. Includes: Organizations active in the prevention or treatment of diseases and disorders, or which represent medical practices, specialties and disciplines; organizations that provide a variety of educational and other services in addition to research.
Education	Private nonprofit organizations whose primary purpose is to provide opportunities for people to acquire the knowledge, skills, desirable qualities of behavior and character, wisdom and general competence that will enable them to fully participate in and enjoy the social, political, economic and intellectual life of the community. Includes: Formally constituted educational institutions and organizations that administer or support those institutions; libraries; organizations that provide opportunities for continuing education outside the framework of formal education (including English-as-a-second-language programs and literacy and reading programs for children and adults); and organizations that provide education-related services to students and schools, e.g., educational testing services; scholarship programs; dropout prevention and programs designed to increase parent participation in the schools. (Though part of this subsector, colleges and universities are analyzed as a distinct subsector.)
Employment	Private nonprofit organizations whose primary purpose is to help people to find, secure and sustain suitable gainful employment. Includes: Organizations that provide job training, retraining, and placement services; vocational guidance and counseling; and vocational rehabilitation services (e.g., special employment assistance for people who have disabilities).
Environment	Private nonprofit organizations whose primary purpose is to preserve, protect and improve the environment. Includes: Organizations that are involved in pollution control and abatement; conservation and development of natural resources; control or elimination of hazardous or toxic substances including pesticides; solid waste management; urban beautification and open spaces development; environmental education and outdoor survival; and botanical gardens and horticultural societies.
Food, agriculture, and nutrition	Private nonprofit organizations whose primary purpose is to develop and improve food resources and to ensure that the basic nutritional needs of the community are met. Includes: Organizations that focus on preservation of farmlands, soil and water conservation in agricultural settings, management of livestock and other agricultural pursuits; food distribution and meal programs for people who are elderly, disabled or indigent; home economics and home extension services; and programs that conduct research regarding or promote good nutrition.

Table 1 (continued)

Subsector	Definition
Health care	Private nonprofit organizations whose primary purpose is to promote wellness, provide for the prevention and treatment of illness or injury, and support the medical rehabilitation of people with physical disabilities. Includes: Hospitals, nursing or convalescent homes, and other primary medical care providers; reproductive health, fertility, and family planning services; public health services (e.g., communicable disease control and prevention, occupational health and safety services); health support services (e.g., blood banks, organ banks, emergency medical transport services); health care financing activities including health and medical insurance providers; and organizations that study ethics or promote the practice of ethical behavior in medical care. (Though part of this subsector, hospitals are analyzed as a distinct subsector.)
Housing and shelter	Private nonprofit organizations whose primary purpose is to meet the basic housing needs of individuals, families and communities. Includes: Housing development and construction services; housing rehabilitation; home improvement; shelters for people who are homeless; other non-recreational temporary housing facilities; and services to assist individuals and families in locating, acquiring or sustaining clean, safe and adequate housing on a rental or ownership basis.
Human services	Private nonprofit organizations whose primary purpose is to support the personal and social development of individuals and families; provide care, protection and supervision; and enhance the individual's independence and ability to manage his or her own resources. Includes: Organizations that provide a broad range of social services to individuals or families, even though specific programs operated within those agencies may be classified elsewhere (e.g., American Red Cross, YMCAs, YWCAs, YMHAs, YWHAs); family service agencies; shelters and aftercare programs for victims of domestic violence; organizations that provide direct social services to children and adolescents (e.g., adoption and foster care services, child day care); personal social services; travelers aid; residential, custodial care facilities and services for individuals unable to live independently due to physical and developmental disabilities, age or physical infirmity; and programs that promote general independent functioning, living of individuals (e.g., retarded citizens associations, guide dog services for people with disabilities).
International, foreign affairs, national security	Private nonprofit organizations whose primary purpose is to support activities which are carried out beyond the borders of the United States and whose beneficiaries are citizens of other countries. Also included are transnational organizations whose activities serve and benefit both U.S. and foreign interests. Includes: Organizations that promote international understanding and friendly relations among nations; preserve world peace; protect national and cooperative security interests; foster international human rights; promote international economic, social and political development; foster exchanges of scholars, scientists, artists, journalists and other professionals; and raise and distribute funds for the benefit of overseas institutions
Medical research	Private nonprofit research institutes and other organizations whose primary purpose is to promote the advancement of knowledge about specific diseases, disorders or medical disciplines. Includes: Organizations whose only function is to conduct health-related research.

Table 1 (continued)

Subsector	Definition
Mental health and crisis intervention	Private nonprofit organizations whose primary purpose is to promote mental health and provide for the treatment of people who are in emotional crisis, or have mental illnesses, substance abuse problems or other addiction problems. Includes: Psychiatric hospitals; community mental health centers; addiction and substance abuse treatment services; crisis intervention services including suicide hotlines, rape victim counseling, and other hotlines; and organizations that conduct research related to the causes and cures or mental illness.
Public and societal benefit	Private nonprofit organizations whose primary purpose is to promote the effective functioning of government, public administration and public officials. Includes: Broadly focused leadership development programs; organizations that conduct or promote research in multidisciplinary public policy; programs that support or provide infrastructure services required for the effective functioning of society, e.g., transportation systems and services, telephone and telecommunications services, and financial and credit institutions; organizations that promote patriotism including military and veterans' organizations and their auxiliaries; and consumer protection organizations.
Public safety, disaster preparedness, relief	Private nonprofit organizations whose primary purpose is to ensure the safety of the community by sponsoring educational activities which make the public aware of the measures they can take to eliminate safety hazards, by teaching people the basics of first aid, by warning the public of impending disasters, by rescuing people who are lost, stranded or the victim of an accident and by providing relief for people who are disaster victims. Includes: Organizations that seek to prevent, predict or mitigate the effects of disasters; prepare people to cope with disasters; or provide broad-based relief services to disaster victims. Also includes organizations that rescue accident victims; provide first aid training and services; and/or offer safety education programs that focus on issues like automotive safety and prevention of accidents caused by human frailty or error.
Recreation and sports	Private nonprofit organizations whose primary purpose is to provide access to a variety of leisure time pursuits that meet the recreational needs of individuals who want to make constructive and satisfying use of their free time. Includes: Camps and camping programs; physical fitness and other recreational facilities such as parks, and playgrounds; organizations that provide for sports training and competition; and sports, recreational and social clubs.
Religion-related	Organizations whose primary purpose is worship, religious training or study, governance or administration of organized religions, or the promotion of religious activities. Includes: Churches, synagogues, mosques and other places of worship; associations of churches; religious orders; church auxiliaries; missions; and religious publishing activities and media. Excludes: Other organizations operated under the auspices of specific religious groups such as educational institutions, hospitals or social service agencies.
Science and technology	Private nonprofit organizations whose primary purpose is to promote or conduct research and study in the physical and life sciences, engineering and technology. Excludes: Organizations engaged in medical research; and research institutes and services that operate in a single major group area, such as environmental research institutes and education research institutes.

Table 1 (continued)

Subsector	Definition
Social science	Private nonprofit organizations whose primary purpose is to promote the study or teaching of, or conduct research in, one or more of the social sciences. Includes: Organizations that conduct research in economics, psychology, political science and demographics as well as interdisciplinary research programs.
Youth development	Private nonprofit organizations whose primary purpose is to build character and develop leadership and social skills among children and youth. Includes: Youth centers and clubs; scouting organizations; adult/child matching programs (e.g., Big Brothers, Big Sisters); business, agricultural, religious and other youth leadership programs (e.g., Future Farmers of America, Catholic Youth Organizations); and youth community service clubs (e.g., Key Club, Girls League).
Source: National Center for Charitable Statistics, Urban Institute, 2003, National Taxonomy of Exempt Entities—Core Codes Manual. Definitions are quoted directly from this publication.	

in fact, the smallest NPOs, those with less than \$25,000 annual revenue, are not required to file a Form 990 at all.

Three accuracy checks led to the elimination of an additional 2,239 NPOs from the sample (2 percent of the 95,843 cases known to be in-scope for the study). Net revenue was calculated by summing reported values for individual revenue sources and compared to the reported net values; 2,155 cases (2 percent) were not accurate within one dollar and are omitted from the sample. Gross revenue was calculated similarly and compared to the reported values, with 1,838 (2 percent) not accurate within one dollar and thus omitted. And, since this research involves a detailed examination of revenue sources, including different types of contributions, 122 cases (0.1 percent) reporting a total amount for contributions (line 1d) without subtotals for direct public support (line 1a), indirect public support (line 1b), and government grants (line 1c) are omitted.²

² 1,876 cases either failed more than one accuracy check or failed one accuracy check in addition to failing to meet the revenue and asset tests.

Of the 95,843 cases known to be in scope for this study, 87,127 (91 percent) were retained for analysis. Table 2 summarizes the proportions of cases included in the analysis for each subsector. The percentage of cases retained for each subsector ranges from 82

Table 2. Cases retained for analysis, by subsector

	# cases in dataset known to be in scope	# cases retained for analysis	% cases retained for analysis
All NPOs	95,843	87,127	90.9
By subsector			
Animal-related	1,497	1,311	87.6
Arts, culture, and humanities	10,069	8,878	88.2
Civil rights, social action, advocacy	661	581	87.9
Colleges and universities	1,722	1,637	95.1
Community improvement, capacity building	4,542	3,981	87.7
Crime and legal-related	2,083	1,907	91.6
Diseases and medical disciplines	2,540	2,318	91.3
Education	9,965	8,892	89.2
Employment	2,112	2,005	94.9
Environment	1,871	1,649	88.1
Food, agriculture, and nutrition	1,095	989	90.3
Health care	6,707	6,349	94.7
Hospitals	3,915	3,774	96.4
Housing and shelter	7,105	6,815	95.9
Human services	19,968	18,655	93.4
International, foreign affairs, nat'l security	829	729	87.9
Medical research	538	486	90.3
Mental health and crisis intervention	3,941	3,676	93.3
Public and societal benefit	601	530	88.2
Public safety, disaster preparedness, relief	1,579	1,328	84.1
Recreation and sports	5,126	4,238	82.7
Religion-related	3,652	3,005	82.3
Science and technology	361	327	90.6
Social science	255	229	89.8
Youth development	3,109	2,838	91.3

percent of NPOs in the religion-related subsector to 96 percent of hospitals and of NPOs in the housing subsector.

Finally, filing Form 990 is optional for maintaining tax-exempt status for religious congregations, denominations, and primary and secondary religious schools, but such organizations may file voluntarily, and it is impossible to know how those religious organizations that voluntarily file Form 990s differ from those that do not. Further, it is not possible to identify in the dataset the religious organizations that file voluntarily; although churches and denominations are classified explicitly as religious nonprofits, religious primary and secondary schools are included in the education subsector classification.

Despite these limitations, Form 990 data are the best available data for exploring questions about revenue in the nonprofit sector. Filing a Form 990 is a nearly universal requirement for NPOs with greater than \$100,000 in annual revenue and/or \$250,000 in assets. Such comprehensive coverage enables understanding revenue in the nonprofit sector and its subsectors with a degree of confidence heretofore unattainable.

The remainder of this report is organized into three additional chapters and two appendixes. Chapter 2 provides a thorough description of how revenue is distributed in and among NPOs. Chapter 3 describes how government subsidy of NPOs affects charitable giving to NPOs. Chapter 4 summarizes the key findings and implications of this research, suggests avenues for future research, and places this research in the context of current “big issues” in the nonprofit sector and nonprofit-government relations. Appendix A presents an auxiliary study exploring the key assumptions of existing research of the subsidy-charity relationship; its findings question the validity of these assumptions and are drawn on to

design the study of the subsidy-charity relationship and to interpret these findings, as cited in Chapter 3. Appendix B provides results of the regression analyses in greater detail than provided in Chapter 3.

CHAPTER 2

Description of Nonprofit Revenue

Before proceeding with the examination of the subsidy-charity relationship in Chapter 3, this chapter provides a detailed description of nonprofit revenue. Apart from laying the foundation for understanding how subsidy affects charity, understanding nonprofit revenue is a worthy goal in itself. In the nonprofit sector, revenue is more than just money; nonprofit revenue can represent the expectations and values of donors, the obligations of NPOs to government agencies, the reliance of government on NPOs for implementing public policies, or the similarity of NPOs to for-profit counterparts. Indeed, the role of revenue is a common thread running through the various theories that attempt to explain the very existence of NPOs, describing revenue as being provided by individuals wishing to pursue collective goals neglected by the government, individuals paying for services because they trust NPOs more than for-profit businesses, or groups desiring to maintain control of their organization.

This chapter explores the composition and distribution of the revenue in the nonprofit sector at two levels, organization and sector. At the organization level, this chapter describes the revenue profiles of NPOs (that is, the amounts and proportions of NPOs' revenue from different sources), revealing considerable variation in revenue profiles among NPOs in different subsectors and among smaller and larger NPOs, generally high reliance on revenue from fees, surprisingly low reliance on charity, and high levels of dependence on a single type of revenue in a minority, but a sizable minority, of NPOs. At the sector level, this chapter describes the distribution of revenue and the different types of revenue among NPOs, giving precision to the widely (and correctly) held impression that a relatively small portion

of the nonprofit sector captures a very large share of total revenue, government subsidy, and charitable contributions.

The remainder of this chapter introduces resource dependence theory and its supporting empirical research to underscore the importance of describing NPOs' revenue, describes how the IRS Form 990 data were used to describe nonprofit revenue, and presents and discusses the description of nonprofit revenue based on these data.

Previous research on the influence of revenue profiles on NPOs

Thorough descriptions of the distribution of revenue in the nonprofit sector do not exist. Previous researchers have provided brief descriptions, such as O'Neill (2002), who notes that in 1997, charitable NPOs with assets of \$10 million or more "constituted less than 6 percent of all 501(c)(3) filers but accounted for 81 percent of the revenue . . . of those filers" (p. 23), pointedly illustrating the strongly skewed distribution of revenue in the nonprofit sector. Studies of the role of different types of revenue within individual NPOs, though, are more common. While, as discussed in Chapter 1, diverse theories incorporate revenue sources as a key factor in explaining the existence of NPOs, most research describing the actual effects of different types of nonprofit revenue on NPOs is consonant with, and frequently explicitly based on, resource dependence theory (Pfeffer and Salancik, 1978), which treats the revenue profiles of organizations as indicators of the extent to which they are dependent on external actors. Organizations necessarily cede much control over internal decision-making to external actors that provide their revenue; external actors may exert power proportionate to the importance and scarcity of the resources they provide to constrain organizational activities. Revenues from different sources carry different benefits and liabilities, and organizations with multiple dependence relationships are subject to multiple,

and sometimes conflicting, constraints, with some external actors wielding more influence over organizational decision-making than others.

Previous research offers numerous examples. Galaskiewicz and Bielefeld (2001) found that higher levels of dependence on charitable donations lead to increased use of managerial tactics (such as streamlining internal processes, participating in more competitive bidding, and generally becoming more “businesslike”) as well as political tactics (such as strengthening commitment to mission and getting others to testify to stakeholders on behalf of the organization). Powell and Friedkin (1986) found that increased competition for public and foundation funds and increased dependence on corporate and individual support led a public television station to show widely popular programming in lieu of politically controversial and artistically experimental programming. Changes in relative resource dependencies help explain organizational decisions about the composition of hospital boards (Pfeffer, 1973), university budget allocations (Pfeffer and Salancik, 1974), and the priorities of United Ways (Pfeffer and Leong, 1977).

Guided by resource dependence theory, Froelich (1999) summarizes the effects of dependence on private contributions, government funds, and commercial activity on NPOs in terms of revenue volatility, goal displacement (or “mission drift”), effects on organizational processes, and effects on organizational structure. Dependence on private charitable contributions tends to precipitate revenue volatility and goal displacement. Dependence on commercial activities carries low risk of goal displacement but tends to induce process effects, such as cost-benefit accounting, and structural effects, such as including more business-oriented board members and adding more business-oriented staff and divisions. (And critics of the “marketization” of NPOs add that dependence on commercial activities detracts from the charitable ethos of NPOs and their ability to effectively advocate for social

change.) Dependence on government funding is associated with goal displacement and process and structural constraints, such as increased bureaucracy, personnel policy requirements, and less discretion in client selection, but government funding may also provide revenue stability. Smith (1994), though, cautions that while government funding may be relatively stable over the long-term, it often comes with short-term cash flow interruptions when release of funds is dependent on frequently stalled budget approvals.

Nonprofit scholars typically advise NPO managers to diversify their resource bases to avoid the ill effects of dependence on any one revenue source (Gronbjerg, 1993; Powell and Friedkin, 1986). Chang and Tuckman (1991) bring empirical support to this advice with evidence that NPOs with more diversified revenue sources are less vulnerable to major decreases in revenue. Kingma (1993) concurs that NPOs' optimal revenue profile draws on diverse sources, but finds that government funding lends the greatest amount of financial stability in a sample of foster care NPOs.

Data

Resource dependence theory and its accompanying body of research have firmly established the strong influence of nonprofit revenue on individual NPOs and the character of the nonprofit sector as a whole, but this body of knowledge lacks the empirical support of a thorough, nuanced description of nonprofit revenue derived from a single, consistent source of data. This study supplies such a description of nonprofit revenue by exploring the IRS Form 990 data of the 87,127 NPOs included in the dataset introduced in Chapter 1. The detailed reporting required by Form 990 permits measuring contributions, program service revenue, and revenue from unrelated activities and distinguishing between revenue from

government sources and revenue from private sources. Table 3 summarizes the measures of revenue used in this research and indicates how they are derived from Form 990.

Table 3. Variables used to describe nonprofit revenue

Variable name	Source	Description
revenue\$ ₁₉₉₉	IRS Form 990, line L	NPO's gross revenue during FY1999
subsidy\$ ₁₉₉₉	IRS Form 990, sum of lines 1c and 93g	Dollar amount of revenue received by a NPO from all government sources during FY1999; sum of revenue from government grants and government contracts
grants\$ ₁₉₉₉	IRS Form 990, line 1c	Dollar amount of revenue received by a NPO from government grants during FY1999
contracts\$ ₁₉₉₉	IRS Form 990, line 93g	Dollar amount of revenue received by a NPO from government contracts during FY1999
charity\$ ₁₉₉₉	IRS Form 990, sum of lines 1a and 1b	Dollar amount of revenue received by a NPO from all charitable contributions during FY1999; sum of revenue from direct charitable contributions and indirect charitable contributions
direct\$ ₁₉₉₉	IRS Form 990, line 1a	Dollar amount of revenue received by a NPO from direct charitable contributions during FY1999; direct contributions are made directly to NPOs by private donors
indirect\$ ₁₉₉₉	IRS Form 990, line 1b	Dollar amount of revenue received by a NPO from indirect charitable contributions during FY1999; indirect contributions are made to NPOs through an intermediary organization
program\$ ₁₉₉₉	IRS Form 990, difference of sum of lines 2, 3, and 93f and line 93g	Dollar amount of revenue received during FY1999 by a NPO from program service revenue, which are fees paid by the consumers of the NPOs' goods and services, including membership dues, and reimbursements by third party payers
otherrev\$ ₁₉₉₉	IRS Form 990, sum of lines 4, 5, 6a, 8a, 9a, 10a, and 11	Dollar amount of NPO's FY1999 revenue generated by activities unrelated to the organization's charitable purpose, including special fundraising events, rents, sales, investments, and revenue not otherwise classified

Revenue is divided into four categories: charitable support, government subsidy, nongovernmental program service revenue, and other. Charitable support includes all forms of private philanthropic contributions and is subdivided into direct charitable support, which is given directly from private donors to the organization, and indirect charitable support,

which is channeled through intermediary organizations. Government subsidy includes funds from any government source and is subdivided into grants, which support the organization's activities that benefit the public, and contracts³ and fees for services provided to government agencies. Program service revenue includes fees for services paid by the beneficiaries of the services, including membership fees for which comparable benefits are received and reimbursements for services paid by third parties.⁴ Finally, the "other" category includes revenue generated by activities unrelated to the organization's charitable purpose, including special fundraising events, rents, sales, investments, and revenue not otherwise classified.⁵ In addition to measuring revenue, total expenses (Form 990 line 17) are used as a measure of organization size.

Throughout this chapter, descriptive statistics are based on the data for fiscal year 1999. Data from 1999 are used rather than 2000 to avoid the possibility of describing NPOs' revenue during the year of their last return, which would likely be atypical for those

3 Note that IRS defines government contract revenue more narrowly than the common usage to mean revenue for services provided under contract that benefit the government agency, not the general public. Examples include contracted research, program monitoring, Employee Assistance Programs for government employees, and government employee training.

4 Following Froelich (1999), Medicare payments, Medicaid payments, college tuition grants, and other forms of "indirect" subsidy to NPOs are counted as program service revenue since they are intended to increase the buying power of the beneficiaries, not to subsidize NPOs; such forms of indirect subsidy could be spent in for-profit or governmental organizations as well. Further, only Medicare and Medicaid payments can be isolated in the dataset. However, of the 3,915 nonprofit hospitals in the dataset, 3,649 reported no income from Medicaid or Medicare, though virtually all hospitals, nonprofit or otherwise, receive Medicaid and Medicare reimbursements. The line for reporting Medicaid and Medicare revenue was added to Form 990 for fiscal year 1997, an addition apparently overlooked by many hospital accountants. Even so, treating Medicare/Medicaid payments as program service revenue makes treatment of indirect subsidy consistent across all subsectors since indirect subsidy cannot be distinguished from private sources of program service revenue in other subsectors.

5 Gross revenue, not net revenue (or "income"), is the focus of this research. "Gross revenue" refers to all receipts of funds, regardless of any costs associated with obtaining the funds. "Net revenue," on the other hand, is the difference between revenue and expenses. In addition to examining gross revenue, it would also be valuable to examine net revenue. With some revenue sources, determining net revenue is simple; for example, net revenue from rental property is easily calculated as gross rents less rental expenses. With most revenue sources, however, matching revenue and costs is more difficult; for example, fundraising expenses may be applied against revenue from any combination of several sources—government grants, indirect charitable contributions, indirect charitable contributions, or special fundraising events. It is similarly indeterminable what portion of staff salaries should be used to derive the different categories of net revenue. To keep different types of revenue as comparable as possible, only gross revenue is examined.

organizations or cover only a partial year, and because the following chapter on the subsidy-charity relationship will examine the effect of changes in subsidy from 1998 to 1999 on changes in charity from 1999 to 2000, making 1999 the midpoint of this look at nonprofit revenue over the three years.

Findings

Descriptive statistics for all variables are presented in Table 4 (including statistics for the regression sample for comparison). The average NPO in this sample received over \$7.8 million revenue in 1999 (Table 4). This simple descriptive statistic warrants pause: \$7.8 million is, simply, a lot of money, defying the popular image of the NPO on a shoestring budget.

This simple average, though, oversimplifies the complex structure of nonprofit revenue. Further analysis of the Form 990 data provides a richer understanding of nonprofit revenue. The previous scholarship illuminating the role of nonprofit revenue provides a useful filter for isolating three key patterns in this mass of data: 1) the revenue profiles of NPOs vary significantly among the nonprofit subsectors and smaller and larger NPOs, with many NPOs demonstrating revenue profiles that might be considered uncharacteristic of the nonprofit sector, with a high proportion of revenue derived from fees for services; 2) heavy reliance on either government funding or charitable contributions is atypical of NPOs generally and most individual nonprofit subsectors; 3) nonprofit revenue is highly concentrated in relatively few NPOs and in a very few subsectors. These patterns are discussed in greater detail in the following three sections.

Table 4. Descriptive statistics of variables used to describe nonprofit revenue, all NPOs (N = 87,127) and the sample used for regression analysis consisting of NPOs that received subsidy in 1998 and/or 1999 (N = 40,715)

Variable name	Mean	Std. Dev.	Median	Minimum	Maximum
Full sample					
<i>Regression sample</i>					
revenue\$ ₁₉₉₉	7,875,341	60,727,067	567,036	25,028.00	4,024,409,647
	9,204,875	73,308,473	722,154	25,320.00	4,024,409,647
subsidy\$ ₁₉₉₉	838,195	7,849,322	0	0	537,854,479
	1,322,903	8,232,522	184,535	0	537,854,479
grants\$ ₁₉₉₉	497,615	5,098,808	0	0	537,854,479
	1,064,857	7,418,226	121,577	0	537,854,479
contracts\$ ₁₉₉₉	122,482	2,248,979	0	0	296,509,294
	258,045	3,261,567	0	0	296,509,294
charity\$ ₁₉₉₉	634,248	6,114,731	59,163	0	609,350,023
	815,013	7,791,636	68,045	0	609,350,023
direct\$ ₁₉₉₉	541,989	5,467,724	39,121	0	537,825,704
	705,055	7,202,031	42,963	0	537,825,704
indirect\$ ₁₉₉₉	92,259	2,351,369	0	0	411,785,635
	109,959	2,283,870	0	0	264,597,107
program\$ ₁₉₉₉	4,216,966	33,667,312	98,804	0	1,600,962,854
	4,218,550	38,003,924	66,938	0	1,600,962,854
otherrev\$ ₁₉₉₉	2,141,484	34,869,724	35,054	0	2,661,339,504
	2,567,024	39,707,427	25,519	0	2,281,818,788

Diverse revenue profiles

Popular assumptions about the charitable nature of the nonprofit sector are challenged by NPOs' revenue profiles. For the sector as a whole, a shockingly low 8 percent of total revenue comes from charitable giving (Table 5)—a severe departure from the popular image of the nonprofit sector constantly pleading for funds from charitable donors. Almost as surprising given the oft-discussed rise in government contracting with NPOs, only slightly more—11 percent—of the sector's total revenue comes from government sources. While the ability to attract charitable giving and government's preferential treatment of NPOs may be

Table 5. Average revenue, share of total revenue, and sources of revenue, by subsector and organization size, 1999 (N = 87,127)

	Average revenue (\$)	Share of total sector revenue (%) ^a	Sources of revenue			
			Charity (%)	Subsidy (%)	Program revenue (%)	Other (%)
All NPOs	7,875,341	100.0	8.1	10.6	54.1	27.2
By subsector						
Animal-related	2,167,229	0.4	35.0	8.2	17.5	39.3
Arts, culture, and humanities	3,065,895	4.0	22.5	6.6	17.3	53.6
Civil rights, social action, advocacy	1,539,108	0.1	48.3	22.0	9.2	20.4
Colleges and universities	65,082,075	15.5	9.7	6.4	36.6	47.3
Community improvement, capacity building	2,042,786	1.2	14.0	30.4	25.0	30.5
Crime and legal-related	1,651,985	0.5	20.3	52.9	17.1	9.8
Diseases and medical disciplines	4,914,739	1.7	29.0	9.3	23.2	38.5
Education	3,778,407	4.9	11.8	9.3	34.3	44.5
Employment	3,055,260	0.9	8.0	36.0	39.5	16.4
Environment	3,188,357	0.8	32.5	6.7	12.1	48.7
Food, agriculture, and nutrition	2,451,443	0.4	62.9	18.5	11.2	7.4
Health care	7,977,161	7.4	4.7	13.5	70.2	11.5
Hospitals	81,444,947	44.8	0.8	0.8	83.8	14.6
Housing and shelter	1,076,002	1.1	10.3	24.2	48.1	17.4
Human services	3,126,844	8.5	12.0	34.2	36.7	17.2
International, foreign affairs, nat'l security	8,263,541	0.9	57.8	15.0	9.2	18.0
Medical research	14,904,486	1.1	7.6	6.2	8.1	78.1
Mental health and crisis intervention	3,082,375	1.7	6.1	42.0	42.5	9.3
Public and societal benefit	5,716,524	0.4	10.7	8.8	18.9	61.6
Public safety, disaster preparedness, relief	496,637	0.1	16.8	22.4	31.5	29.2
Recreation and sports	1,133,707	0.7	19.1	4.5	48.8	27.6
Religion-related	2,038,362	0.9	34.6	1.3	12.0	52.2
Science and technology	26,199,272	1.2	3.3	25.2	29.2	42.3
Social science	7,000,675	0.2	15.2	41.6	14.3	28.9
Youth development	1,940,815	0.8	26.8	5.3	16.6	51.2
By size						
Smallest NPOs	220,382	0.9	27.5	8.7	13.4	50.4
2 nd quintile	308,384	1.3	30.4	14.1	25.3	30.2
3 rd quintile	591,156	2.4	28.4	18.7	29.4	23.5
4 th quintile	1,525,364	6.2	22.8	21.8	31.4	23.9
Largest NPOs	21,961,125	89.2	10.9	17.0	38.5	33.6

^a Calculated by assigning mean values to cases known to be in scope but omitted from analysis.

distinguishing characteristics of the nonprofit sector, it is the sector's similarity with the for-profit sector that brings in the majority of its revenue: Over half—54 percent—of total nonprofit revenue is generated by fees for services—the fees that NPOs, not unlike for-profit businesses, charge the recipients of services.

As will be discussed in greater detail below, two nonprofit subsectors, hospitals and colleges and universities, command well over half of nonprofit revenue, and the revenue profile for the sector as a whole reflects hospitals' and universities' heavy reliance on program revenue, which accounts for 84 and 37 percent of these subsectors' revenue, respectively (Table 5). Heavy reliance on program revenue, though, is not uncommon. Of the remaining 22 subsectors, one—health care—generates 70 percent of revenue from program fees, two—housing and recreation—generate almost half (48 percent) of their revenue from fees, and eight others generate over one-quarter of their revenue from fees. In some cases, it appears that those subsectors with the most potential to have a customer-like relationship with service recipients, such as health care providers, universities, housing providers, and recreation organizations, have higher proportions of their total revenue from program fees, whereas those subsectors without easily defined customer groups, such as the international, foreign affairs, and national security, civil rights and advocacy, and medical research subsectors, are least reliant on program fees.

In some subsectors, the charity-dependent image of NPOs appears more accurate; 10 of the 25 subsectors are more heavily reliant on charity than on government funds or program revenue. Only the international and food subsectors receive over half of their revenue from charitable contributions, with the civil rights, social action, and advocacy subsector receiving just under half (48 percent) of revenue from charity. The proportions for the next 7 subsectors range from 23 to 35 percent. Still, 7 of the 25 subsectors receive less than 10 percent of

revenue from charitable donations, with charity accounting for as little as 1 percent of revenue in the hospitals subsector and 3 percent in the science and technology subsector. All subsectors receive most of their charitable support directly (as opposed to indirectly, through a funding intermediary), with direct charitable support comprising from 57 percent of charitable contributions to hospitals to 99 percent of contributions to the environment subsector; 11 of the 25 subsectors receive over 90 percent of their charitable contributions directly (Table 6).

Government revenue demonstrates similar variation, ranging from 1 percent of revenue in hospitals and religion-related NPOs to 53 percent in the crime and legal-related subsector, the only subsector receiving more than half its revenue from government sources (Table 5). Three subsectors—crime and legal-related, social science, and community improvement—are more reliant on government subsidy for revenue than any other source. All of the subsectors receive most of their government subsidy in the form of government grants (Table 6); grants comprise from 60 percent of total government subsidy in the science and technology subsector to 98 percent in the social science subsector and 99 percent in the medical research subsector. The science and technology subsector receives 40 percent of government subsidy from fees for services provided to government agencies, the highest of any subsector.

In addition to variation by subsector, the importance of the various revenue sources varies substantially by organization size as well (Table 5). Not surprisingly, the revenue profile for the largest 20 percent of NPOs most closely resembles the revenue profile for the sector as a whole, with 39 percent of revenue in the largest quintile coming from program revenue, 17 percent from government subsidy, 11 percent from charitable support, and 34 percent from other sources. Charitable support is proportionally much greater in the smaller

Table 6. Sources of charity and subsidy, by subsector and organization size (N = 87,127)

	Charity		Subsidy	
	Direct (%)	Indirect (%)	Grants (%)	Contracts (%)
All NPOs	87.4	12.6	80.3	19.7
By subsector				
Animal-related	96.3	3.7	87.4	12.6
Arts, culture, and humanities	95.6	4.4	97.1	2.9
Civil rights, social action, advocacy	96.6	3.4	93.4	6.6
Colleges and universities	97.3	2.7	90.8	9.2
Community improvement, capacity building	80.7	19.3	93.8	6.2
Crime and legal-related	85.8	14.2	85.1	14.9
Diseases and medical disciplines	80.1	19.9	81.2	18.8
Education	93.5	6.5	85.7	14.3
Employment	85.9	14.1	79.2	20.8
Environment	98.6	1.4	81.1	18.9
Food, agriculture, and nutrition	94.2	5.8	87.2	12.8
Health care	58.7	41.3	75.7	24.3
Hospitals	57.4	42.6	94.4	5.6
Housing and shelter	86.3	13.7	86.3	13.7
Human services	77.1	22.9	73.6	26.4
International, foreign affairs, nat'l security	76.9	23.1	97.6	2.4
Medical research	87.9	12.1	99.3	0.7
Mental health and crisis intervention	73.9	26.1	71.5	28.5
Public and societal benefit	82.4	17.6	91.7	8.3
Public safety, disaster preparedness, relief	90.6	9.4	82.5	17.6
Recreation and sports	86.3	13.7	74.4	25.6
Religion-related	94.0	6.0	79.2	20.84
Science and technology	92.9	7.1	59.8	40.2
Social science	97.4	2.6	98.2	1.8
Youth development	81.3	18.7	87.4	12.6
By size				
Smallest NPOs	93.3	6.7	92.7	7.3
2 nd quintile	90.8	9.2	88.0	12.0
3 rd quintile	88.7	11.3	85.6	14.5
4 th quintile	86.8	13.2	83.1	16.9
Largest NPOs	87.0	13.0	79.5	20.5

NPOs; the NPOs in each of the four smaller quintiles receive over twice as much—23 to 30 percent—of their revenue from charitable contributions as a proportion of total revenue than the largest NPOs. Inversely, the largest NPOs generate more revenue—39 percent—from program service fees than smaller NPOs, which generate from 13 to 31 percent of revenue from program service fees. There is no clear relationship between organization size and percentage of revenue from government subsidy, except that the smallest fifth of NPOs are least reliant on subsidy by far, receiving only 9 percent of revenue from government sources, compared to 14 – 22 percent for the remaining size groups.

All five size quintiles receive most of their charitable contributions directly, but intermediary funding organizations provide a larger proportion of larger NPOs' revenue (Table 6); the fourth and fifth quintiles each receive 13 percent of their charitable contributions indirectly, while the first, second, and third receive 7, 9, and 11 percent, respectively. In all five size groups, the largest proportion of government funding is through government grants, from a high of 93 percent in the smallest quintile and descending as NPOs get larger, with the second, third, fourth, and fifth quintiles receiving 88, 86, 83, and 80 percent of government subsidy in the form of grants. Inversely, “doing business” with the government by providing services to government agencies appears to increase with size; fees for services from government agencies account for only 7 percent of government funding among the smallest NPOs, increasing steadily to 21 percent among the largest fifth of NPOs—likely due to the greater management capacity of larger organizations to compete for and to meet the administrative demands of government contracts.

Dependence on charity and subsidy in a sizable minority of NPOs

The warnings of scholars against too much dependence on government subsidy and charitable contributions appear to have been heeded or largely unnecessary. Dependence on either of these sources for a large proportion of revenue does not appear widespread among NPOs. Table 7 presents the percentages of NPOs receiving more than half and more than three-fourths of revenue from subsidy and charity for the whole sector, by subsector, and by organization size. About one-fifth of all NPOs receive over half of their revenue from government sources, and about one-fifth of NPOs receive over half of their revenue from charitable contributions. Twelve percent of NPOs are dependent on government funds for more than 75 percent of their revenue, as are another 12 percent of NPOs on charitable contributions. Since these groups are necessarily mutually exclusive, 24 percent of NPOs are dependent on either charity or subsidy for at least 75 percent of their revenue.

Most dependence on government funds for revenue is, more specifically, dependence on government grants: 16 percent of NPOs receive over half of their revenue through grants, compared to 3 percent for government contracts. Likewise, the large majority of dependence on charitable giving is dependence on direct charitable contributions: 18 percent of NPOs receive over half of their revenue from direct charity, and 10 percent receive over three-fourths of revenue from direct charity, compared to 1.5 and 0.5 percent of NPOs dependent on indirect charity for half and three-fourths of their revenue.

Although in the sector as a whole, few NPOs appear at risk of suffering the ill effects of too much dependence on government subsidy or charitable contributions, several individual subsectors do appear at risk (Table 7). Dependence on government funding is most prevalent in the crime and legal-related and mental health and crisis intervention subsectors—just under 50 percent of the NPOs in each subsector receive at least half of their

Table 7. Percentage of NPOs receiving more than half and more than three-fourths of revenue from program revenue, subsidy, and charity, by subsector and organization size (N = 87,127)

	Program revenue	Subsidy			Charity		
		Total	Grants	Contracts	Total	Direct	Indirect
	> ½	> ½	> ½	> ½	> ½	> ½	> ½
	> ¾	> ¾	> ¾	> ¾	> ¾	> ¾	> ¾
All NPOs	35.8 25.5	20.4 12.0	15.7 8.9	3.2 1.9	21.4 12.0	18.4 10.4	1.4 0.5
By subsector							
Animal-related	12.3	6.5	4.7	1.7	36.5	35.1	0.3
	4.7	2.4	1.6	0.7	16.6	15.5	0.2
Arts, culture, and humanities	26.6	5.9	5.6	0.2	28.6	26.3	0.9
	11.8	2.2	2.0	0.1	12.0	11.0	0.4
Civil rights, social action, advocacy	8.9	19.1	17.9	0.6	57.5	53.6	1.0
	5.3	12.2	11.5	0.3	41.1	37.9	0.7
Colleges and universities	54.1	2.7	2.5	0.2	13.7	12.0	1.0
	28.4	1.6	1.4	0.2	7.3	6.3	0.6
Community improvement, capacity building	21.2	27.6	25.2	2.0	23.6	20.6	1.0
	14.9	16.9	15.0	1.3	13.4	11.9	0.7
Crime and legal-related	14.4	46.5	41.0	4.8	26.8	22.0	2.1
	10.3	30.0	25.3	3.5	16.3	13.3	0.8
Diseases and medical disciplines	22.3	19.5	15.9	2.3	27.4	21.7	2.0
	15.7	11.9	9.1	1.4	14.3	11.0	0.7
Education	43.2	12.1	10.2	1.4	15.9	14.3	0.9
	31.5	8.3	6.9	1.0	8.7	7.8	0.4
Employment	40.6	33.6	25.6	6.1	7.6	6.3	0.7
	30.3	24.1	18.7	4.0	4.7	4.2	0.3
Environment	15.8	12.3	11.2	0.8	41.0	39.0	1.0
	8.6	6.5	5.8	0.4	24.6	23.2	0.2
Food, agriculture, and nutrition	21.7	16.7	14.9	1.5	38.8	33.3	2.5
	12.2	10.2	8.9	1.1	27.6	23.5	1.2
Health care	53.5	12.9	9.5	1.7	13.7	11.2	1.4
	41.0	6.8	4.6	1.0	7.5	6.0	0.6
Hospitals	71.2	1.2	1.2	0.0	0.4	0.4	0.0
	63.2	0.8	0.8	0.0	0.4	0.4	0.0
Housing and shelter	50.0	23.9	17.7	5.6	8.9	7.8	0.6
	40.6	9.1	6.8	1.7	4.3	3.7	0.2
Human services	34.8	33.4	24.7	6.1	16.1	12.5	1.5
	25.2	21.3	15.2	3.9	8.9	7.2	0.5
International, foreign affairs, national security	21.6	8.0	7.4	0.6	53.3	49.7	2.9
	17.6	4.7	4.1	0.3	41.8	38.0	1.8

Table 7 (continued)

	Program revenue	Subsidy			Charity		
		Total	Grants	Contracts	Total	Direct	Indirect
		> ½	> ½	> ½	> ½	> ½	> ½
		> ¾	> ¾	> ¾	> ¾	> ¾	> ¾
Medical research	20.4	8.0	7.2	0.4	37.5	34.2	1.8
	13.6	4.7	4.1	0.2	23.5	20.4	1.0
Mental health and crisis intervention	30.0	47.3	35.0	9.9	9.5	7.1	1.4
	21.4	18.8	18.4	5.9	4.5	3.3	0.3
Public and societal benefit	27.9	16.1	14.0	1.7	33.0	27.0	4.0
	18.1	10.8	9.8	0.4	19.6	15.7	1.5
Public safety, disaster preparedness, relief	17.8	24.7	20.0	4.1	17.7	14.3	1.7
	12.0	13.2	10.2	2.7	9.5	7.5	0.9
Recreation and sports	51.4	2.5	2.2	0.3	16.1	14.2	1.0
	33.4	1.1	0.8	0.2	8.4	7.3	0.4
Religion-related	16.2	2.2	1.6	0.5	63.7	60.9	1.8
	9.9	1.0	0.8	0.2	49.9	47.4	1.0
Science and technology	34.8	20.5	15.6	4.0	18.4	16.2	1.5
	22.6	14.1	11.0	3.1	10.4	9.8	0.3
Social science	31.4	13.6	11.0	2.6	33.1	31.0	1.8
	20.5	7.9	6.6	1.3	23.1	21.0	0.9
Youth development	13.6	6.1	5.2	0.8	36.5	24.8	3.5
	8.1	2.9	2.3	0.5	16.2	11.1	0.5
By size							
Smallest NPOs	20.8	8.8	7.6	1.0	26.7	24.2	1.3
	13.4	3.7	3.2	0.4	15.7	14.0	0.5
2 nd quintile	32.9	16.2	13.6	2.1	29.2	25.5	1.8
	22.7	7.5	7.2	1.1	17.2	15.0	0.6
3 rd quintile	35.0	22.0	17.9	3.3	23.6	20.0	1.5
	24.7	12.4	9.9	1.8	13.1	11.1	0.6
4 th quintile	36.5	26.7	19.5	4.4	17.5	14.3	1.4
	25.7	15.9	11.7	2.6	8.7	7.5	0.5
Largest NPOs	45.8	28.3	18.7	5.3	9.8	7.9	0.8
	32.0	19.3	12.4	3.5	5.1	4.2	0.3

revenue from government sources. NPOs in three subsectors demonstrate even higher levels of dependence on government funding—more than one-fifth of NPOs in the employment, human services, and crime and legal-related subsectors receive more than three-fourths of

their revenue from government sources. The inclusion of the human services subsector in this list is notable as it receives more government support than any other subsector (Table 10, discussed in the next section). Though government funding is considered a relatively stable source of revenue (Froelich, 1999; Gronbjerg, 1991; Kingma, 1993), overreliance on it carries the risks of goal displacement (as with over reliance on charitable giving) and the imposition of process and structural restraints, such as “government-driven professionalization, bureaucratization, and loss of administrative autonomy” (Froelich, 1999, p. 256). And as noted before, the long-term stability of government funding may mask recurring short-term instability as disbursement of funds is subject to the frequent delays of government budget processes (Smith, 1994).

At the other extreme, only about 1 percent of hospitals and less than 3 percent of colleges and universities and NPOs in the religion-related and recreation subsectors receive half of their revenue from government sources (Table 7). (Recall, though, that hospitals and colleges and universities benefit from indirect government subsidy in the form of government-funded third party payments for services, that is, Medicaid/Medicare payments and tuition grants.) In between, the proportion of NPOs receiving at least half their revenue from government sources in the remaining subsectors ranges from 6 to 34 percent. In all of the subsectors, many more NPOs are dependent on revenue from government grants than from government contracts.

The extent of dependence on charitable contributions for more than half of revenue varies from less than 10 percent of NPOs in the hospitals, employment, and mental health subsectors to more than 33 percent of NPOs in the animal-related, environment, food, medical research, public and societal benefit, social science, and youth development subsectors and more than 50 percent of NPOs in the civil rights, international, and religion-

related subsectors. Between 40 and 50 percent of NPOs in the civil rights, international, and religion-related subsectors receive more than three-fourths of their revenue from charitable contributions, making them susceptible to the risks of revenue volatility, due to unpredictable swings in the amount of revenue generated by charitable contributions, and goal displacement, altering goals and priorities to garner contributions (Froelich, 1999; Gronbjerg, 1992, 1993). In all subsectors, the proportion of NPOs displaying high levels of dependence on direct charity greatly exceeds the proportion displaying high levels of dependence on indirect charity.

Organization size appears positively related to the proportion of NPOs highly dependent on government subsidy and inversely related to the proportion of NPOs highly dependent on charitable contributions (Table 7). Only 9 percent of the smallest 20 percent of NPOs are dependent on government funds for half of their revenue, which increases to 16 percent for the next largest 20 percent of NPOs, to 22 percent for the median quintile, and 27 and 28 percent for the two largest quintiles. Nearly 20 percent of the largest NPOs are dependent on government funds for three-fourths of their revenue. Inversely, 27 and 29 percent of NPOs in the two smallest quintiles are dependent on charitable contributions for half of their revenue, decreasing to 24, 18, and 10 percent for the three larger quintiles. These same patterns hold for government grants and contracts and for direct and indirect charity.

Whether these findings represent “too much” dependence on charity or subsidy may be a matter of opinion, but clearly, heavy reliance on either revenue source does not characterize most NPOs. More typical than too much dependence on charity or subsidy, though, is what critics of the “marketization” of the nonprofit sector might describe as too much *independence*. In addition to dependence on subsidy and charity, Table 7 also presents

the prevalence of dependence on program revenue for over half and over three-fourths of total revenue. For every NPO dependent on either government subsidy or charitable giving for more than three-fourths of its revenue, there is another NPO—26 percent of all NPOs—that generates at least three-fourths of its revenue with fees for program services, and fees account for at least half of revenue in 36 percent of NPOs. Such “resource independence” is more common among larger NPOs, which might explain why these NPOs *are* large: Nearly half (46 percent) of the largest NPOs generate at least half of their revenue with program fees, compared to 21 percent of the smallest NPOs (reflecting, in part, the 71 percent of hospitals and 54 percent of colleges and universities that generate at least half of their revenue from fees).

Highly concentrated distribution of revenue

The wide gap between the nonprofit sector’s average revenue of \$7.9 million and its median revenue of \$567,000 betrays a heavily skewed distribution of nonprofit revenue (Table 4). Most revenue, and specifically, revenue from both government subsidy and charitable contributions, is highly concentrated in a relatively small proportion of NPOs (Table 8). The skew of the distribution is striking: Twenty percent of NPOs command 93 percent of all revenue in the nonprofit sector. In dollar terms, the average revenue of the 20 percent of NPOs with the highest revenue is \$37 million while the average revenue of the *remaining 80 percent* of NPOs is less than \$575,000.

For the 44 percent of NPOs that receive any government subsidy and the 80 percent of NPOs that receive any charity, revenue from these sources demonstrate similarly skewed distributions (Table 8). Of the NPOs that receive any government funding, the 20 percent

Table 8. Distributions of total revenue, subsidy, and charity (N = 87,127)

	Share of sector revenue from specified source (%)	Average amount (\$)
NPOs receiving any revenue (100% of all NPOs)	100.0	7,875,341
1 st quintile (the 20% receiving least revenue)	0.3	124,928
2 nd quintile	0.7	272,034
3 rd quintile	1.5	587,415
4 th quintile	4.1	1,611,759
5 th quintile (the 20% receiving most revenue)	93.4	36,781,365
NPOs receiving any subsidy (44% of all NPOs)	100.0	838,195
1 st quintile (the 20% receiving least subsidy)	0.2	15,641
2 nd quintile	0.9	71,497
3 rd quintile	2.7	210,691
4 th quintile	8.0	621,257
5 th quintile (the 20% receiving most subsidy)	88.2	6,885,190
NPOs receiving any government grants (40% of all NPOs)	100.0	1,203,698
1 st quintile (the 20% receiving least grant revenue)	0.2	13,443
2 nd quintile	1.0	59,016
3 rd quintile	2.9	173,485
4 th quintile	8.4	503,319
5 th quintile (the 20% receiving most grant revenue)	87.6	5,269,564
NPOs receiving any government contracts (7% of all NPOs)	100.0	1,789,869
1 st quintile (the 20% receiving least contract revenue)	0.3	23,041
2 nd quintile	1.2	107,121
3 rd quintile	3.3	299,412
4 th quintile	9.6	857,365
5 th quintile (the 20% receiving most contract revenue)	85.6	7,665,407
NPOs receiving any charity revenue (80% of all NPOs)	100.0	832,847
1 st quintile (the 20% receiving least charity revenue)	0.2	6,389
2 nd quintile	0.9	38,136
3 rd quintile	2.5	105,341
4 th quintile	6.6	275,695
5 th quintile (the 20% receiving most charity revenue)	89.8	3,738,782

Table 8 (Continued)

	Share of sector revenue from specified source (%)	Average amount (\$)
NPOs receiving any direct charity revenue (77% of all NPOs)	100.0	744,265
1 st quintile (the 20% receiving least direct charity revenue)	0.1	4,844
2 nd quintile	0.8	29,713
3 rd quintile	2.3	87,331
4 th quintile	6.4	238,077
5 th quintile (the 20% receiving most direct charity revenue)	90.3	3,361,318
NPOs receiving any indirect charity (23% of all NPOs)	100.0	443,654
1 st quintile (the 20% receiving least indirect charity revenue)	0.2	4,690
2 nd quintile	1.0	21,388
3 rd quintile	2.4	53,111
4 th quintile	5.7	125,999
5 th quintile (the 20% receiving most indirect charity revenue)	90.7	2,013,306

with the most revenue from government sources receives 80 percent of all government funding transferred to the nonprofit sector. The average amount of subsidy received by the top 20 percent of NPOs is nearly \$7 million compared to just under \$16,000 for the bottom 20 percent. Total charitable contributions, direct charitable contributions, and indirect charitable contributions are even more highly concentrated in a relatively few NPOs. Of the 80 percent of NPOs that report receiving any revenue from charitable contributions, the 20 percent of NPOs receiving the most revenue from charitable contributions receive 90 percent of all charitable contributions made to the nonprofit sector, with revenue from charity averaging almost \$4 million; the 20 percent receiving the least revenue from charity receive 0.2 percent of all charity, averaging less than \$7,000. The distributions are nearly identical for direct and indirect charity.

Just as total revenue, subsidy, and charity are distributed quite unevenly among individual NPOs, they are also distributed quite unevenly among the nonprofit subsectors. Just under half—45 percent—of all nonprofit revenue is generated by nonprofit hospitals (Table 5). At a distant second, colleges and universities receive 16 percent of all nonprofit revenue, with 40 percent of all nonprofit revenue split among the remaining 23 subsectors. Only four of these subsectors receive over 2 percent of total nonprofit revenue: human services (9 percent), health care (7 percent), education (5 percent), and arts and culture (4 percent).

Subsidy and charity are also concentrated in a few nonprofit subsectors, but the distribution looks somewhat different than the distribution of total revenue. For instance, while hospitals account for 45 percent of total nonprofit revenue (Table 5), they account for only 8 percent of charitable revenue (Table 9). Sixty percent of all nonprofit revenue from government sources is received by only three subsectors, human services (28 percent), hospitals (20 percent), and colleges and universities (12 percent) (Table 10), and just over half of all revenue from charity is received by only four subsectors, colleges and universities (19 percent), human services, (13 percent), arts and culture (11 percent), and hospitals (8 percent) (Table 9).

Interestingly, direct charity and indirect charity are distributed quite differently among the subsectors, suggesting different philanthropic priorities for funding intermediaries and individual donors (or, perhaps, different fundraising strategies in different subsectors). Four subsectors receive more than 10 percent of total indirect charity: health care (10 percent), hospitals (23 percent), human services (20 percent), and international, foreign affairs, and national security (11 percent) (Table 9). Two different subsectors are the leading recipients

Table 9. Distribution of charity, by subsector and organization size (N = 87,127)

	Receive any charity (%)	Share of charity (%)	Receive any direct charity (%)	Share of direct charity (%)	Receive any indirect charity (%)	Share of indirect charity (%)
All NPOs	79.6	100.0	77.3	100.0	22.6	100.0
By subsector						
Animal-related	95.0	1.8	94.7	2.0	10.6	0.4
Arts, culture, and humanities	93.9	11.1	92.9	12.4	12.1	3.4
Civil rights, social action, advocacy	94.5	0.8	92.8	0.9	27.0	0.2
Colleges and universities	88.5	18.6	87.1	21.2	12.4	3.8
Community improvement, capacity building	76.4	2.1	74.5	1.9	17.0	2.6
Crime and legal-related	84.3	1.2	81.2	1.2	33.8	1.2
Diseases and medical disciplines	87.6	6.0	86.1	5.6	36.1	8.2
Education	80.1	7.2	78.6	7.8	11.9	2.7
Employment	66.8	0.9	63.2	0.9	25.3	0.9
Environment	89.1	3.1	88.2	3.6	12.4	0.3
Food, agriculture, and nutrition	84.7	2.8	83.5	3.0	31.7	0.8
Health care	73.1	4.3	68.9	3.0	23.3	10.1
Hospitals	86.2	7.8	75.5	5.6	35.6	22.7
Housing and shelter	40.5	1.4	38.2	1.1	10.1	1.4
Human services	82.3	12.6	79.2	11.4	36.7	20.0
International, foreign affairs, nat'l security	84.5	6.3	83.1	5.7	11.9	10.7
Medical research	83.5	1.0	81.1	1.0	16.1	1.1
Mental health and crisis intervention	80.6	1.3	76.0	1.1	35.0	2.3
Public and societal benefit	76.6	0.6	74.5	0.6	17.0	0.7
Public safety, disaster preparedness, relief	87.1	0.2	85.9	0.2	14.8	0.1
Recreation and sports	75.5	1.7	74.2	1.7	10.7	1.4
Religion-related	90.3	3.8	89.1	4.2	9.4	1.4
Science and technology	70.3	0.5	67.6	0.6	11.0	0.3
Social science	82.5	0.4	81.2	0.5	8.7	0.1
Youth development	93.5	2.9	92.3	2.7	52.9	4.3
By size						
Smallest NPOs	76.2	2.0	74.6	2.1	11.6	1.0
2 nd quintile	79.8	3.1	77.8	3.2	18.3	2.2
3 rd quintile	79.5	5.5	77.5	5.6	23.1	4.9
4 th quintile	78.0	11.4	77.6	11.3	29.5	11.8
Largest NPOs	82.4	78.1	78.8	77.8	30.5	80.0

Table 10. Distribution of government subsidy, by subsector and organization size (N = 87,127)

	Receive any subsidy (%)	Share of subsidy (%)	Receive any gov't grants (%)	Share of gov't grants (%)	Receive any gov't contracts (%)	Share of gov't contracts (%)
All NPOs	43.9	100.0	40.4	100.0	6.8	100.0
By subsector						0
Animal-related	33.9	0.3	24.6	0.1	11.1	0.3
Arts, culture, and humanities	49.3	2.5	48.7	3.0	1.3	0.5
Civil rights, social action, advocacy	36.5	0.3	35.5	0.4	2.4	0.1
Colleges and universities	53.8	11.8	52.1	12.0	3.7	7.8
Community improvement, capacity building	49.3	3.4	46.6	3.8	4.2	1.4
Crime and legal-related	66.6	2.3	61.5	2.2	8.0	2.3
Diseases and medical disciplines	39.0	1.5	35.6	1.6	5.4	1.5
Education	26.6	4.3	24.1	4.5	4.1	4.3
Employment	61.2	3.1	52.6	2.4	15.0	4.2
Environment	43.6	0.5	41.7	0.3	3.6	0.6
Food, agriculture, and nutrition	61.9	0.6	59.0	0.7	5.2	0.4
Health care	37.2	5.1	33.7	4.4	5.5	7.1
Hospitals	22.8	20.3	20.7	20.6	5.8	19.4
Housing and shelter	46.0	2.3	37.9	2.3	9.4	2.1
Human services	58.1	28.3	50.9	28.6	11.7	26.7
International, foreign affairs, nat'l security	21.9	1.2	21.0	2.0	1.2	0.2
Medical research	21.8	0.6	21.2	1.0	0.8	0.0
Mental health and crisis intervention	68.3	7.5	58.3	5.1	17.1	11.6
Public and societal benefit	32.3	0.4	31.5	0.6	7.5	0.2
Public safety, disaster preparedness, relief	66.6	0.2	61.5	0.3	7.5	0.2
Recreation and sports	15.9	0.4	15.0	0.4	1.3	0.5
Religion-related	7.3	0.1	6.3	0.1	1.0	0.1
Science and technology	41.6	4.0	35.5	1.5	9.5	8.1
Social science	35.8	0.9	31.4	1.5	4.8	0.1
Youth development	38.9	0.4	37.3	0.6	2.6	0.3
By size						
Smallest NPOs	27.1	0.5	25.1	0.7	2.6	0.2
2 nd quintile	40.3	1.0	36.7	1.5	4.9	0.8
3 rd quintile	48.3	2.6	43.0	3.7	6.9	2.1
4 th quintile	54.0	7.8	47.3	10.6	9.0	8.3
Largest NPOs	60.0	88.1	49.8	83.4	10.5	88.5

of direct charity, though: colleges and universities (21 percent) and the arts and culture subsector (12 percent). Given their prominence in the nonprofit sector, the large differences in the shares of direct and indirect charitable revenue for hospitals and colleges and universities are especially noteworthy: Hospitals receive 23 percent of all indirect charity but only 6 percent of all direct charity; inversely, colleges and universities receive only 4 percent of indirect charity but 21 percent of all direct charity.

In general, the most striking feature of the distribution of revenue is its heavy concentration in a small proportion of NPOs. This finding lends support to alternative explanations of the existence of the nonprofit sector. At first glance, the concentration of revenue in a few NPOs (especially when coupled with the finding that larger NPOs are most reliant on program revenue) appears to support the view that NPOs act like their for-profit counterparts, demonstrating self-maximizing behavior and seeking, at best, efficiencies of scale or, at worst, monopoly over a service area (Young, 1981), leading to domination by a few large NPOs. However, proponents of explanations of the nonprofit sector that emphasize the sector as a vehicle for collective voluntary action for those inevitably displeased with the set of government services in a pluralistic society (Atkinson, 1997; Salomon, 1999b; Weisbrod, 1975) may focus on the vast numbers of relatively small NPOs that exist in the United States, including the 80 percent of this sample that control only 20 percent of total nonprofit revenue, plus the countless others out of scope for this study. Only NPOs in the mental health and crime and legal-related subsectors, which receive a large proportion of revenue from government sources (Table 5) and are commonly very dependent on government funds (Table 7), lend support to the contention that NPOs emerge to fill a market niche created by the availability of government funding (Grobman, 2002), but this support is

certainly weak as these two subsectors account for only 9 percent of government funding in the nonprofit sector (Table 10).

The preceding description of the composition and distribution of nonprofit revenue demonstrates the insufficiency of monolithic descriptions of the sector. The diversity of revenue profiles reflects a diversity of roles for NPOs, a diversity of reasons for their existence, and a diversity of management challenges facing their administrators. This description also contradicts some widely held assumptions about the nonprofit sector. Far from being charity-dependent and small, NPOs are more typically entrepreneurial and, on average, very large. The next level of description of nonprofit revenue undertaken in this study and reported in the next chapter focuses on the relationship between two of the revenue sources just described—government funding and charitable contributions—and, like this chapter, ultimately presents findings that challenge widely held assumptions about revenue in the nonprofit sector.

CHAPTER 3

Exploration of the Subsidy-Charity Relationship

During the 2004 spring pledge drive of Atlanta's public radio station, one of the announcers admonished in her famously soothing voice, "Some of you may not support public radio because you believe that we get most of our money from the government. Not soooo," she crooned, "we only get a small percentage of our funding from the government. Most of our support comes from listeners like you." What compelled her to say this? Why would she think it persuasive to tell listeners that the radio station receives little of its revenue from government sources? Apparently, she believes what many economists have long theorized, that private charitable donors eschew supporting NPOs that receive government funds, and decided to go on the offensive, assuring potential donors that their contributions are necessary and not duplicative of contributions already made indirectly by paying taxes passed along to the station.

Whether the radio announcer's fear is justified remains an unanswered question; previous research on the relationship between government funding and charitable contributions—the "subsidy-charity relationship"—has yielded conflicting results. By employing improved methods, a superior dataset, and a more thorough look at variation in the subsidy-charity relationship among different types of NPOs, this study provides surer evidence of the nature of the subsidy-charity relationship and grounds for speculating as to why it may occur.

Theory and previous research

Insofar as it examines the risks associated with increased dependence on government funding, study of the subsidy-charity relationship overlaps with the study of revenue from the resource dependence perspective. Study of the subsidy-charity relationship, however, goes further by examining the effect of one revenue source—government subsidy—on another—charitable contributions, and it has its theoretical foundations (and thus its methodological bent) in welfare economics rather than organizational theory.

Previous research on the subsidy-charity relationship has been conducted at 1) the aggregate level, examining the effects of either total government transfers to the nonprofit sector (or subsectors) or total government spending on total charitable giving (for example, Schiff, 1985; Steinberg, 1985; Abrams and Schmitz, 1984a; Jones, 1983; Reece, 1979), and 2) at the organizational level, examining the effects of government funding on charitable giving for specific charitable organizations (for example, Brooks, 1999; Payne, 1998; Khanna, Posnett, and Sandler, 1995; Kingma, 1989). This chapter focuses on the latter case. Both units of analysis merit attention, but the organizational unit of analysis may be of more interest to public and nonprofit managers, who must take the total amount of government spending and transfers to NPOs as given, but may frequently face decisions about allocating and pursuing government funding for specific NPOs.

Various theories predict that in response to increases in government funding, private giving may increase, decrease, or first increase and then decrease. Theorists explain these potential responses in terms of changes in the utility private donors derive from giving to NPOs caused by changes in the NPOs' government funding levels. Most economists have favored the crowding-out hypothesis, which predicts an inverse relationship between government funding and private giving. This hypothesis posits that charitable donors derive

utility from the services being provided by NPOs at a certain level. Since an NPO can use a dollar of government subsidy to provide the same amount of service as with a dollar of private charity, private donors can maintain the level of utility derived from the NPO's service provision by collectively decreasing their donations by one dollar for each dollar of government funding (Roberts, 1984; Warr, 1982). Many theorists temper this hypothesis by acknowledging that the displacement may be less than dollar-for-dollar since private donors may derive some satisfaction from the act of giving itself in addition to the satisfaction they derive from having the NPOs provide their services (Andreoni, 1990). Some also speculate that donors derive less utility from donating the same amount if they perceive that the NPO has become too like a government agency because of higher subsidy levels (Friedman and Friedman, 1980) or if they perceive that their own influence over the organization is diminished by the NPO's increased dependence on government funds (Odendahl, 1990, cited in Brooks, 2000a).

The crowding-out hypothesis, however, is not unopposed. Other theorists have proposed that government funding may actually enhance utility derived from charitable giving by acting as a signal of NPOs' quality to private donors (and potential private donors), stimulating an increase in private giving—a “crowding-in” effect (Schiff, 1990). To illustrate, Brooks reports the tacit adoption of this theory by the National Endowment for the Arts, whose promotional literature has claimed that “[e]ach NEA dollar is . . . a funding catalyst attracting many more dollars from local and state agencies, corporations, foundations, and individuals” (quoted in Brooks, 2000a, p. 211).

Drawing from both the crowding-out and -in hypotheses, Brooks (2000b) hypothesizes a curvilinear relationship in which low levels of government funding stimulate private giving, but increased government funding leads to crowding out. He suggests that

when an NPO is receiving a small proportion of its revenue from government sources, it may leverage these funds to stimulate private giving or private donors may see the NPO as having been endorsed by the government. However, as government subsidy of the NPO increases, private giving may decrease as donors begin to see their donations as unnecessary, the charity as a quasi-public agency, or the NPO as financially vulnerable due to its dependence on government funding.

Prior studies model individuals as rational actors who maximize the utility they derive from both the act of giving to NPOs and from the NPOs' actual service delivery, taking into account NPOs' government subsidies (see Brooks, 1999, and Payne, 1998, for recent examples). A recent review of this literature (Brooks, 2000a) identified 22 empirical studies of the subsidy-charity relationship. The studies yielded conflicting results, but the evidence favors a partial crowding-out effect, with thirteen studies supporting the crowding-out hypothesis, four supporting crowding-in, and five finding no statistically significant relationship between government funding and private contributions. The partial crowding-out effects ranged from 2 to 53 cents per dollar of government funding. In his own study, Brooks (2000b) supports his hypothesis of a curvilinear subsidy-charity relationship, finding that orchestras benefited from a crowding-in effect up to \$8,200 in government support per concert, above which a crowding-out effect dominated.

Previous studies of the subsidy-charity relationship, six of which were conducted at the organizational level, do provide a strong foundation for this research, but they also demonstrate important shortcomings. Some samples in previous studies were of a narrow range of NPOs—worthwhile studies, but of limited generalizability. Connolly (1997) finds moderate crowding in at research universities; Brooks (1999) finds government funding and charitable giving to be independent for a sample of five symphony orchestras; Kingma (1989)

finds crowding out for public radio stations. As noted above, Brooks (2000b) offers empirical evidence for his hypothesized curvilinear relationship between government funding and private charity for symphony orchestras, but the data available for the study were only partially disaggregated, with the symphony orchestras of the sample grouped by budget size.

The remaining two studies take the approach most similar to this research, using organizational-level panel data across a broad range of nonprofit organizations. Payne's (1998) analysis, though, is limited due to the absence of data on the NPOs' income from services provided to government agencies, a limitation of available IRS data until 1993. The data examined by Khanna, Posnett, and Sandler (1995) suffer no such omissions, but they examine nonprofits in the U.K., which likely exhibit a different subsidy-charity relationship given their vastly different tax incentive structure, both for the nonprofit organizations and individual donors. Payne's analysis is also limited to subsectors related to social services. Neither study allows for the possibility of a curvilinear subsidy-charity relationship—not surprising since they preceded Brooks' 2000 article, but a weakness nonetheless, considering Brooks' compelling theory and tentative evidence; nor do they allow for the possibility of different subsidy-charity relationships depending on the specific types of subsidy and charity.⁶

6 In addition to these criticisms of research conducted at the level of the organization, some scholars criticize all study of the subsidy-charity relationship conducted at the aggregate level. Kingma (1989) and Schiff (1990) interpret studies of the relationship between aggregate levels of government spending and aggregate levels of charitable giving as tests of the extent to which government spending and charitable giving act as substitutes or complements, not crowding out. Crowding out, they contend, must be studied at the organizational level; donors may cease giving to one organization subsequent to increased government funding and redirect their charitable contributions to other organizations. In this case, individual organizations have experienced crowding out without an aggregate substitution effect. Studies conducted at the aggregate level, then, may report a null effect, despite considerable crowding out at the organizational level. (This is arguably a disagreement rooted in semantics; some authors use the term "crowding out" intentionally to indicate a substitution effect [for example, Khanna, Posnett, and Sandler, 1995]). Schiff (1990) criticizes some previous studies for inferring an effect of changes in aggregate governmental social welfare spending on all charitable giving, regardless of sector, without a theoretical basis for inferring such a relationship between social welfare spending and, say, charitable giving to the arts.

The basic approach to examining the subsidy-charity relationship here follows the strategy taken by several previous studies: A measure of private charity is regressed on a measure of government subsidy from the previous time period. Despite its similarity with previous studies, though, this study improves on previous research in at least four ways. First, the data used for this study include a comprehensive measure of government subsidies to NPOs, including funds from government contracts, an omission of previous research due to the lack of availability of this data until 1993. Second, this study builds on the tentative findings of previous research by exploring the mediating effects of organization size and proportion of NPOs' total revenue from government sources and by allowing for the possibility of a nonlinear relationship between subsidy and charity. Third, this study examines the subsidy-charity relationship for both the nonprofit sector as a whole and for individual nonprofit subsectors; Schiff (1990) and Payne (1998) observe that studies of the subsidy-charity relationship in the nonprofit sector as a whole may obscure differences among subsectors. Fourth, this study recognizes that different kinds of government funding may have different effects on charitable giving and that charitable giving may respond differently to changes in government funding depending on whether it is given directly to NPOs or indirectly through intermediary fundraising organizations.

Data and methods

The dataset described in Chapter 1, derived from 1998-2000 IRS Form 990 data and the basis of the description of revenue presented in the previous chapter, is the primary data source for this study as well. To examine the subsidy-charity relationship, additional variables were calculated for the change in government subsidy from 1998 to 1999 and the change in charitable giving from 1999 to 2000. These variables are listed and described in

Table 11. The key independent variable is the first difference of revenue from government sources ($\Delta \text{subsidy}_{1999-1998}$), lagged by one year since changes in government funding are not expected to have simultaneous effects on private giving, but lagged effects (Brooks, 2000a and 1999).⁷ These data are found in Form 990 lines 1c (government grants) and 93g (fees and contracts from government agencies). The key dependent variable is the first difference of revenue from charitable donations ($\Delta \text{charity}_{2000-1999}$), found in Form 990 lines 1a (direct public support) and 1b (indirect public support). Since the crowding-in/-out hypotheses are only relevant to NPOs that receive government funding, only the 47 percent of NPOs (N = 40,715) that received government funding during 1998 and/or 1999 are included in the regression analyses.

Table 11. Variables included in regression analyses

Variable name	Description
$\Delta \text{charity}_{2000-1999}$	Dollar change in revenue from charitable contributions from FY1999 to FY2000
$\Delta \text{direct}_{2000-1999}$	Dollar change in revenue from direct charitable contributions from FY1999 to FY2000
$\Delta \text{indirect}_{2000-1999}$	Dollar change in revenue from indirect charitable contributions from FY1999 to FY2000
$\Delta \text{subsidy}_{1999-1998}$	Dollar change in revenue from government sources from FY1999 to FY2000
$\Delta \text{grants}_{1999-1998}$	Dollar change in revenue from government grants from FY1999 to FY2000
$\% \Delta \text{charity}_{2000-1999}$	Percent change in charitable contributions from FY1999 to FY2000: $[100(\text{charity}_{2000} - \text{charity}_{1999})/\text{charity}_{1999}]$
$\% \Delta \text{direct}_{2000-1999}$	Percent change in direct charitable contributions from FY1999 to FY2000: $[100(\text{direct}_{2000} - \text{direct}_{1999})/\text{direct}_{1999}]$
$\% \Delta \text{indirect}_{2000-1999}$	Percent change in indirect charitable contributions from FY1999 to FY2000: $[100(\text{indirect}_{2000} - \text{indirect}_{1999})/\text{indirect}_{1999}]$

⁷ It is also conceivable that changes in subsidy levels could have long-term effects over the course of multiple years. This possibility has not been explored in previous research, nor is it in this research due to the unavailability of the necessary data. Exploration of cumulative effects would be a valuable contribution of future research as data become available.

After presenting a simple cross-tabulation examining how many NPOs that experienced increases and decreases in subsidy subsequently experienced increases and decreases in charitable revenue, two regression models are tested for the sector as a whole, for individual subsectors, and for NPOs of different sizes. The first model, below, is most similar to the approach taken in previous research, driven by the hypothesis that charitable donors decrease the dollar amounts of their contributions based on the actual dollar amount of increase in subsidy levels (Roberts, 1984; Warr, 1982).

$$\text{Model 1: } \Delta \text{charity\$}_{2000-1999} = \beta_0 + \beta_1 \Delta \text{subsidy\$}_{1999-1998} + \beta_2 (\Delta \text{subsidy\$}_{1999-1998})^2$$

Model 1 tests whether changes in the dollars of government funding from 1998 to 1999 ($\Delta \text{subsidy\$}_{1999-1998}$) and its square (following Brooks, 2000b) predict changes in the dollars of charitable giving to NPOs from 1999 to 2000 ($\Delta \text{charity\$}_{2000-1999}$).

Using a first-differencing approach provides the advantage of controlling for unmeasured factors that remain constant for each NPO over time, so there is no concern that omitted time-invariant variables would bias the coefficients on the subsidy variables. Still, the model may appear rather “slim.” Since the goal of this study is to identify the relationship between changes in subsidy and subsequent changes in charity, not to explain all variation in revenue from charity, only omitted time-varying variables that would bias the coefficients on the subsidy variables pose a threat to the validity of the model. While additional variables that explain more variation in charity but do not bias the subsidy coefficients would be beneficial to understanding variation in charity generally, they do not

affect the subsidy-charity relationship of interest here. Further, the effect of changes in subsidy on changes in charity may be mediated through omitted variables without detracting from the validity of the model. For example, a recent cross-sectional study (Brooks, 2005) reports that NPOs with more government funding may tend to expend less effort on charitable fundraising. Including a measure of fundraising effort, then, may illuminate the causal mechanisms by which the causal relationship between subsidy and charity arises, but omitting it makes the estimation of the total effect of subsidy on charity relationship no less accurate.⁸

A variation on the explanation of the crowding-out hypothesis assumes that charitable donors respond to changes in the proportion of NPOs' revenue from government sources, not the actual dollar amount (Brooks, 2000b; Friedman and Friedman, 1980). To explore this explanation, the second model, below, departs from previous research by treating both the subsidy and charity measures in relative terms rather than in dollars.

$$\text{Model 2: } \% \Delta \text{charity}_{2000-1999} = \beta_0 + \beta_1 \Delta \text{subsidy}_{1999-1998} + \beta_2 (\Delta \text{subsidy}_{1999-1998})^2$$

8 An omitted time-varying variable that could potentially bias the subsidy coefficients may be changes in state- and local-level macroeconomic conditions, which could be correlated with both 1998 – 1999 changes in subsidy and 1999 – 2000 changes in charitable giving. (Effects of macroeconomic changes at the national level are accounted for in the constant term of the model, which captures secular trends for the sample as a whole.) With typical two-year budgeting cycles, though, it is unlikely that subsidy levels would be immediately responsive to macroeconomic changes, whereas charitable giving is clearly affected by contemporaneous macroeconomic factors. So, while state- and local-level macroeconomic changes do affect changes in charitable giving, these effects are likely independent of effects of changes in NPOs' revenue from government funding. To allow for different secular trends at the state level, an alternative model including state dummy variables was tested, but the coefficients on the subsidy variables were virtually unaffected; thus, the results using the model without the state dummy variables are presented in this study. An additional control variable, the dollar amount of revenue from charity in 1999, was included in an alternative model with negligible effects on the coefficients of interest. (See also footnote 11.)

In this model, the percent change in charitable donations from 1999 to 2000 ($\% \Delta \text{charity}_{2000-1999}$) is regressed on the percentage point change from 1998 to 1999 in subsidy as a percentage of total revenue ($\Delta \text{subsidy} \%_{1999-1998}$)⁹ and its square.^{10, 11}

Model 2 captures one aspect of explanations of the subsidy-charity relationship that focus on relative changes in subsidy and charity, but it does not distinguish between effects that may be observed at different levels of government funding relative to total revenue that result from changes in government subsidy, either in absolute dollar values or in relative terms. This may be an important distinction if charitable donors respond to the perceived “government-likeness” that comes with greater shares of revenue from government sources (Friedman and Friedman, 1980). For example, charitable donors might decrease their giving in response to a \$100,000 increase in government funding if the additional subsidy resulted in 90 percent of the NPO’s revenue coming from government sources, but not if the additional subsidy resulted in only 10 percent of the NPO’s revenue coming from government sources. Likewise, charitable donors might decrease their giving in response to an increase in government funding of 20 percentage points as a percentage of total revenue if the increase resulted in the NPO receiving 90 percent of their revenue from government sources, but not

9 Note that while subsidy is treated as a proportion of total revenue, charity is treated as percent change relative to the previous year’s amount of charity. Charity is not treated as a proportion of total revenue since that would produce a negative coefficient on the subsidy variable as a measurement artifact. (See Table 2 for calculations.)

10 Model 2 requires that NPOs reporting zero charity revenue in 1999 be omitted from analysis since the calculation the dependent variable places 1999 charity revenue in the denominator. An alternative approach was tested substituting one percent of total revenue for the zero values with similar (that is, statistically insignificant) results.

11 Model 2 provides the opportunity to include three additional independent variables that are not plausible in Model 1 but suggested as possible sources of bias by previous research demonstrating their effects on changes in charitable giving to individual NPOs (Abrams and Schmitz, 1984a; Payne, 1998; Reece, 1979): percent change in states’ gross state product, poverty rate, and average household income. These three variables, constructed from U.S. Bureau of Economic Analysis data for both 1998 – 1999 and 1999 – 2000, were tested in the model. For the regressions that were statistically significant without these variables, adding the variables did not change any of the subsidy coefficients more than 0.01, minimizing concern that the omission of similar variables from Model 1 biases the subsidy coefficients (see also footnote 8).

if the increase resulted in only 30 percent of the NPO's revenue coming from government sources.

Two options for exploring such possibilities were considered. First, it is possible to include the percentage of nonprofit revenue from government sources in 1999 as an additional independent variable and as an interaction term with the measures of subsidy included as independent variables in Models 1 and 2. This approach was tested, but it did not yield statistically significant results.¹² A possible reason for the failure of this model to detect any subsidy-charity relationship, though, may be that it assumes that the individuals and organizations making decisions about their charitable contributions to NPOs can make fine distinctions between different proportions of their beneficiary NPOs' revenue that come from government sources.

A separate study (Appendix A) demonstrates that individual charitable donors have, at best, an imprecise impression of the proportion of revenue from government sources received by their beneficiary NPOs. The study finds no correlation between donors' estimates and the actual proportions, but it also finds that a sizable 28 percent estimated within 10 percentage points of the actual percentage of their beneficiary NPOs' revenue from government sources, and an additional 15 percent estimated within 10 to 30 points of the actual percentage.

Charitable donors' imprecise knowledge of NPOs' levels of government subsidy suggests the second approach, which is to test Models 1 and 2 with the NPOs in the sample assigned to four categories defined by broad ranges of the NPOs' percentage of revenue from government sources in 1999—that is, the percentage of revenue from government sources

¹² That is Models 1 and 2 with the additional independent variable and interaction terms did not yield statistically significantly improved ($p \leq .05$) model *F*-tests.

that resulted from the change in subsidy levels from 1998 to 1999. The decision to use four categories—zero to 25 percent, 25.1 to 50, 50.1 to 75, and 75.1 to 100—is somewhat arbitrary but has the advantage of indicating whether the subsidy-charity relationship hinges on whether NPOs receive over half of their revenue from government sources. This is the approach taken in this study, constituting a third strategy for disaggregating the cases in addition to the categories defined by subsector and organization size.

Models 1 and 2 are also examined in modified form using more narrowly defined measures of subsidy and charity. Since government grants are more like charitable contributions in that they pay for services provided to someone other than the payer and thus may be more likely to displace charitable giving, the change in government grants from 1998 to 1999 ($\Delta \text{grants}_{1999-1998}$, $\Delta \text{grants}_{1999-1998}$) is used as an alternative independent variable.¹³ And since decisions about charitable giving are made by the individual donor when given directly to an NPO, whereas decisions are made by intermediary organizations about indirect charitable giving, changes in direct charity ($\Delta \text{direct}_{2000-1999}$, $\% \Delta \text{direct}_{2000-1999}$) and indirect charity ($\Delta \text{indirect}_{2000-1999}$, $\% \Delta \text{indirect}_{2000-1999}$) are used as alternative dependent variables.

Predicted crowding-in and crowding-out effects are estimated from the regression results. Since the models only include the subsidy variable and its square, a statistically significant ($p \leq .05$) *F*-test for the model as a whole also serves as a measure of the variables' joint statistical significance. Statistically significant crowding-in/-out effects thus identified are then assessed for their substantive significance based on the change in charity predicted

13 Revenue from government contracts, the other form of government subsidy described in Chapter 2, is not used as an alternative subsidy measure for two reasons. First, very few NPOs (6 percent) report receiving government contract revenue (see Chapter 3). Second, using contract revenue as an alternative subsidy measure did not yield statistically significant ($p \leq .05$) model *F*-tests for the sector as a whole or for individual subsectors.

by a one dollar change in subsidy, evaluated at the median change in subsidy and the 25th and 75th percentiles of change in subsidy.¹⁴

OLS regression is used, which yields unbiased coefficients regardless of the normality of independent and dependent variables in large samples. OLS, however, is susceptible to the biasing effects of heteroskedasticity on variance estimates, which invalidate *t*-tests and *F*-tests. Heteroskedasticity is very likely in these models; NPOs with very small changes in charitable giving are likely to have changes in subsidy that vary over a narrower range than NPOs that might have larger changes in charitable giving. In anticipation of this problem with using OLS, robust standard errors are used to calculate heteroskedasticity-robust *t*-tests and *F*-tests that are unaffected by heteroskedasticity (Wooldridge, 2000).¹⁵

Findings

In both 1998 and 1999, about 46 percent of NPOs received some form of government subsidy, and in both 1999 and 2000, about 80 percent received direct charitable contributions. While the proportions of NPOs receiving government funds and charitable contributions remained constant, the average amounts of subsidy and charity both increased, with an

14 The 25th and 75th percentiles demarcate the interquartile range, which is the range of the amount of change in subsidy reported by 50 percent of the NPOs in the sample; 25 percent of NPOs report a change in subsidy less than the value at the 25th percentile, another 25 percent of NPOs report a change in subsidy greater than the value at the 75th percentile, and 50 percent of NPOs report a change in subsidy less than and 50 percent report a change greater than the median.

15 Other options for dealing with heteroskedasticity were deemed inferior to using robust standard errors for this study. Transforming the independent and/or dependent variables was not considered because of the desirability in this study of preserving the direct interpretation of coefficients in terms of dollars. Using robust standard errors was selected over weighting cases using Generalized Least Squares (GLS) because the form of the heteroskedasticity did not conform to any typical patterns that could be easily modeled, nor could the heteroskedasticity be confidently estimated under a Feasible GLS (FGLS) approach. Further, heteroskedasticity-robust estimation can be applied uniformly to all of the regression models in this study, whereas the specific form of GLS or FGLS would have to be modified for the different types of heteroskedasticity observed for the various models. Finally, unlike FGLS, heteroskedasticity-robust estimation does not carry the risk of biasing coefficient estimates if unnecessarily applied in the presence of homoskedasticity (Wooldridge, 2000).

increase in government subsidy from 1998 to 1999 of \$122,277 and an average increase in charitable contributions from 1999 to 2000 of \$63,066 (Table 12, which also includes descriptive statistics for the full sample for comparison).

Table 12. Descriptive statistics of variables used in regression analyses, all NPOs (N = 87,127) and the sample used for regression analysis consisting of NPOs that received subsidy in 1998 and/or 1999 (N = 40,715)

Variable name	Mean	Std. Dev.	Median	Minimum	Maximum
Full sample					
<i>Regression sample</i>					
$\Delta \text{charity} \$_{2000-1999}$	63,066.32 88,192.68	2,788,320.40 3,220,793.54	0.00 0.00	-261,177,355.00 -261,177,355.00	235,115,000.00 202,516,000.00
$\Delta \text{direct} \$_{2000-1999}$	58,999.52 80,485.03	2,562,785.94 2,830,768.46	0.00 0.00	-202,994,589.00 -202,994,589.00	235,115,000.00 202,516,000.00
$\Delta \text{indirect} \$_{2000-1999}$	4,066.56 7,706.85	1,162,873.53 1,575,841.34	0.00 0.00	-261,177,355.00 -261,177,355.00	83,778,687.00 78,569,385.00
$\Delta \text{subsidy} \$_{1999-1998}$	122,277.36 161,507.44	3,486,005.01 4,794,588.20	0.00 7,360.00	-252,954,040.00 -252,954,040.00	373,571,967.00 373,571,967.00
$\Delta \text{grants} \$_{1999-1998}$	40,428.32 89,294.32	1,449,563.06 1,805,924.94	0.00 2,500.00	-70,000,000.00 -70,000,000.00	220,554,000.00 220,554,000.00
$\Delta \text{contracts} \$_{1999-1998}$	5,654.656 13,352.71	783,998.96 1,186,483.06	0.00 0.00	-53,207,019.00 53,207,019.00	128,051,878.00 128,051,878.00
$\% \Delta \text{charity}_{2000-1999}$	288.85 305.37	15,973.98 18,817.13	3.75 4.83	-100.00 -100.00	3,311,349.33 3,311,349.33
$\% \Delta \text{direct}_{2000-1999}$	256.50 199.96	9,752.99 3,340.64	3.49 4.53	-100.00 -100.00	2,093,793.33 2,093,793.33
$\% \Delta \text{indirect}_{2000-1999}$	138.64 144.47	6,000.10 5,825.33	0.63 1.22	-100.00 -100.00	489,013.14 489,013.14
$\Delta \text{subsidy} \%_{1999-1998}$	0.00 -0.05	14.00 19.05	0.00 0.00	-100.00 -100.00	100.00 100.00
$\Delta \text{grants} \%_{1999-1998}$	0.00 0.00	12.00 17.02	0.00 0.00	-100.00 -100.00	100.00 100.00
$\Delta \text{contracts} \%_{1999-1998}$	0.00 -0.03	9.41 12.33	0.00 0.00	-100.00 -100.00	100.00 100.00

A broad assessment of the subsidy-charity relationship may be taken by determining whether NPOs were more likely to experience an increase or decrease in charitable donations in 2000 depending on whether they had experienced an increase or decrease in government subsidy in 1999. Of NPOs that received any government subsidy in 1998 or 1999, 58 percent experienced an increase and 38 percent experienced a decrease in charitable contributions from 1999 to 2000. (Of the remaining 15 percent that experienced no change in charitable giving from 1999 to 2000, almost all reported zero revenue from charitable giving in both years.¹⁶)

If charitable giving were unrelated to the previous year's change in government subsidy, we would expect these proportions to be the same regardless of whether NPOs had experienced an increase or decrease in subsidy levels in the previous year. This appears to be the case; the percentages of NPOs experiencing decreases in charitable donations from 1999 to 2000 are within one percentage point of the values that would be expected regardless of increases and decreases in government subsidy during the previous year, and the percentages of NPOs experiencing increases in charitable donations from 1999 to 2000 are within about two percentage points of the expected values (Table 13). The chi-squared statistic of 123.2 achieves statistical significance ($p < .001$), not surprisingly given the large sample size, but the Gamma measure of the strength of the association is zero, indicating no effect of subsidy on charity when measured simply as trichotomous increase/no change/decrease variables. Similar results are obtained when using government grants as the independent variable and direct and indirect charitable contributions as the dependent variable.

16 It may be confusing that unlike NPOs that did not receive government subsidy in 1998 or 1999, NPOs that did not receive any charitable contributions in 1999 or 2000 are retained in the analysis; these cases are important, though, because they *could have* experienced an increase in private charitable contributions from 1999 to 2000 following a change in government subsidy levels from 1998 to 1999, but did not. Excluding these cases, then, could inflate crowding-in (and -out) estimates.

Table 13. Percentage of NPOs experiencing changes in charitable giving following changes in government subsidy (N = 40,715)

		Change in subsidy 1998 – 1999			Total
		Decreased (n = 12,422)	None (n = 6,522)	Increased (n = 21,771)	
Change in charity 1999 – 2000	Decreased	37.1	38.1	37.7	37.5
	None	17.0	12.8	13.0	14.5
	Increased	46.0	49.1	49.3	48.1
	Total	100.0	100.0	100.0	100.0

Note. Sample of NPOs that received any government subsidy in 1998 or 1999.
 $\chi^2 = 123.2$ ($p < .001$); Gamma = 0.00

These findings support neither the crowding-out nor the crowding-in hypotheses, but they do not take into account the magnitude of changes in charity and subsidy nor control for other important factors, such as organization size or changes in the economy, tasks better suited for multiple regression analysis. The results of the regression analyses are presented in the following sections to answer three questions: 1) Does subsidy crowd out charitable giving as predicted by the conventional crowding-out theory? 2) Does the subsidy-charity relationship change depending on the magnitude of the change or the proportion of total revenue from government sources? 3) Is there any support for alternative explanations to the subsidy-charity relationship?

Does subsidy crowd out charitable giving as predicted by the conventional crowding-out theory?

Recall that theorized answers to the question of *why* government funding affects charitable giving conventionally have been derived from welfare economics, positing that

those individuals and organizations making charitable contributions to NPOs take into account changes in government funding when determining the amount of their contributions. On the basis of this assumption, almost all theorists predict that government subsidy will crowd out charitable giving as donors see less need for their charitable contributions or feel that they have already contributed indirectly by paying taxes. What support for this theory do these findings offer?

Overall, no support for conventional crowding-out theory

Overall, the findings do not support the conventional crowding-out theory; increases in revenue from government sources do not generally portend decreases in revenue from charitable giving. For the nonprofit sector as a whole, Model 1 predicts a 5-cent increase in charitable giving for every dollar increase in revenue from government sources (full results of the regression analyses are provided in Appendix B):

$$\Delta \text{charity} \$_{2000-1999} = 75,851.99 + 0.05(\Delta \text{subsidy} \$_{1999-1998}) + 0.00000000172(\Delta \text{subsidy} \$_{1999-1998})^2$$

The model *F*-test is statistically significant ($p < .001$), indicating a statistically significant relationship between changes in subsidy and changes in charity.¹⁷ In dollar terms,

17 Model 1 performed well in terms of standard diagnostic criteria. The results do not appear to be subject to the biasing effects of outliers; 99.2 percent of the standardized residuals fall between +2 and -2 (whereas less than 95 percent would suggest the presence of outliers). The results also do not appear to be unduly influenced by any individual cases; only four cases (0.1 percent) have Cook's Distance values greater than one, which were found not to exert undue influence over the model parameters by repeating the regression analysis without these four cases and generating nearly identical results (Field, 2000, citing Cook and Weisberg, 1982). Visual examination of the distribution of the residuals from a standard OLS regression easily identified heteroskedasticity as expected, justifying the use of robust standard errors for calculation of *t*- and *F*-tests. Of the 210 Model 1 regressions, 114, or 54 percent, have statistically significant ($p \leq .05$) *F*-tests, far greater than the 5 percent that would be expected by chance. External validity of all regression analyses was assessed by calculating Stein's Adjusted R^2 (Field, 2000; Stevens, 1996). Stein's Adjusted R^2 is calculated by $[1 - (n-1)(n-k-1)^{-1}(n-2)(n-k-2)^{-1}(n+1)n^{-1}(1-R^2)]$, where *n* is the sample size and *k* is the number of independent variables (Stevens, 1996, p. 99). Unlike Wherry's Adjusted R^2 , calculated by most statistical software, Stein's formula is a measure of cross validity, providing the estimated amount of variation that would be explained if the regression equation were applied to other samples drawn from the same population. In contrast to other methods of cross validation, such as data splitting, Stein's approach has the benefit of using all available data to derive the regression equation while still allowing an estimate of

for the NPO experiencing the median change in subsidy from 1998 to 1999 of a \$7,360 increase, the model predicts a \$368 increase in revenue from charitable giving. The coefficient on the quadratic term is statistically significant, but over the interquartile range of subsidy change, the subsidy-charity relationship is essentially linear at 5 cents increase in charity revenue per dollar increase in subsidy revenue.

Revenue from government grants, as opposed to total government subsidy, exhibit a slightly weaker crowding-in effect on total charitable giving, with a dollar increase in government grant revenue predicting a 3-cent increase in revenue from charitable giving:

$$\Delta \text{charity}\$_{2000-1999} = 79,793.52 + 0.03(\Delta \text{grants}\$_{1999-1998}) + 0.000000000173(\Delta \text{grants}\$_{1999-1998})^2$$

For the individual nonprofit subsectors, the results do not uniformly predict crowding-in effects, but neither do they support the conventional crowding-out theory. Eleven of the subsectors do not demonstrate any statistically significant subsidy-charity relationship. Of the remaining subsectors, nine demonstrate a crowding-in effect of total subsidy on total charity, whereas only five demonstrate a crowding-out effect, and the eleven subsectors demonstrating a crowding-in effect receive just over half—51 percent—of government funds subsidizing the nonprofit sector, far greater than the 6 percent of subsidy received by the five subsectors demonstrating a crowding-out effect (Figure 1). Of the subsectors demonstrating a crowding-in relationship, the magnitude of the relationship varies considerably, from 2 cents increase in charity per dollar of subsidy in the human services subsector and 4 cents per dollar in the education and housing and shelter subsectors to 34, 40, 58, 64, and 77 cents per

generalizability to other samples. If the regression equation derived from the sample were of low external validity, Stein's Adjusted R^2 would be considerably less than the sample R^2 . In all of the statistically significant regression models, Stein's Adjusted R^2 is most often equal and, at most, within two one-thousandths of the model R^2 . Thus, the regression equations derived from this sample can be confidently generalized to the population of NPOs from which the sample was drawn during the same time period. To review, this population is comprised of operating public charities with greater than \$100,000 in annual revenue and/or \$250,000 in assets (see Chapter 2).

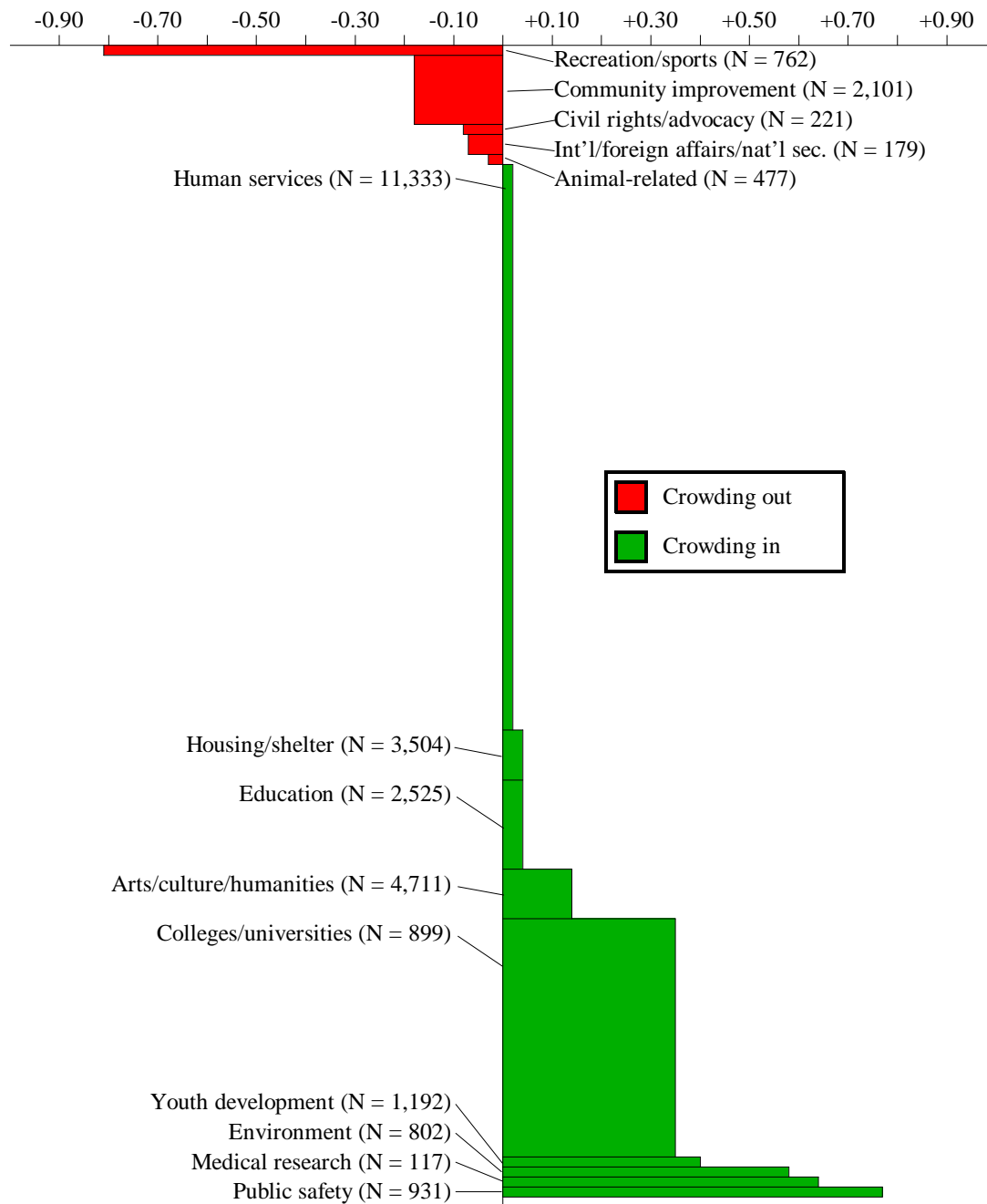


Figure 1. Predicted change in revenue from total charitable giving, 1999 – 2000, per dollar increase in government subsidy, 1998 – 1999 (\$)

Note. Heights of bars are proportional to percentages of all government subsidy received by the corresponding subsectors (see Table 10 for precise values). No evidence of a subsidy-charity relationship is found in 11 subsectors, determined by a statistically insignificant ($p > .05$) F -test for the model; the 11 subsectors are health care, hospitals, mental health/crisis intervention, diseases/medical disciplines, crime/legal-related, employment, food/agriculture/nutrition, science/technology, social science, public and societal benefit, and religion-related.

dollar in the colleges and universities, youth development, environment, medical research, and public safety subsectors, respectively (Table 14). The magnitude of the crowding-out

Table 14. Effect of changes in revenue from total subsidy on changes in revenue from total charitable giving, by nonprofit subsectors (N = 40,715)^a

Subsidy- charity relationship	Subsector	Total charitable dollars crowded in/out per dollar change in total subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	ALL NPOs	+0.05	+0.05	+0.05
	Arts/culture/humanities	+0.15	+0.14	+0.14
	Education	+0.04	+0.04	+0.04
	Colleges/universities	+0.35	+0.34	+0.34
	Environment	+0.53	+0.58	+0.63
	Medical research	+0.68	+0.64	+0.61
	Housing/shelter	+0.04	+0.04	+0.04
	Public safety/disaster preparedness/relief	+0.71	+0.77	+0.82
	Youth development	+0.34	+0.40	+0.46
	Human services	+0.02	+0.02	+0.02
Crowding out	Animal-related	-0.01	-0.03	-0.05
	Recreation/sports	-0.83	-0.81	-0.80
	International/foreign affairs/national security	-0.16	-0.07	0.00
	Civil rights/social action/advocacy	-0.06	-0.08	-0.10
	Community improvement/ capacity building	-0.18	-0.18	-0.18

Note. No evidence of a subsidy-charity relationship is found in 11 subsectors, determined by a statistically insignificant ($p > .05$) model F -tests; the 11 subsectors are health care, hospitals, mental health/crisis intervention, diseases/medical disciplines, crime/legal-related, employment, food/agriculture/nutrition, science/technology, social science, public and societal benefit, and religion-related.

^aFor this table and following similar tables, Ns for individual subsectors are reported in Table B1.

effects varies similarly from 3 cents of charitable giving crowded out per dollar increase in subsidy in the animal-related subsector to 81 cents per dollar in the recreation and sports subsector (Table 14). The effects of government grants on total charitable giving are very similar to the effects of total government subsidy (Table 15), still supporting the prevalence of crowding-in effects of government funding over crowding-out effects among the nonprofit subsectors.

Segregating the subsidy-charity relationships for NPOs grouped by size provides no evidence of crowding out of charity by subsidy and crowding in only among the largest NPOs, close in magnitude to the 5 cents of charity crowded in by total government subsidy and the 3 cents crowded in by government grants observed in the sector as whole (Table 16), further underscoring the disproportionate influence of large NPOs in the sector as discussed in Chapter 2 as well as the prevalence of a positive effect of subsidy on charity.

Thus far, these findings lend little support to the crowding-out hypothesis favored by most previous researchers and theorists. Perhaps, though, Model 1 provides the wrong test of the hypothesis—it could be that charitable donors respond to the *proportional* change in NPOs' revenue from subsidy, the variation of the hypothesis tested by Model 2. However, Model 2 also fails to provide support for the crowding-out hypothesis—or for any other subsidy-charity relationship, for that matter. Somewhat surprisingly given the significant findings from Model 1, Model 2 yields statistically insignificant model *F*-tests, both in its general form and when using the alternative measures of relative changes in subsidy and charity.¹⁸ There does not appear to be a relationship between changes in revenue from

18 Nine (4 percent) of the 210 regression analyses conducted using Model 2 yielded statistically significant ($p \leq .05$) *F*-tests, less than the 5 percent that would be expected by chance and thus regarded as due to chance rather than representing actual effects of proportional changes in subsidy on charity.

Table 15. Effect of changes in revenue from government grants on changes in revenue from total charitable giving, by nonprofit subsectors (N = 36,982)

Subsidy- charity relationship	Subsector	Total charitable dollars crowded in/out per dollar change in government grants		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	ALL NPOs	+0.03	+0.03	+0.03
	Arts/culture/humanities	+0.40	+0.39	+0.38
	Education	+0.07	+0.07	+0.07
	Diseases/medical disciplines	+0.62	+0.62	+0.62
	Animal-related	+0.02	+ < 0.005	-0.02
	Medical research	+0.68	+0.64	+0.62
	Housing/shelter	+0.04	+0.04	+0.04
	Public safety/disaster preparedness/relief	+0.87	+0.92	+0.98
	Youth development	+0.23	+0.29	+0.35
	Human services	+0.05	+0.05	+0.05
Crowding out	Environment	-0.09	-0.04	+0.01
	Recreation/sports	-0.52	-0.55	-0.57
	International/foreign affairs/national security	-0.16	-0.07	+ < 0.005
	Civil rights/social action/advocacy	-0.07	-0.09	-0.11
	Community improvement/ capacity building	-0.18	-0.18	-0.18

Note. No evidence of a subsidy-charity relationship is found in 11 subsectors, determined by a statistically insignificant ($p > .05$) model F -tests; the 11 subsectors are colleges/universities, health care, hospitals, mental health/crisis intervention, crime/legal-related, employment, food/agriculture/nutrition, science/technology, social science, public and societal benefit, and religion-related. Note that crowding in gives way to crowding out in the animal-related subsector and vice-versa in the international subsector.

Table 16. Effect of changes in revenue from total subsidy and government grants on changes in total charitable giving, by organization size

Type of subsidy	Size quintile	Total charitable dollars crowded in/out per dollar change in total subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Total subsidy (N = 40,715)	Smallest NPOs			
	2 nd quintile			
	3 rd quintile			
	4 th quintile	+0.04	+0.05	+0.06
	Largest NPOs	+0.04	+0.04	+0.04
Government grants (N = 36,982)	Smallest NPOs			
	2 nd quintile			
	3 rd quintile			
	4 th quintile	+0.05	+0.06	+0.07
	Largest NPOs	+0.02	+0.03	+0.03

Note. Blank cells indicate statistically insignificant ($p > .05$) model F -tests.

government sources as a percentage of NPOs' total revenue and the proportional change in NPOs' revenue from charitable contributions.

Crowding out of indirect charity may support conventional theory

Partitioning the effects of subsidy on direct versus indirect charitable giving in dollar terms (that is, using Model 1) reveals an exception to the tendency toward a crowding-in effect of subsidy on charity in the nonprofit sector. (To recall, direct charity is given to NPOs directly by donors whereas indirect charitable giving is channeled through intermediary funding organizations, such as United Way affiliates and parent organizations.) Model 1 most often predicts crowding in of direct charity by total government subsidy (Table 17) and

Table 17. Effect of changes in revenue from total subsidy on changes in revenue from direct charitable giving, by nonprofit subsectors (N = 40,715)

Subsidy- charity relationship	Subsector	Direct charitable dollars crowded in/out per dollar change in total subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	ALL NPOs	+0.08	+0.08	+0.08
	Arts/culture/humanities	+0.16	+0.15	+0.15
	Education	+0.02	+0.02	+0.02
	Colleges/universities	+0.33	+0.33	+0.33
	Environment	+0.53	+0.58	+0.63
	Animal-related	+0.16	+0.13	+0.10
	Medical research	+0.49	+0.46	+0.45
	Housing/shelter	+0.05	+0.05	+0.04
	Public safety/disaster preparedness/relief	+0.72	+0.77	+0.82
	Youth development	+0.36	+0.42	+0.48
	International/foreign affairs/national security	+0.22	+0.26	+0.28
	Civil rights/social action/advocacy	+0.04	+0.02	-0.01
Crowding out	Health care	-0.02	-0.01	-0.01
	Recreation/sports	-0.83	-0.81	-0.80

Note. No evidence of a subsidy-charity relationship is found in 12 subsectors, determined by a statistically insignificant ($p > .05$) model F -tests; the 11 subsectors are hospitals, diseases/medical disciplines, mental health/crisis intervention, crime/legal-related, employment, food/agriculture/nutrition, human services, community improvement/capacity building, science/technology, social science, public and societal benefit, and religion-related. Note the change in sign in the civil rights subsector.

by government grants (Table 18). However, the effects of changes in subsidy on *indirect* charity tend toward crowding *out*. Model 1 predicts crowding out of 3 cents of indirect charity for every dollar increase in revenue from subsidy and 9 cents for every dollar increase in revenue from government grants specifically:

Table 18. Effect of changes in revenue from government grants on changes in revenue from direct charitable giving, by nonprofit subsectors (N = 36,982)

Subsidy- charity relationship	Subsector	Direct charitable dollars crowded in/out per dollar change in government grants		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	ALL NPOs	+0.12	+0.12	+0.12
	Arts/culture/humanities	+0.41	+0.40	+0.39
	Education	+0.02	+0.02	+0.02
	Animal-related	+0.20	+0.16	+0.13
	Medical research	+0.49	+0.48	+0.44
	Housing/shelter	+0.05	+0.05	+0.05
	Public safety/disaster preparedness/relief	+0.87	+0.92	+0.98
	Youth development	+0.27	+0.33	+0.39
	International/foreign affairs/national security	+0.22	+0.26	+0.28
	Civil rights/social action/advocacy	+0.06	+0.03	+ < 0.005
Crowding out	Environment	-0.09	-0.04	+0.01
	Recreation/sports	-0.52	-0.55	-0.57
<i>Note.</i> No evidence of a subsidy-charity relationship is found in 11 subsectors, determined by a statistically insignificant ($p > .05$) model F -tests; the 11 subsectors are colleges/universities, health care, hospitals, diseases/medical disciplines, mental health/crisis intervention, crime/legal-related, employment, food/agriculture/nutrition, human services, community improvement/capacity building, science/technology, social science, public and societal benefit, and religion-related.				

$$\Delta \text{indirect}\$_{2000-1999} = 7,743.61 - 0.03(\Delta \text{subsidy}\$_{1999-1998}) + 2.50\text{E-}10(\Delta \text{subsidy}\$_{1999-1998})^2$$

$$\Delta \text{indirect}\$_{2000-1999} = 10,963.83 - 0.09(\Delta \text{grants}\$_{1999-1998}) + 5.33\text{E-}10(\Delta \text{grants}\$_{1999-1998})^2$$

At the subsector level, more subsectors exhibit crowding out of indirect charity by subsidy than crowding in, but the subsectors that exhibit crowding out receive a much smaller proportion of government funding of the nonprofit sector than those subsectors that

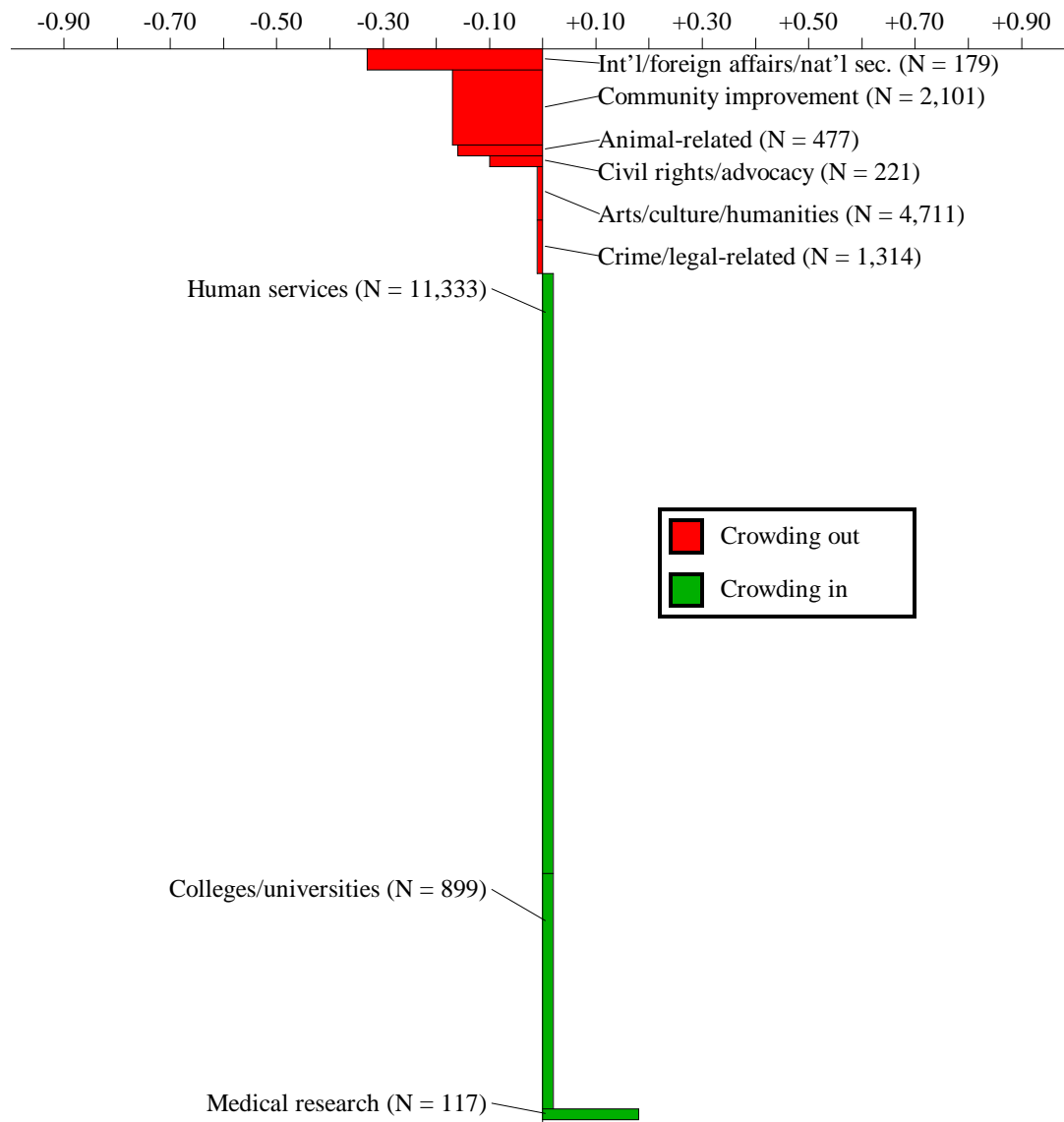


Figure 2. Predicted change in revenue from indirect charitable giving, 1999 – 2000, per dollar increase in government subsidy, 1998 – 1999 (\$)

Note. Heights of bars are proportional to percentages of all government subsidy received by the corresponding subsectors (see Table 10 for precise values). No evidence of a subsidy-charity relationship is found in 17 subsectors, determined by a statistically insignificant ($p > .05$) F -test for the model; the 17 subsectors are education, employment, environment, hospitals, mental health/crisis intervention, health care, diseases/medical disciplines, food/agriculture/nutrition, housing/shelter, public safety/disaster preparedness/relief, recreation/sports, youth development, science/technology, social science, public and societal benefits, religion-related, and youth development.

exhibit crowding in (Figure 2). Only three subsectors demonstrate crowding in of indirect charity by increases in revenue from government subsidy, with twice as many subsectors demonstrating crowding out. These three subsectors, though, receive over 40 percent of all government funding of NPOs, whereas the six subsectors that demonstrate crowding out receive only 10 percent of government funding of NPOs. The crowding-out effect observed for the sector as whole reflects the larger effect sizes among the subsectors demonstrating crowding out, which includes 11 cents of indirect charity crowded out per dollar of subsidy in the civil rights subsector, 17 cents per dollar in both the animal-related and community improvement subsectors, and 38 cents per dollar in the international, foreign affairs, and national security subsector, compared to a crowding-in effect of 18 cents per dollar in the medical research subsector, which only receives less than one percent of all subsidy, and only 2 cents per dollar in both colleges and universities and the human services subsectors (Table 19). Five subsectors demonstrate a crowding-in effect of government grants on indirect charity, and five demonstrate a crowding-out effect, but as with the effects of total subsidy, the magnitudes are considerably larger for the crowding-out effects than for the crowding-in effects (Table 20).

The weak tendency toward crowding-out of indirect charity may provide partial support for the conventional explanation of crowding out. As alluded to previously, the earlier study included in Appendix A found that individual charitable donors have very little awareness of the proportion of their beneficiary NPOs' revenue that comes from government sources (let alone the actual dollar amounts or the changes in these amounts over time). The intermediary fundraising and umbrella organizations that allocate indirect charitable contributions to NPOs, though, may be in a position to have more knowledge or be more motivated to obtain knowledge about changes in NPOs' receipts from government sources.

Table 19. Effect of changes in revenue from total subsidy on changes in revenue from indirect charitable giving, by nonprofit subsectors (N = 40,715)

Subsidy- charity relationship	Subsector	Indirect charitable dollars crowded in/out per dollar change in total subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	Colleges/universities	+0.02	+0.02	+0.02
	Medical research	+0.18	+0.18	+0.17
	Human services	+0.02	+0.02	+0.02
Crowding out	ALL NPOs	-0.03	-0.03	-0.03
	Arts/culture/humanities	-0.01	-0.01	-0.01
	Animal-related	-0.17	-0.16	-0.15
	International/foreign affairs/national security	-0.38	-0.33	-0.28
	Civil rights/social action/advocacy	-0.11	-0.10	-0.09
	Community improvement/capacity building	-0.17	-0.17	-0.17
	Crime/legal-related	-0.01	-0.01	-0.01

Note. No evidence of a subsidy-charity relationship is found in 17 subsectors, determined by a statistically insignificant ($p > .05$) model F -tests; the 17 subsectors are education, employment, environment, hospitals, mental health/crisis intervention, health care, diseases/medical disciplines, food/agriculture/nutrition, housing/shelter, public safety/disaster preparedness/relief, recreation/sports, youth development, science/technology, social science, public and societal benefit, religion-related, and youth development.

Table 20. Effect of changes in revenue from government grants on changes in indirect charitable giving, by nonprofit subsectors (N = 36,982)

Subsidy- charity relationship	Subsector	Indirect charitable dollars crowded in/out per dollar change in total subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Crowding in	Education	+0.05	+0.05	+0.05
	Mental health/crisis intervention	+0.01	+0.01	+0.01
	Medical research	+0.18	+0.18	+0.17
	Employment	+0.01	+0.01	+ < 0.005
	Human services	+0.04	+0.03	+0.03
Crowding out	ALL NPOs	-0.09	-0.08	-0.09
	Arts/culture/humanities	-0.01	-0.01	-0.01
	Animal-related	-0.18	-0.16	-0.15
	International/foreign affairs/national security	-0.38	-0.33	-0.28
	Civil rights/social action/advocacy	-0.13	-0.12	-0.11
	Community improvement/capacity building	-0.17	-0.17	-0.17
<p><i>Note.</i> No evidence of a subsidy-charity relationship is found in 15 subsectors, determined by a statistically insignificant ($p > .05$) model F-tests; the 15 subsectors are colleges/universities, environment, hospitals, health care, diseases/medical disciplines, crime/legal-related, food/agriculture/nutrition, housing/shelter, public safety/disaster preparedness/relief, recreation/sports, youth development, science/technology, social science, public and societal benefit, and religion-related.</p>				

If this is the case, the observed crowding out of indirect charitable giving may reflect the behavior theorized by the conventional explanation, with intermediary funding organizations decreasing their support of NPOs in reaction to increased government funding (or, inversely, increasing their support of NPOs that lose government funding). The conventional

explanation of the subsidy-charity relationship, then, may apply when charitable donors are aware of changes in NPOs' revenue from government sources.

If the findings were limited to the crowding out of indirect charity, this would make a reasonable case for the conventional crowding-out theory. However, the preponderance of the findings predict a crowding in of direct charity and total charity by government subsidy, and stronger effect sizes at that. Further, the lack of (almost) any statistically significant findings from Model 2, which allows for donors' response to the proportional change in NPOs' revenue from government sources, suggests that the conventional explanation fails even when relaxed to require that donors know only the proportion of NPOs' revenue from government sources rather than the actual dollar amounts. Taken as a whole, these findings undermine the plausibility of the conventional explanation of the subsidy-charity relationship.

Does the subsidy-charity relationship change depending on the magnitude of the change or the proportion of total revenue from government sources?

Just as with the conventional crowding-out theory, the findings provide little support of the curvilinear hypothesis—that small changes in revenue from subsidy may stimulate, or crowd in, charitable giving while large changes may lead to crowding out of charitable giving (Brooks, 2000b). This alternative hypothesis would be supported if the quadratic terms revealed crowding-out effects that grow larger with larger changes in subsidy or crowding-in effects that diminish with larger changes in subsidy. At the sector level, however, the quadratic term is positive, indicating a crowding-in effect that strengthens with larger changes in subsidy; while statistically significant, though, the effect is so small that the predicted crowding-in effect is essentially linear throughout the range of the observed changes in subsidy. Among the subsectors and NPOs grouped by size, the quadratic terms

lack any overall pattern. Though examples can be found of the quadratic subsidy terms predicting substantively significant changes in the rates of crowding in and out, it appears that the effects strengthen as often as they weaken for any given combination of subsidy and charity measures.

Though previously only tested by including the square of the subsidy independent variable (Brooks, 2000b), this study takes an additional approach to testing the curvilinear hypothesis by examining differences in the subsidy-charity relationship among NPOs grouped by percentage of revenue from subsidy in 1999—that is, the percentage of revenue that resulted from changes in revenue in 1998 to 1999. The findings are partially consistent with the curvilinear hypothesis, with stronger crowding-in effects among NPOs for which the change in subsidy resulted in subsidy comprising less than half of their revenue (Table 21). The effect of government grants on direct charity conforms to the curvilinear hypothesis most closely, with the crowding-in effect decreasing steadily from 24 cents per dollar among NPOs with less than 25 percent of revenue from government sources in 1999 to 1 cent per dollar among NPOs with greater than 75 percent of revenue from government sources (Table 22).

These results, however, do not wholly support the curvilinear hypothesis. The subsidy-charity relationship does not give way to crowding out as predicted by the hypothesis, even for those NPOs receiving over three-fourths of their revenue from government sources, though it does dwindle to one or two cents per dollar for NPOs with the highest proportions of revenue from subsidy. And the effect of subsidy on indirect charity remains contrarian, tending toward crowding out among NPOs with the smallest proportions of revenue from subsidy and giving way to weaker crowding in among NPOs with the largest proportions of revenue from subsidy (Table 23).

Table 21. Effect of changes in revenue from total subsidy and government grants on changes in total charitable giving, by percent of 1999 revenue from government sources

Type of subsidy	% 1999 revenue from government sources	Total charitable dollars crowded in/out per dollar change in subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Total subsidy	0 – 25.0 (n = 17,555)	+0.08	+0.08	+0.08
	25.1 – 50.0 (n = 6,438)	+0.09	+0.10	+0.10
	50.1 – 75.0 (n = 6,854)	+ <0.005	+ <0.005	+ <0.005
	75.1 – 100 (n = 9,823)	+0.02	+0.02	+0.02
Government grants	0 – 25.0 (n = 16,391)	+0.06	+0.07	+0.08
	25.1 – 50.0 (n = 5,982)	+0.04	+0.06	+0.08
	50.1 – 75.0 (n = 6,106)	+0.08	+0.08	+0.07
	75.1 – 100 (n = 8,503)	+0.03	+0.02	+0.02

Table 22. Effect of changes in revenue from total subsidy and government grants on changes in direct charitable giving, by percent of 1999 revenue from government sources

Type of subsidy	% 1999 revenue from government sources	Direct charitable dollars crowded in/out per dollar change in subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Total subsidy	0 – 25.0 (n = 17,555)	+0.18	+0.18	+0.18
	25.1 – 50.0 (n = 6,438)	+0.09	+0.09	+0.09
	50.1 – 75.0 (n = 6,854)	-0.01	-0.01	-0.01
	75.1 – 100 (n = 9,823)	+0.01	+0.01	+0.01
Government grants	0 – 25.0 (n = 16,391)	+0.24	+0.24	+0.24
	25.1 – 50.0 (n = 5,982)	+0.06	+0.08	+0.09
	50.1 – 75.0 (n = 6,106)	+0.03	+0.03	+0.03
	75.1 – 100 (n = 8,503)	+0.01	+0.01	+0.01

Table 23. Effect of changes in revenue from total subsidy and government grants on changes in indirect charitable giving, by percent of 1999 revenue from government sources

Type of subsidy	% 1999 revenue from government sources	Indirect charitable dollars crowded in/out per dollar change in subsidy		
		At 25 th percentile of change in subsidy	At median change in subsidy	At 75 th percentile of change in subsidy
Total subsidy	0 – 25.0 (n = 16,391)	-0.10	-0.10	-0.10
	25.1 – 50.0 (n = 5,982)	+ < 0.005	+ < 0.005	+ < 0.005
	50.1 – 75.0 (n = 6,106)	+0.02	+0.02	+0.01
	75.1 – 100 (n = 8,503)	+0.01	+0.01	+0.01
Government grants	0 – 25.0 (n = 16,391)	-0.18	-0.18	-0.17
	25.1 – 50.0 (n = 5,982)	-0.02	-0.02	-0.02
	50.1 – 75.0 (n = 6,106)	+0.05	+0.05	+0.05
	75.1 – 100 (n = 8,503)	+0.01	+0.01	+0.01

Is there any support for alternative explanations to the subsidy-charity relationship?

While the findings support neither the conventional crowding-out theory nor the curvilinear hypothesis, they may be consistent with at least four alternative explanations. First, the preponderance of predicted crowding in of direct and total charitable giving may support the minority of theorists who predict crowding in from a welfare economics framework (e.g. Schiff, 1990), assuming that donors respond positively to government funding, seeing it as a sign of NPOs' quality or trustworthiness. Given the findings from the auxiliary study (Appendix A), though, this explanation seems unlikely since it still requires donors' knowledge of changes in NPOs' revenue from government sources.

Second, the finding that predicted crowding in appears to be attributable largely to government grants suggests that the common requirement of matching funds may be responsible for subsequent increases in private charitable giving—government grants often

come with the requirement that the NPO raise matching funds proportional to the amount of the grant, such as 50 cents or a dollar for every grant dollar. As this practice proliferates, a crowding-in effect may become automatic.

Third, the receipt of government funds may enable NPOs to allocate more resources to generating revenue from charitable contributions. For example, the increased government funding could be used to hire additional staff to administer program functions, leaving others more time for fundraising; or, the increased government funding could fund programs that make the NPO more visible to the public and thus more able to attract charitable contributions.

Fourth, the finding that the predicted crowding-in effect is strongest in NPOs that remain dependent on government for smaller portions of their total revenue suggests that government funding may be effective as “seed” money, with small amounts (relative to total revenue) spurring the NPOs’ effectiveness in generating charitable contributions.

Importantly, these last three alternative explanations of subsidy-charity relationships suggested by the findings do not rely on donors’ responses to government funding, but rather changes in organization processes and structures. This possibility was suggested in one of the earliest monographs on the subsidy-charity relationship (Driessen, 1984), but never tested empirically. The emphasis on organization processes and structures implies a need to go beyond the theoretical framework provided by welfare economics to a theoretical framework that more readily accommodates the role of organizations in shaping the subsidy-charity relationship. This shift brings the study of the subsidy-charity relationship into the fold with most other research of nonprofit revenue, and initial steps toward integrating these research streams and deriving implications for public policy, public management, and nonprofit management are pursued in the following chapter.

CHAPTER 4

Nonprofit Revenue and the Nonprofit Sector's "Big Questions"

The current literatures of public policy, public administration, and nonprofit management share at least one major theme: The business of accomplishing public goals is increasingly carried out by complex networks of governmental, nonprofit, and even for-profit organizations rather than traditional hierarchical government bureaucracies—a trend that has come to be known as the movement to a “new governance” paradigm (for example, Salamon, 2002; Peters, 2001; John, Kettl, Dyer, and Lovan, 1994). A key feature of new governance is the shift of responsibility for the delivery of government-funded services from government agencies to nonprofit organizations, described as the rise in “third-party government” (Salmon, 2002, 1987, 1981). New governance proponents contend that third-party government can improve the efficiency and effectiveness of government-funded services by harnessing the performance incentives of competitive markets and because NPOs can augment government funds with revenue from private philanthropy (e.g., Osborne and Gaebler, 1992; Savas, 1987).

There is little doubt that a new governance movement is afoot; at the federal level, new governance themes have resounded in Reagan-Bush era privatization efforts, in Clinton-Gore's National Performance Review and Reinventing Government program, and in the “competitive sourcing” component of the President's Management Agenda and the “compassionate conservatism” philosophy of the current administration (White House, 2002 and 2004). The validity of the claims of new governance proponents, though, is not yet established. Evaluating the merit of pursuing public goals through government funding of NPOs requires not only determining the effectiveness of these services, but also determining

the costs to government, the costs to the NPO, and the costs to the community (Provan and Milward, 2001). In part, then, this evaluation must identify the effects of government funding on NPOs, including any effects of government funding on NPOs' revenue from private philanthropy.

The conventional approach to understanding the effects of government subsidy on charitable giving to NPOs appears inadequate to explain this relationship. Neither its assumptions nor its predictions have strong empirical support. Previously, theorists have sought to explain this relationship as driven by the responses of charitable donors to NPOs' receipt of government funding, almost unanimously predicting that charitable donors would respond to government subsidy of NPOs by decreasing their charitable giving, feeling that their donations were no longer needed, that they had already given indirectly by paying taxes, or that they simply no longer wanted to give to an NPO that looked too much like a government agency. The plausibility of this explanation, though, is seriously undermined by charitable donors' lack of knowledge (and lack of concern) about NPOs' revenue from government sources (Appendix A).

The conventional explanation of the subsidy-charity relationship is further undermined by the finding that government subsidy to the nonprofit sector most often predicts an increase in charitable giving—the opposite of previous theorists' predictions. The largest share of government subsidy distributed to the nonprofit sector goes to the human services subsector, which receives 28 percent of total subsidy. Uniformly, government subsidy in the human services subsector predicts an increase in charitable support: Total subsidy has a predicted 2 cents per dollar crowding-in effect on total charity and a 2 cents crowding-in effect on indirect charity; government grants to the subsector have a predicted 5 cents per dollar crowding-in effect on total charity and a 3 cents crowding-in effect on

indirect charity. Behind hospitals, which demonstrate no subsidy-charity relationship, colleges and universities receive the next largest share of government subsidy, garnering 12 percent of government subsidy of the nonprofit sector. As with the human services subsector, government subsidy uniformly predicts an increase in charitable giving. The magnitude of the crowding-in effects, though, are much larger: Total subsidy has a 35 cents crowding-in effect on total charity and a 32 cents crowding-in effect on direct charity; government grants have a 33 cents crowding-in effect on direct charity and a 32 cents crowding-in effect on direct charity. And the remaining subsectors that demonstrate crowding-in effects receive over ten percent of all government subsidy of the sector.

To be clear: More than half of all government subsidy of the nonprofit sector has a crowding-in effect on charitable giving at the subsector level. As a partial evaluation of the rise in third-party government, these findings are generally positive, supporting the claim that paying NPOs to provide public services allows public funds to be augmented by private philanthropy. Even more, government funding appears to often spur an increase in private philanthropy.

However, having established the inadequacy of the existing theoretical base for exploring this question, *why* government funding may spur private philanthropy remains unclear. Understanding the causal mechanisms underlying the subsidy-charity relationship, though, is important. The positive effects of government funding on private philanthropy are not uniform; some types of NPOs tend to experience negative effects, which may be mitigated with a better understanding of the subsidy-charity relationship. Having ruled out causal explanations based on reactions of charitable donors, the actions of NPOs should be studied as an alternative source of explanations of the subsidy-charity relationship, with organization theory as an alternative to welfare economics as the theoretical framework for

inquiry into the subsidy-charity relationship. As discussed in Chapter 1, resource dependence theory has guided and illuminated much study of nonprofit revenue generally, and it may be a beneficial theoretical framework for a fresh look at the subsidy-charity relationship specifically.

This approach can capitalize on an important duality in resource dependence theory: The organizational environment affects organizational decision-making, processes, and structure, but the environment does not act deterministically on the organization; organizations, too, act to strategically manage their dependence relationships, exerting their own influence on the external environment and on internal decision-making, processes, and structure (Aldrich and Pfeffer, 1976). Put more succinctly, resource dependence theory holds organizations both to act *in* and to be acted *upon by* the environment. For seeking explanations of the subsidy-charity relationship, this duality suggests two broad hypotheses that, in contrast to the conventional crowding-out/-in explanations, would operate independently of the decision-making of private charitable donors. It has been demonstrated that NPO managers—at least *some* NPO managers—are attuned to the complex patterns of benefits and liabilities associated with various revenue sources and the managerial tasks they require (Gronberg, 1992 and 1991). Nonprofit managers and public managers are also aware of the power, derived from their resource interdependence, that each has to influence the other's organization (Saidel, 1991). Coupled with resource dependence theory, these findings suggest the first general hypothesis: Changes in levels of private giving following changes in levels of government subsidy may reflect the strategic decision-making of NPOs. Under this hypothesis, crowding in may result from NPO managers intentionally leveraging government funds to attract more philanthropic giving, and crowding out may result from

NPO managers intentionally diverting resources from generating charitable revenue to meeting the requirements of government funding.

This first hypothesis reflects only the “organization-as-actor” half of the dual understanding of organizations posed by resource dependence theory. The complementary “organization-as-acted-upon” half suggests a second general hypothesis that may explain the subsidy-charity relationship: Changes in private giving levels may follow from changes in government funding levels indirectly due to the process and structural changes in NPOs induced by changes in government funding. Here, resource dependence theory is consonant with institutional theories of organization, specifically, the concept of structural isomorphism (DiMaggio and Anheier, 1990; DiMaggio and Powell, 1983; Zucker, 1987). The institutional framework emphasizes the pressure exerted by elements of an organizational environment toward organizations adopting certain internal structures and processes. Such effects have been observed in NPOs’ responses to government contracting, including more corporate-like approaches to board governance, more sophisticated accounting systems, and modification of organizational goals to align with public funding opportunities (Stone, 1996; Wolch, 1990); perhaps NPOs’ capacity for attracting charitable contributions is likewise unintentionally affected by government funding.

Consider the findings of Oster and O’Regan (2002) in their study of the boards of NPOs receiving funds from New York City, the only example of previous research identified that specifically attributes changes in revenue from individual charitable donors to changes in NPO personnel’s behavior associated with receiving government funding:

Board members are more likely to report participating in government-related advocacy work for the nonprofit the greater the reliance on government funding, and less likely to report undertaking fundraising.

In addition, for board members who do undertake fund-raising, government funding appears to decrease the breadth of fund-raising Government funding has no impact on the likelihood of fund-raising from governments or foundations, but significantly decreases the likelihood that a board member will fund raise from private donors, corporations, or fees for service. (p. 370)

Whether these effects of government funding represent the intentional strategic decisions of the board members surveyed or the unintended consequences of government funding diverting board resources from other responsibilities cannot be determined from the study. However, these findings do demonstrate the promise of hypotheses derived from resource dependence theory for explaining the subsidy-charity relationship. As reflected in Froelich's (1999) review of nonprofit revenue research using the resource dependence theory framework, the previous literature has treated crowding out as a potential consequence of too much dependence on government funding. In light of donors' limited knowledge of NPOs' government funding and the dominance of crowding in over crowding out, the two proposed hypotheses depart from the previous literature by reframing the subsidy-charity relationship as a potential manifestation of NPO managers' strategic resource management or of the unintended consequences of government funding on NPO managers' behaviors.

This new focus on the subsidy-charity relationship has the potential to answer questions with practical implications for practitioners in the nonprofit and public sectors. Future research with this focus should ask: How can nonprofit managers leverage public funds to generate more charitable revenue? How can nonprofit managers minimize any effects of government subsidy that may inadvertently decrease revenue from charitable giving? How can public managers structure funding arrangements to avoid crowding out and perhaps even promote crowding in of charitable giving? Such questions will be not only more useful to public and nonprofit practitioners wishing to maximize the efficient use of

their limited resources, but also more empirically grounded than questions asked in previous studies of the charity-subsidy relationship.

For some nonprofit scholars and practitioners, the concern about potential crowding out of charitable giving by government subsidy is only part of larger, more pressing concerns about the changing role of the nonprofit sector represented in the new governance movement. As argued by the founding president of Independent Sector and Tufts University Professor Brian O’Connell (1996), a large faction of nonprofit sector leaders decry what they see as a distortion of the appropriate purpose and scope of the nonprofit sector by new governance reforms. O’Connell claims that the nonprofit sector’s most important contributions to society are advocacy, empowerment, and innovation, not service provision. Though service provision can be an important means to these higher ends, the increased emphasis on service provision due to government shifting these responsibilities to NPOs in the new governance model undermines the sector’s ability to fulfill its advocacy, empowerment, and innovation purposes. Instead of acting as a forum for criticizing government, a vehicle for collective public-spirited voluntary action outside of government, a voice for those not represented in government, and an incubator of innovative policies and services not implemented in government, NPOs in the new governance model are left to help government fulfill its own public service responsibilities—a decidedly narrower role for the nonprofit sector in society.

The partnering with government (or, critics would argue, the co-opting by government) central to new governance may exacerbate a larger trend in the nonprofit sector away from its charitable roots. As presented in Chapter 2, the nonprofit sector receives only 8 percent of its revenue from charitable contributions, a steep decline from the total reliance of early voluntary associations on charitable contributions. Government funding accounts for more—11 percent—of revenue, but government subsidy still accounts for far less revenue

than program revenues, the fees for services that generate 54 percent of all NPOs' revenue. This departure from the model of NPOs relying most heavily on charitable contributions has been welcomed by some nonprofit leaders and castigated by others. In 2002, Emmett Carson, a leading nonprofit scholar, argued that the public's misperception of the nonprofit sector as consisting of small, volunteer-driven Tocquevillean associations dependent on individuals' contributions undermines the sector's ability to fairly compensate professional staff, leads to public frustration with nonprofit organizations that cannot always provide low-cost or free services, and detracts from the ability of the sector to influence public policy. He called for research "that underscores the variety and differences among nonprofit organizations so that we may forever debunk the one-size-fits-all romanticized view of the nonprofit sector that now exists" (p. 435).

Carson could very well marshal evidence from Chapter 2 to correct this "image problem." In addition to the proportions of total revenue from charity, subsidy, and program revenue, other the key findings are:

- The average revenue of NPOs is almost \$8 million.
- Revenue is highly concentrated in relatively few NPOs, with the largest 20 percent of NPOs receiving 89 percent of all sector revenue.
- Twelve percent of NPOs are dependent on government funding for more than three-fourths of their revenue, and another 12 percent are dependent on charitable contributions for more than three-fourths of their revenue.

Rather than presenting an image of NPOs as small and charity-dependent, these findings portray the nonprofit sector as consisting of organizations that are large and mostly self-sustaining. Carson, then, may find here evidence to indict the public for maintaining an

inaccurate perception of the nonprofit sector, but others may instead indict the sector for failing to meet the public's expectations.

Whereas Carson seems to gladly accept the reality of NPOs' increasing reliance on program revenue, other nonprofit leaders challenge the legitimacy of the nonprofit sector's expansion to include organizations that are increasingly competing with for-profit counterparts, generating program revenue, and receiving relatively little revenue from charitable contributions. Another influential nonprofit scholar, Pablo Eisenberg, asks critically "Why are cemeteries, trade associations, and sports associations included in the nonprofit sector?" (2000, p. 328). Should public policy extend the benefits of legal nonprofit status to organizations that receive little public support? Should NPOs competing directly with for-profit businesses be afforded the competitive advantages of property tax exemptions, eligibility to receive tax-deductible charitable contributions, and the "halo effect" that comes with nonprofit status? Both Eisenberg and Carson agree that the nonprofit sector is vastly different from its stereotype, with NPOs becoming increasingly like their for-profit counterparts. For Eisenberg, however, elements of what Carson disparages as a "romanticized" ideal for the nonprofit sector—the close ties to philanthropy and the public service spirit—are not overgeneralizations and misperceptions to be corrected in the public mind, but ideals to be esteemed and pursued through reform of the nonprofit sector.

This tension is not resolved by this research. Indeed, the questions raised by O'Connell, Carson, and Eisenberg are largely normative: What defines a "good" nonprofit sector? Should public policy promote the diversity and independence of the nonprofit sector or seek the most efficient means of delivering government-funded services via the nonprofit sector? Which organizations should enjoy the benefits of legal nonprofit status? This research does, however, provide an empirical foothold for government and nonprofit leaders

grappling with such questions. This research demonstrates that the negative effects of government funding on the amount of private philanthropy are limited and largely outweighed by the positive effects. And where negative effects are present, this research points to a new avenue for identifying means to mitigate these negative effects in studies that focus on the effects of government subsidy on NPO structures and processes that, in turn, affect charitable giving. This research documents the relative importance of different sources of revenue in the nonprofit sector and, most strikingly, the small amount of revenue generated from charitable giving relative to government funding and, much more, relative to the fee-generating activities of NPOs themselves. This research illuminates the diversity of the nonprofit sector, showing how revenue streams and subsidy-charity relationships vary widely among the various nonprofit subsectors and NPOs of different sizes. This research identifies where the nonprofit sector is very dependent on government funding, where the sector is very dependent on private charity, and how such dependence is not very widespread.

Many of the current “big” questions in the nonprofit sector and in nonprofit-government relations relate directly to NPOs’ sources of support. Where those big questions have gone begging for empirical support, this research has made an effort to provide answers; where those big questions cannot be answered empirically, this research can provide empirical support to improve the quality of discourse and, perhaps, to improve the quality of the answers.

APPENDIX A

Auxiliary study: Do charitable donors know enough—and care enough—for government subsidies to affect private giving to nonprofit organizations? Testing the key assumptions of the crowding-out and crowding-in hypotheses¹⁹

¹⁹ This paper has two co-authors, David M. Van Slyke and Janet L. Johnson, and has been published in *Nonprofit and Voluntary Sector Quarterly*, Volume 34, Number 1 (2005), 136-149.

SUMMARY

A large body of research has examined the effect of government subsidies to charitable nonprofit organizations on private philanthropy, with the preponderance of evidence suggesting that government funding partially displaces—or “crowds out”—private giving. Common to these studies are the assumptions that private charitable donors are aware of the amount of government funding received by their beneficiary charitable organizations and that they act on this information when determining how much financial and volunteer support to donate. The purpose of this study is to assess the validity of these heretofore untested assumptions. After comparing the “best guesses” of respondents to a public opinion survey ($N = 675$) to the actual amount of government funding received by the charitable organizations to which they have donated money, the assumption of donors’ knowledge about government funding levels is found to be met only very weakly. Further, few respondents anticipate that they would change the level of their charitable giving in response to an increase in government subsidy. These findings suggest the need to explore explanations of the crowding-out phenomenon beyond those assumed under current theory.

Auxiliary study: Do charitable donors know enough—and care enough—for government subsidies to affect private giving to nonprofit organizations? Testing the key assumptions of the crowding-out and crowding-in hypotheses

The nonprofit sector is heavily reliant on revenue from private contributions and government subsidies. In 1997, 31 percent of nonprofit revenue came from government sources and 20 percent from private donors, amounting to \$207.8 billion and \$132.1 billion, respectively (Weitzman, Jalandoni, Lampkin, and Pollak, 2002). Despite the magnitude of the nonprofit sector's dependence on government funding and private contributions, the relationship between these two revenue sources remains unclear.

Most research on this relationship has focused on how changes in the level of government spending affect levels of private giving. This research has been conducted at 1) the aggregate level, examining the effects of either total government transfers to the nonprofit sector (or subsectors) or total government social welfare spending on total charitable giving (e.g., Abrams and Schmitz, 1984a; Brown, 1997; Jones, 1983; Reece, 1979; Schiff, 1985; Steinberg, 1985), and 2) the organizational level, examining the effects of government funding on charitable giving for specific charitable organizations (e.g., Brooks, 1999; Khanna, Posnett, and Sandler, 1995; Kingma, 1989; Payne, 1998). The latter case is the focus of this paper. Both units of analysis merit attention, but the organizational unit of analysis may be of more interest to public and nonprofit managers, who must take the total amount of government social welfare spending and transfers to nonprofit organizations (NPOs) as given, but may frequently face decisions about allocating and pursuing government funding for specific NPOs.

The theory underlying research at the organizational level starts with the assumption that private donors—the private citizens who make charitable contributions to NPOs—are

aware of the amount of government funding to the NPOs that they support and changes in these amounts over time. Given the centrality of this assumption to this body of research, and, some may say, its dubious face validity, it is surprising that it has not been tested. The conventional theory further assumes that private donors respond in a measurable way to government funding levels in determining their private giving. Again, though, previous crowding-in/-out research has not explored whether this reasoning resounds with private donors, nor have broader theories and empirical research of motivations for charitable giving, which focus instead on other factors that influence giving, including demographics, personality, values, religiosity, social status, income, and personal experiences with charitable organizations (e.g. Brown, 1999; Clary and Snyder, 1995; Mount, 1996; Schervish, 1997). This paper presents the findings of a study to address these gaps in the literature, providing evidence that certainly not all donors have complete knowledge, and even if they did, their private giving may be largely unaffected by changes in levels of government funding.

Background

The relationship between government funding and private contributions to NPOs has been widely studied due to the potential implications for nonprofit management, public management, public policy, and private philanthropy. With a better understanding of this relationship, these decision makers may be better equipped to leverage government funding and private charity to maximize nonprofits' resources and their ability to address social problems. With the rise in "third party" or "indirect" government that relies on NPOs for delivering publicly funded services (Salamon, 2002), legislation, such as the CARE Act, that encourages charitable giving, and the proliferation of Charitable Choice provisions that

encourage faith-based organizations to compete for government funding, the need to understand the potential impact of government subsidies on charitable giving is perhaps more pressing than ever.

Theoretical work has predicted that increased government funding to NPOs may affect private giving in three ways: In response to increased government funding, private giving may increase, decrease, or there may be a curvilinear effect. Most economists have favored the “crowding-out” hypothesis, which predicts an inverse relationship between government funding and private giving since government subsidies allow donors to “purchase” their preferred level of NPOs’ services indirectly through government spending, which displaces their private donations (Roberts, 1984; Warr, 1982). Many theorists temper this hypothesis by acknowledging that the displacement may not be dollar-for-dollar since private donors may derive some satisfaction from the act of giving itself in addition to the satisfaction derived from having NPOs perform their services (Andreoni, 1990). Other theorists, however, have proposed that government funding may act as a signal of NPOs’ quality to private donors (and potential private donors), stimulating an increase in private giving—a “crowding-in” effect (Schiff, 1990). Drawing from both the crowding-out and -in hypotheses, Brooks (2000b) hypothesizes a curvilinear effect in which crowding in is observed with a smaller proportion of government funding that stimulates private giving but gives way to crowding out with increased government funding. Their contradictory predictions notwithstanding, all three hypotheses assume private donors’ awareness of the proportion of NPOs’ revenue from government sources and that donors will act on this information in determining the amounts of their charitable contributions.

These assumptions about donors’ knowledge and behavior have shaped previous researchers’ interpretations of their empirical tests of the crowding-out and -in hypotheses. A

recent review of this literature (Brooks, 2000a) identified twenty-two empirical studies of the effect of government subsidies on NPOs' revenue from private giving. The studies yielded conflicting results, but the evidence favors a partial crowding-out effect, with thirteen studies supporting the crowding-out hypothesis, four supporting crowding in, and five finding no statistically significant relationship between government funding and private contributions. The partial crowding-out effects ranged from 2 to 53 cents per dollar of government funding. The recent studies by Brooks (2000b) and Payne (1998) typify the approach taken in most prior studies conducted at the organizational unit of analysis, with individuals modeled as rational actors maximizing their utility derived from giving to NPOs and from the NPOs' actual service delivery taking into account NPOs' government subsidies. Data interpretation, driven by such a model, hinges on the assumption of individuals' knowledge of government funding levels, leading authors to center their conclusions on private donors' presumed motivations for giving to NPOs.²⁰

While no mention of the need to assess the validity of the conventional explanation of crowding out has been found in the literature, the need to consider an alternative explanation, the behavior of NPOs, was posited in one of the earliest articles on the topic of crowding out: Commenting on the 1984 empirical study by Abrams and Schmitz (1984a), Driessen (1984) suggests that the "behavior of nonprofits" (p. 571) should be accounted for when studying the subsidy-charity relationship and that, failing to do so, findings interpreted as displacement of charitable giving by government funding may actually represent differences in nonprofit

20 It is also arguable that higher government funding of NPOs could follow higher taxation, which would lower disposable income and thus consumer spending on all goods, including charitable giving, yielding a partial crowding-out effect independent of the assumptions tested here. The hypothetical effect of increased taxes, though, is indeterminate; since charitable donations are tax deductible, higher taxes could also lead to increased charitable donations or have no net effect on charitable donations (Brooks, 2000a). Indeed, a review of 23 empirical studies found that, on average, a 10 percent increase in the tax rate leads to a 12 percent increase in charitable giving (Steinberg, 1990).

strategic decision making. In their rejoinder, Abrams and Schmitz (1984b) concur with these comments. Despite these early observations, no studies have taken an organizational focus—or any focus other than individual donors’ responses to government funding, for that matter—when seeking to explain the relationship between government funding and private charity.

The remainder of this paper presents the data and methods used to test the assumption of donors’ knowledge about government funding and the plausibility of this knowledge motivating private giving, followed by the findings and recommendations for reconsidering past research and conducting future research to better understand the relationship between government funding and private giving to NPOs.

Data and methods

This study takes a simple, direct approach to assessing charitable donors’ knowledge about the proportion of their beneficiary NPOs’ revenue from government sources and the likelihood that such knowledge affects private giving. Data were collected using five questions included in a larger public opinion survey, the Georgia Poll, administered quarterly during 2002 by professional interviewers at the survey research lab of the Georgia State University Applied Research Center. The sampling frame was constructed using random digit dialing and a computer-assisted telephone interviewing system to develop a random sample representative of adults in the state of Georgia (pooled N = 1,496).

Respondents were asked the following questions:

During 2001, did you or other members of your household donate money, assets, goods, or property for charitable purposes?

If “yes”:

About how much money, including the cash value of any property, did you and

members of your household donate to charity during the entire previous calendar year?

*Besides a church, any other house of worship, or the United Way, could you give me the specific name of a charitable organization that you gave money to in 2001? (If respondent offers more than one name, prompt: Which one is most important to you?)*²¹

If an organization was named:

About what percentage of that organization's 2001 income do you think was from the government? (If respondent answers "Don't know," prompt: We're just interested in your best guess. What's your best guess?—any percentage from zero to one hundred.)

To all respondents who made a charitable donation in 2001:

If a charity you were contributing to were to get an increase in funding from the government, would this make you want to give more, less, or about the same?

The actual percentages of the charitable organizations' revenue from government sources were calculated as follows. For each of the charitable organizations named by respondents that could be matched to a registered 501(c)(3) organization, revenue data were collected from the most recent Form 990 filed with the IRS to maintain tax-exempt status. Filing an annual Form 990 is required of all tax-exempt NPOs with \$25,000 or more in annual gross receipts; for NPOs with less than \$25,000 in annual gross receipts, congregations, denominations, and primary and secondary religious schools, filing is optional, but many such organizations file voluntarily. Data collected from Form 990s included total revenue for the filing year (line 12) and total revenue from government sources (sum of lines 1c, 93f, and 93g).²²

21 United Way was excluded because they generally act as a funding intermediary. Churches and other houses of worship were excluded since they are not required to file Form 990s and rarely apply for government funding.

22 Respondents were asked about donations during 2001 but we used most recent year available. Sixty-one percent of the Form 990s examined were reported as being filed for Fiscal Year 2001, 37 percent for 2000, and less than 1 percent each for 1997, 1998, 1999, and 2002. Data analysis omitting cases with data from years other than 2001 did not yield substantively different results.

Results

Seventy-eight percent (1,170) of those asked reported that they made a charitable contribution in 2001. Of these, 587 were willing to provide an estimate of how much they donated in 2001, with an average reported amount of \$2,789 (s.d. = 5,620). Of those who made a charitable contribution, 86 percent (1,012) said they could name an organization other than the United Way or a religious congregation that they had supported financially in 2001. Of these, 67 percent (675) gave a response that could be matched to an organization filing Form 990.²³ These 675 respondents named a total of 134 charitable organizations. The NPOs' average total income, weighted by number of times named by respondents, was \$249,631,592. The average income from government sources was \$8,981,719; however, 60 percent (402) of these respondents named organizations that reported receiving no government subsidies, making the median income from government zero. Most of the remaining organizations named reported receiving from 1 to 20 percent of their income from government sources, as reported in Figure A1.

23 Of the remaining organizations named, 5 (0.5%) used form 990EZ, which does not include the level of detail needed for the study, 2 (0.2%) were foundations and used form 990PF, 23 (2.3%) were registered with the IRS but not required to file a Form 990, 152 (15.0%) could not be matched to a Form 990 (perhaps because they were not required to file, the respondents provided an inaccurate or ambiguous organization name, or the organization name was recorded incorrectly), and 11 (1.1%) were government entities; 131 (12.9%) responses were invalid (e.g. "homelessness"), and the remaining 13 (1.3%) respondents gave no response.

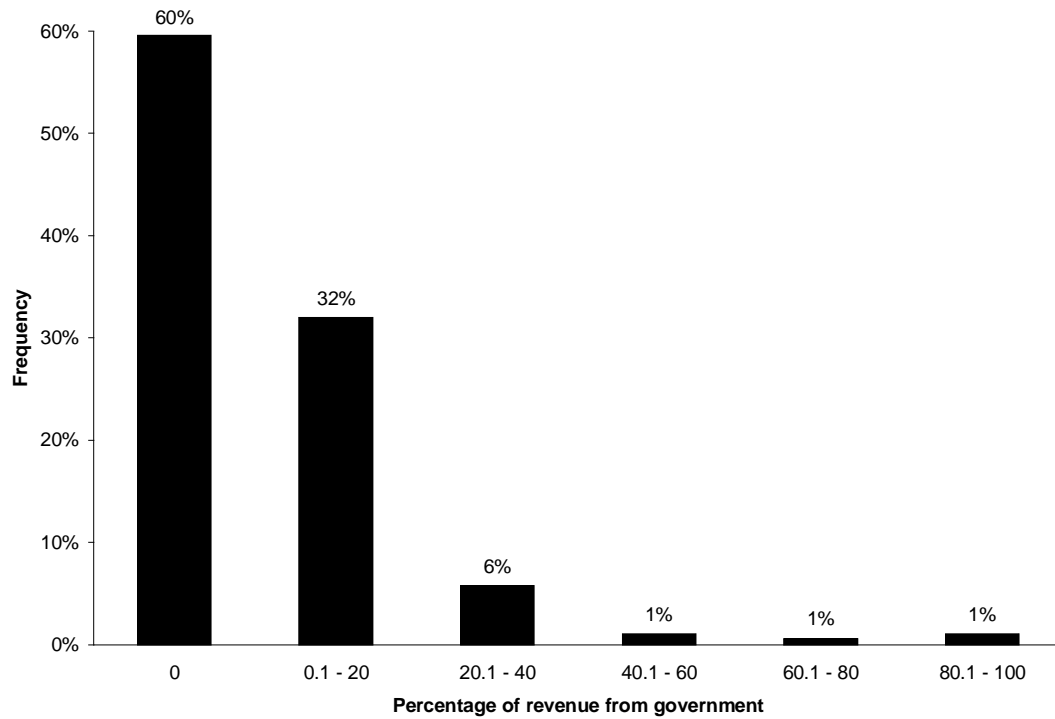


Figure A1. Percentage of revenue from government sources among NPOs named by respondents

Note. N = 675 (organizations are included as many times as named by respondents; a total 134 organizations were named)

The distribution of respondents' estimates of the percentage of their named organizations' income from government sources is presented in Figure A2. Despite being probed with "we're just interested in your best guess," 45 percent (307) of the respondents persisted in answering "don't know" or declined to answer at all. Of the 368 respondents who did offer a guess, 38 percent (140) guessed zero, and 28 percent (103) guessed from 1 to 20 percent.

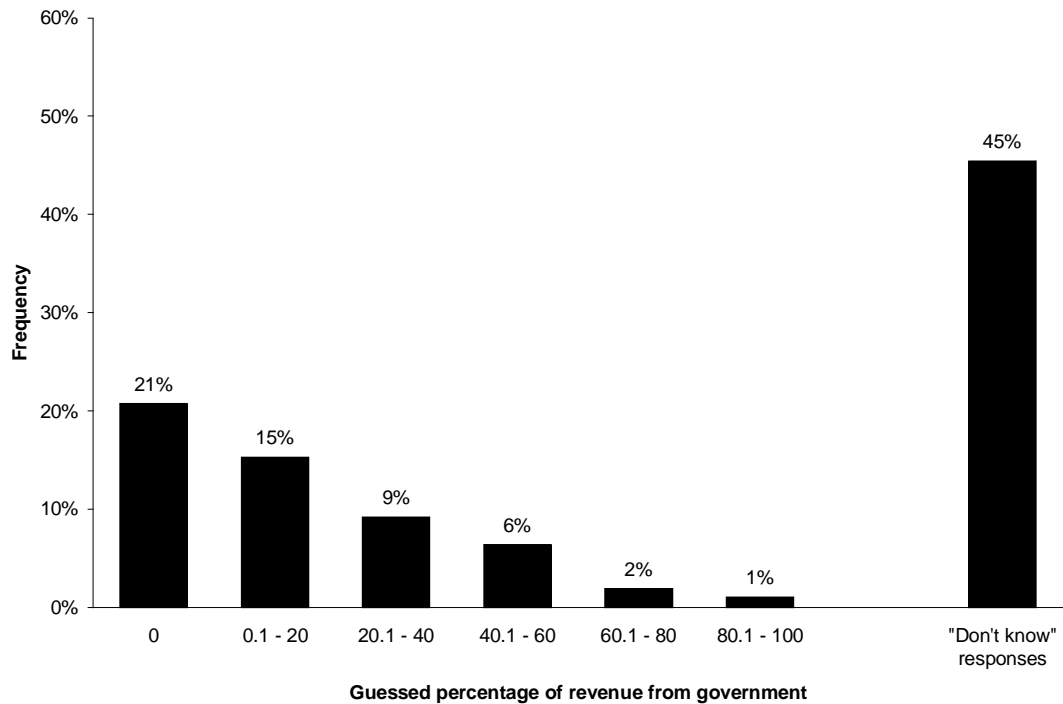


Figure A2. Distribution of respondents' guesses of percentage of NPOs' revenue from government sources

Note. N = 675, including 307 respondents who responded "Don't know" even after being probed with "we're just interested in your best guess"

The 368 respondents' estimates were compared to the corresponding actual percentages of revenue from government funding calculated from the Form 990s.²⁴ The average estimate was 18 percent, while the average actual amount of NPOs' revenue from government sources (again, weighted by number of times named by respondents) was 5 percent (paired *t*-statistic = 9.94, $p < .000$); the average absolute value of the difference between the estimates and actual percentages was 19 percentage points. The correlation of

²⁴ Excluding the "don't know" responses from analysis here provides a more conservative test of the assumption that charitable donors know their beneficiary NPOs' levels of government funding—it is unlikely that respondents who answered "don't know" could have provided more accurate estimates than the respondents who did offer an estimate.

the estimates and actual percentages is depicted in Figure A3. A correlation of one would correspond with perfect guesses, shown as data points extending in a 45 degree line from the origin to the upper right-hand corner of the scatterplot; the somewhat random pattern displayed in Figure A3 and the correlation, in terms of statistical significance, of zero indicate no simple linear relationship between the NPOs' percentage of government funding and respondents' estimates (Pearson's $r = .02, p = .6$).

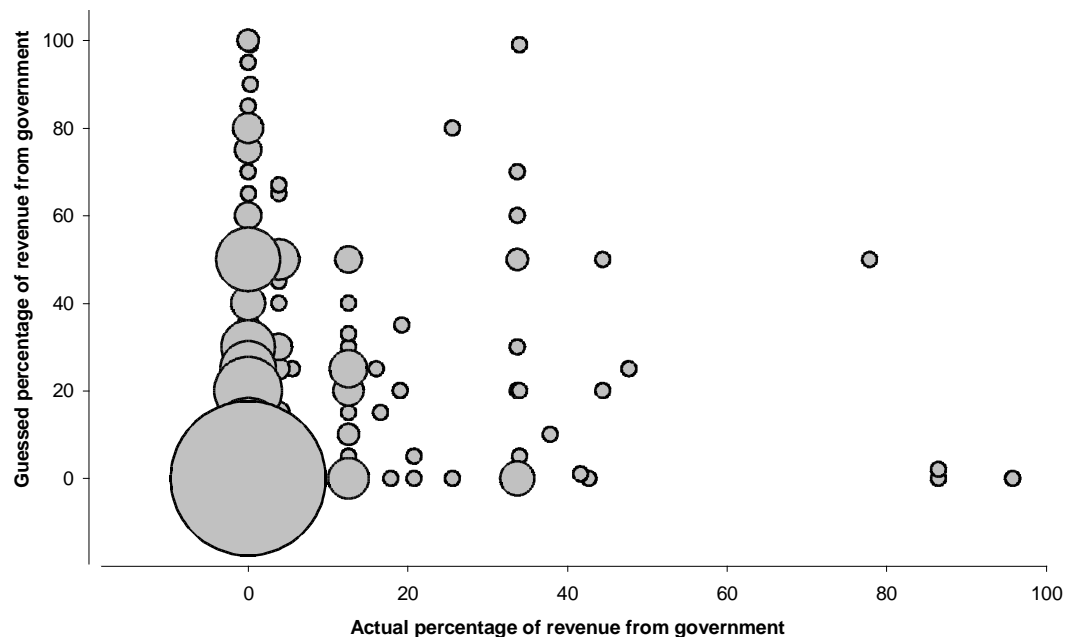


Figure A3. Scatterplot of NPOs' actual percentage of revenue from government sources and respondents' guesses

Note. $N = 368$ (does not include 307 respondents who answered "don't know")

Pearson's $r = .02; p = .6$

Size of each "bubble" indicates frequency; the (0,0) bubble represents 98 responses.

Simple correlation, though, may be too strict a test for the knowledge assumption to have merit. Marginal consumer theory holds that a subset of consumers acting on sufficient knowledge may be adequate to pressure markets toward efficiency (Teske, Schneider, Mintrom, and Best, 1993). Marginal consumer theory may be extended to philanthropic giving to NPOs by casting charitable donors as consumers (though not beneficiaries) of NPOs' charitable activities. Thus, the knowledge assumption underlying the crowding-in/-out hypotheses may need to be only weakly met by a fraction of charitable donors—"marginal donors"—for it to drive crowding in/out. (For a similar application of marginal consumer theory to knowledge assumptions underlying school choice arguments, see Buckley and Schneider, 2003.) Determining the strength of a marginal consumer explanation has a subjective component: No minimum thresholds exist for the accuracy of consumers' knowledge or the number of informed marginal consumers that must be met to fulfill the requirements of marginal consumer theory; we can only assess the plausibility of the marginal consumer explanation.

To facilitate assessing the plausibility of a "marginal donor" explanation of crowding in/out, the distribution of the differences between respondents' estimates and the actual percentage of revenue from government sources is presented in Figure A4. As reported above, 45 percent persisted in answering "don't know," while 28 percent guessed within ± 10 points of the correct percentage. Notable given the preponderance of evidence for crowding out, when NPOs that do not receive government funds are omitted, the proportion of guesses within ± 10 points drops to 18 percent.

The plausibility of the marginal donor explanation would be strengthened if donors with the best knowledge of NPOs' revenue from government sources also made the largest charitable contributions—a small number of donors could more easily account for a

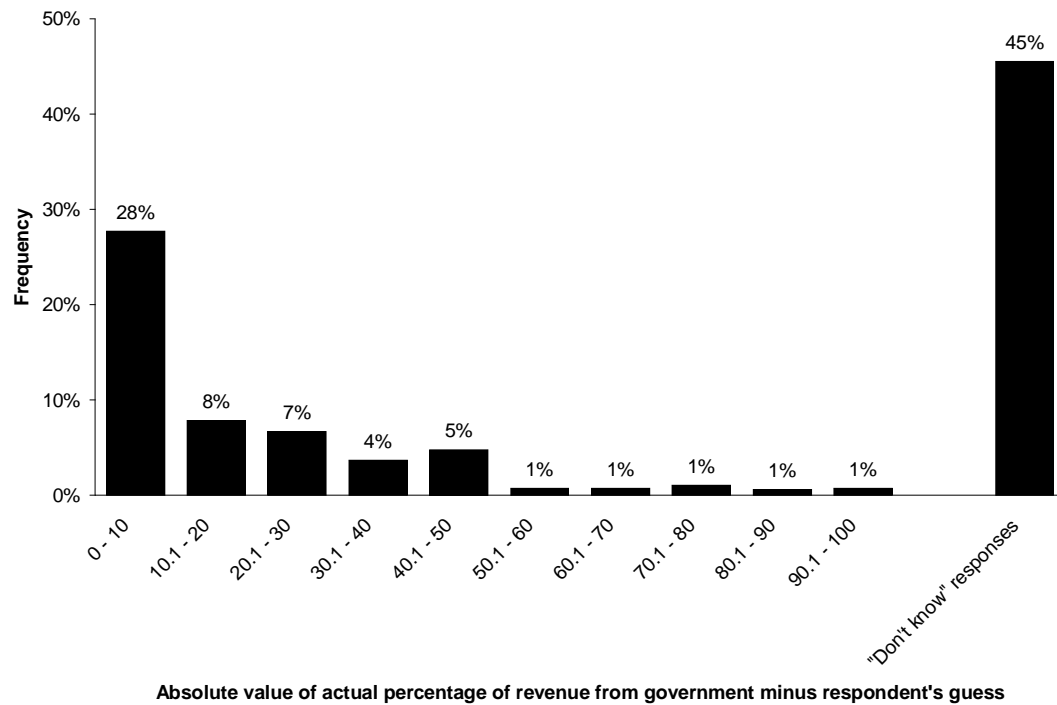


Figure A4. Distribution of differences between actual percentage of NPOs' revenue from government sources and respondents' guesses

Note. N = 675, including 307 respondents who responded "Don't know" even after being probed with "we're just interested in your best guess"

crowding-out relationship if they gave (and subsequent to increased government funding could withdraw) larger gifts. Such does not appear to be the case, though. Of the 112 respondents who both provided an estimate of their 2001 contributions and estimated the government revenue proportion for an NPO that could be matched to IRS data, those whose estimates were within ± 10 points of the actual percentage reported giving an average \$2,660, whereas those who gave less accurate estimates or answered "don't know" reported giving an average \$3,312; the difference between the averages is not statistically significant (t -statistic = 0.69; $p = .494$).

In addition to the weaker requirements of the assumption in the marginal consumer approach, it may be enough that charitable donors can distinguish NPOs that do not receive government funds from those that do; crowding out could occur, for instance, if a number of charitable donors decreased their financial support upon their beneficiary NPO getting its first government grant. This possibility is tested in the contingency table presented in Table A1. The data and the statistically significant Chi-squared statistic indicate that respondents guessed correctly which organizations received no government funds (upper-left quadrant) and those that did (lower-right) more often than would be expected by chance ($\chi^2_{df=1} = 6.2, p = .01$). The difference, though, is small: 53 percent of the respondents guessed correctly, an improvement of only 6 points over the 47 percent that would be expected to guess correctly by chance. Notably, of the respondents whose named organizations received no government funds, the majority (57 percent) guessed that the organizations did receive government funds.

Table A1. Respondents' awareness of whether or not NPOs receive no revenue from government sources

		Actual percentage of NPO's income from government sources	
		0	> 0
		n	n
		Observed % (Expected %)	Observed % (Expected %)
Respondent's estimate of percentage of NPO's income from government sources	0	98 26.6% (23.6%)	42 11.4% (14.5%)
	> 0	130 35.3% (38.4%)	98 26.6% (23.6%)

Note. $\chi^2_{(df=1)} = 6.2; p = .01$

However donors' knowledge is assessed, the crowding-in/-out hypotheses require that donors act on this knowledge. The 675 respondents in our sample who made charitable donations in 2001 were asked how they would respond to their beneficiary NPO receiving an increase in government funding. Of these, 82 percent said they would continue to give at about the same level, 7 percent said their giving would increase, and 8 percent said their giving would decrease (2 percent responded "don't know"). This finding suggests that even when donors are made aware of a change in government funding levels, they may exhibit considerable inertia in their charitable giving. Under a marginal consumer approach, crowding in or out would require a change in giving levels by a few marginal donors. Would the group we identified as "informed" donors—the 28 percent of respondents whose estimates were accurate within ± 10 points—be more responsive? Surprisingly, the distribution of responses for this group is identical to those for the entire sample: 82 percent said their giving would stay the same, 7 percent said their giving would increase, and 8 percent said their giving would decrease (Figure A5).

Conclusion

Under the conventional crowding-in and -out hypotheses, individuals must possess knowledge of government funding levels, and they must act on that knowledge. Our findings offer limited support for the assumption that individuals who make charitable donations know the proportion of their beneficiary organizations' income that comes from government sources. Fully 45 percent declined to even hazard a guess, even after being prodded for their "best guess" and asked a second time. Of those who did offer an estimate, there is no correlation between respondents' estimates and the actual percentages, although a substantial 28 percent estimated within ± 10 points. The validity of this assumption, then, especially

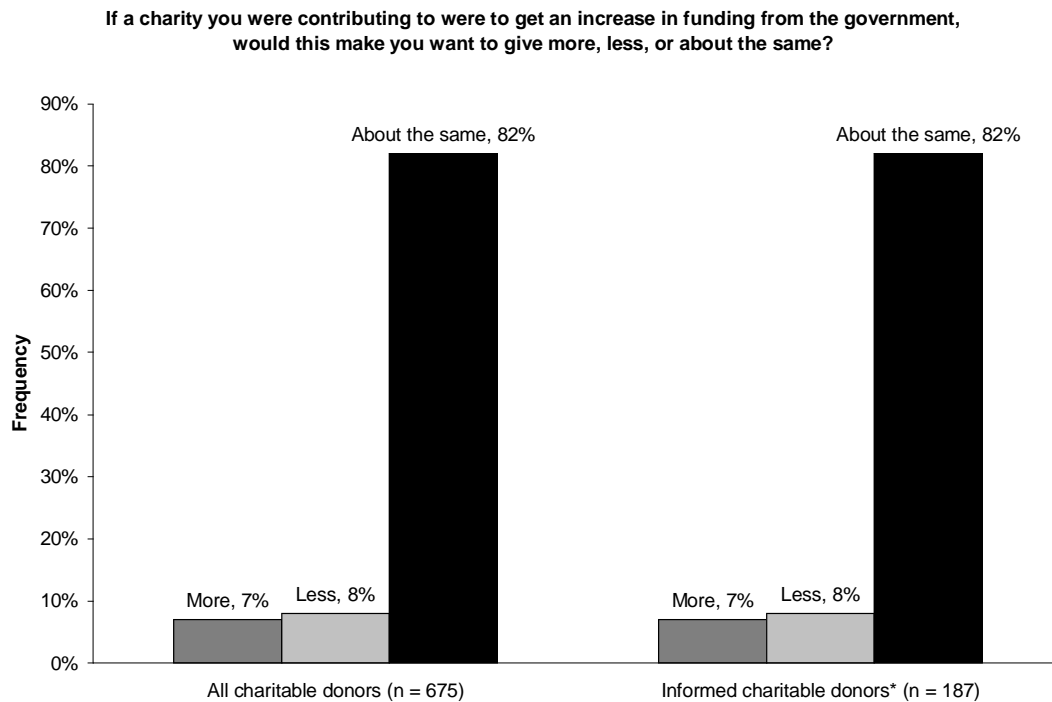


Figure A5. Charitable donors' anticipated response to increased government funding

* "Informed charitable donors" are defined as those whose estimates of their beneficiary NPOs' revenue from government sources were accurate within ± 10 percentage points.

from a marginal consumer perspective that relaxes the requirements of knowledge assumptions, is not wholly disconfirmed by this study, but neither is it strongly supported.

Whether donors respond in a significant way to changes in government funding, though, is greatly challenged by our findings. Donors' anticipated changes in charitable giving to an organization in response to changes in government funding of that organization appear to be highly inelastic. However valid the assumption of donors' knowledge may be, with 82 percent of respondents reporting they would make no change to their contribution in response to increased government funding, the conventional theory may be insufficient to explain observed levels of crowding in or out. These findings in particular should be

interpreted cautiously; survey research of philanthropy is notoriously susceptible to social desirability bias, so respondents may have been disinclined to reveal any anticipation of decreased giving. Even if the number who say their giving would not change is somewhat inflated here, though, the large margin bolsters our confidence that the attitudes of a sizable majority of charitable donors do not resonate with the conventional explanations of crowding in/out assumed to operate in previous research.

Previous research empirically relating levels of government funding and private giving to NPOs, though, cannot be ignored. It may be that previous research has identified a legitimate causal *relationship* between government funding and charitable giving, but misidentified—either in part or in whole—the underlying causal *mechanism*; government funding may very well have a predominant crowding-out effect on charitable giving to nonprofits, or mixed effects for different nonprofit subsectors, but whether these effects are explained convincingly as the aggregated reactions of individual donors to changes in levels of government funding is debatable.

Future research, then, should focus on identifying the correct causal mechanisms that explain the government funding-charitable giving relationship.²⁵ Having cast doubt on the rational behavior of individual donors as a full explanation, our search for causal mechanisms might be expanded to include the actions of the NPOs as well. It may be learned, for example, that NPO administrators spend less time soliciting private donations after receiving a large government grant. Whatever the case, the explanation of government funding's

²⁵ Future research may also improve on this study by examining the reaction of private foundations and corporations to NPOs' levels of government funding; it is plausible that they obtain and act on such information more than individual donors. Even so, foundations' and corporations' reactions to NPOs' government funding levels are unlikely to explain crowding out—in 1997, individual donors' contributions accounted for 85 percent of all private contributions, with foundation and corporate contributions accounting for only 9 percent and 6 percent, respectively (Boris, 1998).

effects on private charity must build on a stronger foundation than provided by the sole reliance on the assumption of private donors' knowledge about and response to government subsidy levels in order to enhance our understanding of the government-nonprofit sector relationship and to inform government and nonprofit decision making.

APPENDIX B

Full regression results for analysis presented in Chapter 3

Table B1 presents the full regression results for all of the regression analyses summarized in Chapter 3. The table is organized first by samples (all NPOs, by subsector, by size, and by percent of 1999 revenue from government sources), then by dependent variable ($\Delta\text{charity}\$_{2000-1999}$, $\Delta\text{direct}\$_{2000-1999}$, $\Delta\text{indirect}\$_{2000-1999}$, $\%\Delta\text{charity}_{2000-1999}$, $\%\Delta\text{direct}_{2000-1999}$, $\%\Delta\text{indirect}_{2000-1999}$), and then by type of subsidy used for independent variables (total subsidy, then government grants). All *t*- and *F*-tests are conducted using robust standard errors. The Adjusted R^2 is Stein's Adjusted R^2 , as discussed in the text.

Table B1. Full results for regression analyses of subsidy-charity relationship

	Dependent Variable	Independent Variables	B	Std. Error	β	<i>t</i> (Sig.)	<i>F</i> (Sig.)	Adj. R^2
All NPOs								
(N = 40,715)	$\Delta\text{charity}\$_{2000-1999}$	(Constant)	75,851.99	15,906.15		4.77 (.000)	52.26 (.000)	.003
		$\Delta\text{subsidy}\$_{1999-1998}$	0.05	0.01	0.04	5.32 (.000)		
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	1.72E-10	0.00	0.02	2.60 (.009)		
(N = 36,982)		(Constant)	79,793.52	15,921.29		5.01 (.000)	17.37 (.000)	.001
		$\Delta\text{grants}\$_{1999-1998}$	0.03	0.01	0.02	2.53 (.011)		
		$(\Delta\text{grants}\$_{1999-1998})^2$	1.73E-10	0.00	0.01	1.99 (.047)		
(N = 40,715)	$\Delta\text{direct}\$_{2000-1999}$	(Constant)	68,107.85	14,048.73		4.85 (.000)	85.14 (.000)	.004
		$\Delta\text{subsidy}\$_{1999-1998}$	0.08	0.01	0.07	10.27 (.000)		
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	-7.75E-11	0.00	-0.01	-1.32 (.186)		
(N = 36,982)		(Constant)	68,829.15	14,057.00		4.90 (.000)	64.70 (.000)	.003
		$\Delta\text{grants}\$_{1999-1998}$	0.12	0.01	0.08	10.65 (.000)		

		$(\Delta \text{grants}_{\$1999-1998})^2$	-3.60E-10	0.00	-0.03	-4.68 (.000)
(N = 40,715)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	7,743.61	7,558.75	1.02 (.306)	36.95 .002 (.000)
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.03	0.00	-0.05 (.000)	-7.89 (.000)
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.50E-10	0.00	0.06 (.000)	7.93 (.000)
(N = 36,982)		(Constant)	10,963.83	7,545.08	1.45 (.146)	112.34 .006 (.000)
		$\Delta \text{grants}_{\$1999-1998}$	-0.09	0.01	-0.10 (.000)	-14.50 (.000)
		$(\Delta \text{grants}_{\$1999-1998})^2$	5.33E-10	0.00	0.09 (.000)	12.91 (.000)
(N = 34,065)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	309.74	108.33	2.86 (.004)	0.19 .000 (.830)
		$\Delta \text{subsidy}_{\%1999-1998}$	347.17	585.17	0.00 (.553)	0.59 (.553)
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-114.22	915.53	0.00 (.901)	-0.12 (.901)
(N = 31,735)		(Constant)	309.39	107.90	2.87 (.004)	0.13 .000 (.877)
		$\Delta \text{grants}_{\%1999-1998}$	318.64	641.58	0.00 (.619)	0.50 (.619)
		$(\Delta \text{grants}_{\%1999-1998})^2$	-107.87	1,038.04	0.00 (.917)	-0.10 (.917)
(N = 32,969)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	186.79	19.37	9.64 (.000)	2.90 .000 (.055)
		$\Delta \text{subsidy}_{\%1999-1998}$	281.00	104.94	0.01 (.007)	2.68 (.007)
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	262.94	164.80	0.01 (.111)	1.60 (.111)
(N = 30,718)		(Constant)	188.80	19.30	9.78 (.000)	2.89 .000 (.056)
		$\Delta \text{grants}_{\%1999-1998}$	255.17	115.36	0.01 (.027)	2.21 (.027)
		$(\Delta \text{grants}_{\%1999-1998})^2$	253.51	188.12	0.01 (.178)	1.35 (.178)
(N = 13,086)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	135.32	53.88	2.51 (.012)	1.34 .000 (.262)

		$\Delta\text{subsidy}\%_{1999-1998}$	520.90	323.19	0.01	1.61 (.107)	
		$(\Delta\text{subsidy}\%_{1999-1998})^2$	226.18	520.88	0.00	0.43 (.664)	
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(N = 12,282)		(Constant)	132.93	53.66		2.48 (.013)	1.67 .000 (.189)
		$\Delta\text{grants}\%_{1999-1998}$	637.77	360.92	0.02	1.77 (.077)	
		$(\Delta\text{grants}\%_{1999-1998})^2$	446.78	599.39	0.01	0.75 (.456)	
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By Subsector							
Animal-Related							
(N = 477)	$\Delta\text{charity}\$_{2000-1999}$	(Constant)	-4,574.68	47,613.28		-0.10 (.923)	4.41 .018 (.013)
		$\Delta\text{subsidy}\$_{1999-1998}$	-0.03	0.12	-0.01	-0.23 (.818)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	-3.76E-08	0.00	-0.13	-2.10 (.036)	
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(N = 355)		(Constant)	-4,627.67	47,619.66		-0.10 (.923)	4.32 .018 (.014)
		$\Delta\text{grants}\$_{1999-1998}$	0.00	0.12	0.00	0.00 (.997)	
		$(\Delta\text{grants}\$_{1999-1998})^2$	-4.01E-08	0.00	-0.13	-2.22 (.027)	
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(N = 477)	$\Delta\text{direct}\$_{2000-1999}$	(Constant)	-19,149.50	46,826.02		-0.41 (.683)	6.51 .027 (.002)
		$\Delta\text{subsidy}\$_{1999-1998}$	0.13	0.11	0.07	1.15 (.250)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	-5.89E-08	0.00	-0.20	-3.34 (.001)	
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(N = 355)		(Constant)	-19,084.28	46,798.41		-0.41 (.684)	6.77 .028 (.001)
		$\Delta\text{grants}\$_{1999-1998}$	0.16	0.12	0.08	1.41 (.160)	
		$(\Delta\text{grants}\$_{1999-1998})^2$	-6.18E-08	0.00	-0.21	-3.49 (.001)	
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(N = 477)	$\Delta\text{indirect}\$_{2000-1999}$	(Constant)	14,574.81	8,297.28		1.76 (.080)	33.17 .123 (.000)
		$\Delta\text{subsidy}\$_{1999-1998}$	-0.16	0.02	-0.44	-7.81 (.000)	
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		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.13E-08	0.00	0.39	6.83 (.000)	
(N = 355)		(Constant)	14,456.61	8,283.83		1.75 (.082)	34.02 .126 (.000)
		$\Delta \text{grants}_{\$1999-1998}$	-0.16	0.02	-0.45	-7.92 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	2.18E-08	0.00	0.39	6.94 (.000)	
(N = 462)	% $\Delta \text{charity}_{2000-1999}$	(Constant)	86.18	23.21		3.71 (.000)	0.36 .002 (.696)
		$\Delta \text{subsidy}_{\%1999-1998}$	152.46	189.95	0.04	0.80 (.423)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-251.56	510.12	-0.02	-0.49 (.622)	
(N = 343)		(Constant)	80.77	22.80		3.54 (.000)	0.39 .002 (.675)
		$\Delta \text{grants}_{\%1999-1998}$	-198.09	223.56	-0.05	-0.89 (.376)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	181.15	547.08	0.02	0.33 (.741)	
(N = 461)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	56.45	12.40		4.55 (.000)	0.16 .001 (.853)
		$\Delta \text{subsidy}_{\%1999-1998}$	54.41	101.40	0.03	0.54 (.592)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-86.17	272.21	-0.02	-0.32 (.752)	
(N = 342)		(Constant)	53.28	12.16		4.38 (.000)	0.63 .003 (.531)
		$\Delta \text{grants}_{\%1999-1998}$	-131.11	119.25	-0.06	-1.10 (.272)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	193.19	291.66	0.03	0.66 (.508)	
(N = 65)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	489.27	363.92		1.34 (.184)	0.46 .015 (.634)
		$\Delta \text{subsidy}_{\%1999-1998}$	3,343.99	3,505.76	0.13	0.95 (.344)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-2,314.28	9,954.43	-0.03	-0.23 (.817)	
(N = 50)		(Constant)	412.52	365.00		1.13 (.263)	0.06 .002 (.943)

		$\Delta \text{grants}\%$ 1999-1998	-1,195.34	3,517.97	-0.04	-0.34 (.735)
		$(\Delta \text{grants}\%$ 1999-1998) ²	1,329.08	9,766.99	0.02	0.14 (.892)
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Arts, Culture, and Humanities						
(N = 4,711)	$\Delta \text{charity}\$$ 2000-1999	(Constant)	100,992.74	37,891.75	2.67 (.008)	4.82 .002 (.008)
		$\Delta \text{subsidy}\$$ 1999-1998	0.14	0.06 0.05	2.29 (.022)	
		$(\Delta \text{subsidy}\$$ 1999-1998) ²	-5.53E-09	0.00 -0.07	-3.09 (.002)	
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(N = 4,652)		(Constant)	93,300.57	37,787.07	2.47 (.014)	18.32 .008 (.000)
		$\Delta \text{grants}\$$ 1999-1998	0.39	0.07 0.15	5.98 (.000)	
		$(\Delta \text{grants}\$$ 1999-1998) ²	-9.85E-09	0.00 -0.13	-5.36 (.000)	
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(N = 4,711)	$\Delta \text{direct}\$$ 2000-1999	(Constant)	95,644.81	37,817.86	2.53 (.011)	5.38 .002 (.005)
		$\Delta \text{subsidy}\$$ 1999-1998	0.15	0.06 0.06	2.50 (.012)	
		$(\Delta \text{subsidy}\$$ 1999-1998) ²	-5.84E-09	0.00 -0.08	-3.28 (.001)	
<hr/>						
(N = 4,652)		(Constant)	87,910.87	37,706.66	2.33 (.020)	19.74 .008 (.000)
		$\Delta \text{grants}\$$ 1999-1998	0.40	0.07 0.15	6.21 (.000)	
		$(\Delta \text{grants}\$$ 1999-1998) ²	-1.02E-08	0.00 -0.14	-5.56 (.000)	
<hr/>						
(N = 4,711)	$\Delta \text{indirect}\$$ 2000-1999	(Constant)	5,347.93	2,917.21	1.83 (.067)	3.62 .002 (.027)
		$\Delta \text{subsidy}\$$ 1999-1998	-0.01	0.00 -0.06	-2.67 (.008)	
		$(\Delta \text{subsidy}\$$ 1999-1998) ²	3.17E-10	0.00 0.06	2.30 (.021)	
<hr/>						
(N = 4,652)		(Constant)	5,389.71	2,917.29	1.85 (.065)	3.91 .002 (.020)
		$\Delta \text{grants}\$$ 1999-1998	-0.01	0.01 -0.07	-2.78 (.005)	
		$(\Delta \text{grants}\$$ 1999-1998) ²	3.43E-10	0.00 0.06	2.42 (.016)	

(N = 4,596)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	80.79	12.20	6.62 (.000)	11.24 (.000)	.005
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	301.99	77.25	0.06	3.91 (.000)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	326.54	144.78	0.03	2.26 (.024)	
<hr/>							
(N = 4,456)		(Constant)	81.77	12.19	6.71 (.000)	9.10 (.000)	.004
		Δ grants% ₁₉₉₉₋₁₉₉₈	268.86	78.07	0.05	3.44 (.001)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	279.83	144.71	0.03	1.93 (.053)	
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(N = 4,563)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	80.21	13.21	6.07 (.000)	13.78 (.000)	.006
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	144.97	83.76	0.03	1.73 (.084)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	742.68	156.82	0.07	4.74 (.000)	
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(N = 4,514)		(Constant)	81.37	13.20	6.17 (.000)	11.88 (.000)	.005
		Δ grants% ₁₉₉₉₋₁₉₉₈	99.39	84.68	0.02	1.17 (.241)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	701.47	156.77	0.07	4.47 (.000)	
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(N = 698)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	56.65	22.45	2.52 (.012)	2.69 (.069)	.008
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	349.11	163.73	0.09	2.13 (.033)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	428.22	277.07	0.06	1.55 (.123)	
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(N = 695)		(Constant)	56.17	22.45	2.50 (.013)	2.84 (.059)	.008
		Δ grants% ₁₉₉₉₋₁₉₉₈	358.85	163.33	0.09	2.20 (.028)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	430.78	277.12	0.06	1.55 (.121)	
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Civil Rights, Social Action, and Advocacy							
(N = 221)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	115,706.13	50,824.40	2.28 (.024)	4.18 (.016)	.037

		$\Delta\text{subsidy}_{\$1999-1998}$	-0.08	0.16	-0.06	-0.49 (.624)
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	-3.45E-08	0.00	-0.14	-1.08 (.281)
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(N = 215)		(Constant)	115,836.33	50,928.97	2.27 (.024)	4.18 .037 (.017)
		$\Delta\text{grants}_{\$1999-1998}$	-0.09	0.18	-0.07	-0.49 (.624)
		$(\Delta\text{grants}_{\$1999-1998})^2$	-3.26E-08	0.00	-0.13	-0.92 (.357)
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(N = 221)	$\Delta\text{direct}_{\$2000-1999}$	(Constant)	114,365.32	50,024.89	2.29 (.023)	4.04 .036 (.019)
		$\Delta\text{subsidy}_{\$1999-1998}$	0.02	0.16	0.01	0.11 (.913)
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	-4.98E-08	0.00	-0.20	-1.59 (.114)
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(N = 215)		(Constant)	113,435.21	50,127.20	2.26 (.025)	4.03 .036 (.019)
		$\Delta\text{grants}_{\$1999-1998}$	0.03	0.18	0.02	0.17 (.865)
		$(\Delta\text{grants}_{\$1999-1998})^2$	-5.21E-08	0.00	-0.21	-1.50 (.136)
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(N = 221)	$\Delta\text{indirect}_{\$2000-1999}$	(Constant)	1,340.81	8,339.11	0.16 (.872)	6.70 .058 (.001)
		$\Delta\text{subsidy}_{\$1999-1998}$	-0.10	0.03	-0.46	-3.65 (.000)
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	1.53E-08	0.00	0.37	2.92 (.004)
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(N = 215)		(Constant)	2,401.12	8,301.69	0.29 (.773)	8.22 .070 (.000)
		$\Delta\text{grants}_{\$1999-1998}$	-0.12	0.03	-0.55	-4.04 (.000)
		$(\Delta\text{grants}_{\$1999-1998})^2$	1.95E-08	0.00	0.46	3.38 (.001)
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(N = 205)	$\% \Delta\text{charity}_{2000-1999}$	(Constant)	159.27	84.48	1.89 (.061)	0.09 .001 (.915)
		$\Delta\text{subsidy}_{\% 1999-1998}$	-144.37	534.87	-0.02	-0.27 (.787)
		$(\Delta\text{subsidy}_{\% 1999-1998})^2$	-288.98	911.47	-0.02	-0.32 (.752)

(N = 201)		(Constant)	158.85	84.36	1.88 (.061)	0.08 (.919)	
		$\Delta \text{grants}\%_{1999-1998}$	-139.69	538.56	-0.02 (.796)	-0.26 (.796)	
		$(\Delta \text{grants}\%_{1999-1998})^2$	-284.94	911.65	-0.02 (.755)	-0.31 (.755)	
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(N = 195)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	127.07	84.35	1.51 (.134)	0.07 (.935)	.001
		$\Delta \text{subsidy}\%_{1999-1998}$	-157.28	535.31	-0.02 (.769)	-0.29 (.769)	
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	-184.60	891.27	-0.01 (.836)	-0.21 (.836)	
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(N = 191)		(Constant)	126.70	84.22	1.50 (.134)	0.06 (.938)	.001
		$\Delta \text{grants}\%_{1999-1998}$	-153.96	539.08	-0.02 (.775)	-0.29 (.775)	
		$(\Delta \text{grants}\%_{1999-1998})^2$	-182.04	891.38	-0.01 (.838)	-0.20 (.838)	
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(N = 92)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	214.81	207.50	1.04 (.303)	2.99 (.055)	.101
		$\Delta \text{subsidy}\%_{1999-1998}$	-4,974.84	1,766.13	-0.29 (.006)	-2.82 (.006)	
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	11,178.46	6,130.86	0.19 (.072)	1.82 (.072)	
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(N = 91)		(Constant)	212.09	207.77	1.02 (.310)	2.93 (.058)	.100
		$\Delta \text{grants}\%_{1999-1998}$	-4,924.64	1,760.94	-0.28 (.006)	-2.80 (.006)	
		$(\Delta \text{grants}\%_{1999-1998})^2$	11,120.02	6,135.12	0.18 (.073)	1.81 (.073)	
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Colleges and Universities							
(N = 899)	$\Delta \text{charity}\$_{2000-1999}$	(Constant)	1,267,245.54	528,479.77	2.40 (.017)	6.43 (.002)	.014
		$\Delta \text{subsidy}\$_{1999-1998}$	0.35	0.12	0.17 (.003)	3.01 (.003)	
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	-1.15E-09	0.00	-0.07 (.219)	-1.23 (.219)	
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(N = 879)		(Constant)	1,318,635.3 6	531,872.55	2.48 (.013)	2.54 (.079)	.006
		$\Delta \text{grants}\$_{1999-1998}$	0.34	0.15	0.08 (.024)	2.25 (.024)	

		$(\Delta \text{grants}_{\$1999-1998})^2$	-6.00E-10	0.00	-0.01	-0.18 (.860)	
(N = 899)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	1,241,336.2 8	522,912.27		2.37 (.018)	6.04 .013 (.002)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.33	0.12	0.16	2.87 (.004)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.03E-09	0.00	-0.06	-1.11 (.268)	
(N = 879)		(Constant)	1,291,356.1 4	526,061.77		2.45 (.014)	2.51 .006 (.082)
		$\Delta \text{grants}_{\$1999-1998}$	0.33	0.15	0.07	2.24 (.025)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-6.19E-10	0.00	-0.01	-0.18 (.854)	
(N = 899)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	25,909.27	32,622.79		0.79 (.427)	3.88 .009 (.021)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.02	0.01	0.15	2.78 (.006)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.24E-10	0.00	-0.12	-2.15 (.032)	
(N = 879)		(Constant)	27,279.22	32,824.91		0.83 (.406)	0.21 .000 (.814)
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.01	0.02	0.62 (.533)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.94E-11	0.00	0.00	0.09 (.926)	
(N = 866)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	207.68	110.72		1.88 (.061)	0.09 .000 (.910)
		$\Delta \text{subsidy}_{\%1999-1998}$	619.38	1,567.88	0.01	0.40 (.693)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-739.49	2,391.27	-0.01	-0.31 (.757)	
(N = 846)		(Constant)	206.29	110.67		1.86 (.063)	0.03 .000 (.971)
		$\Delta \text{grants}_{\%1999-1998}$	268.64	1,687.78	0.01	0.16 (.874)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	-588.27	2,809.63	-0.01	-0.21 (.834)	
(N = 862)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	263.91	122.43		2.16 (.031)	0.03 .000 (.975)

		$\Delta\text{subsidy}\%_{1999-1998}$	169.08	1,730.17	0.00	0.10 (.922)	
		$(\Delta\text{subsidy}\%_{1999-1998})^2$	-595.86	2,638.21	-0.01	-0.23 (.821)	
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(N = 842)		(Constant)	262.31	122.37		2.14 (.032)	0.03 .000 (.971)
		$\Delta\text{grants}\%_{1999-1998}$	-253.81	1,862.42	0.00	-0.14 (.892)	
		$(\Delta\text{grants}\%_{1999-1998})^2$	-522.68	3,099.40	-0.01	-0.17 (.866)	
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(N = 138)	$\% \Delta\text{indirect}_{2000-1999}$	(Constant)	55.86	38.14		1.46 (.145)	0.07 .001 (.929)
		$\Delta\text{subsidy}\%_{1999-1998}$	454.15	1,189.12	0.08	0.38 (.703)	
		$(\Delta\text{subsidy}\%_{1999-1998})^2$	-558.22	1,510.93	-0.08	-0.37 (.712)	
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(N = 136)		(Constant)	55.93	38.19		1.46 (.145)	0.07 .001 (.930)
		$\Delta\text{grants}\%_{1999-1998}$	453.60	1,198.53	0.08	0.38 (.706)	
		$(\Delta\text{grants}\%_{1999-1998})^2$	-557.45	1,521.20	-0.08	-0.37 (.715)	
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Community Improvement and Capacity Building							
(N = 2,101)	$\Delta\text{charity}\$_{2000-1999}$	(Constant)	-10,096.69	39,297.38		-0.26 (.797)	11.49 .011 (.000)
		$\Delta\text{subsidy}\$_{1999-1998}$	-0.18	0.04	-0.12	-4.46 (.000)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	2.90E-09	0.00	0.04	1.33 (.183)	
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(N = 1,996)		(Constant)	-10,434.92	39,292.51		-0.27 (.791)	11.48 .011 (.000)
		$\Delta\text{grants}\$_{1999-1998}$	-0.18	0.04	-0.12	-4.46 (.000)	
		$(\Delta\text{grants}\$_{1999-1998})^2$	2.92E-09	0.00	0.04	1.34 (.180)	
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(N = 2,101)	$\Delta\text{direct}\$_{2000-1999}$	(Constant)	2,106.22	20,123.95		0.10 (.917)	0.13 .000 (.881)
		$\Delta\text{subsidy}\$_{1999-1998}$	-0.01	0.02	-0.01	-0.42 (.672)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	4.45E-11	0.00	0.00	0.04 (.968)	
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(N = 1,996)		(Constant)	2,135.01	20,121.21	0.11 (.916)	0.14 (.869)	.000
		$\Delta \text{grants}_{\$1999-1998}$	-0.01	0.02 -0.01	-0.45 (.651)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	6.67E-11	0.00 0.00	0.06 (.952)		
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(N = 2,101)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	-12,202.91	29,202.41	-0.42 (.676)	18.68 (.000)	.017
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.17	0.03 -0.16	-5.71 (.000)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.86E-09	0.00 0.05	1.77 (.078)		
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(N = 1,996)		(Constant)	-12,569.93	29,200.53	-0.43 (.667)	18.54 (.000)	.017
		$\Delta \text{grants}_{\$1999-1998}$	-0.17	0.03 -0.16	-5.69 (.000)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	2.85E-09	0.00 0.05	1.76 (.078)		
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(N = 1,595)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	190.68	80.87	2.36 (.019)	1.46 (.233)	.002
		$\Delta \text{subsidy}_{\%1999-1998}$	552.53	323.83 0.04	1.71 (.088)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	139.46	516.79 0.01	0.27 (.787)		
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(N = 1,595)		(Constant)	190.41	80.79	2.36 (.019)	1.36 (.257)	.002
		$\Delta \text{grants}_{\%1999-1998}$	554.34	336.24 0.04	1.65 (.099)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	137.68	554.46 0.01	0.25 (.804)		
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(N = 1,752)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	235.48	88.22	2.67 (.008)	1.20 (.302)	.002
		$\Delta \text{subsidy}_{\%1999-1998}$	540.59	350.94 0.04	1.54 (.124)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	29.90	565.19 0.00	0.05 (.958)		
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(N = 1,534)		(Constant)	234.92	88.13	2.67 (.008)	1.15 (.315)	.001
		$\Delta \text{grants}_{\%1999-1998}$	552.51	364.93 0.04	1.51 (.130)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	36.27	607.61	0.00	0.06 (.952)	
(N = 417)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	73.57	46.13		1.60 (.111)	0.10 .000 (.907)
		$\Delta \text{subsidy} \%_{1999-1998}$	101.30	243.73	0.02	0.42 (.678)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	31.22	374.08	0.00	0.08 (.934)	
(N = 400)		(Constant)	75.20	46.31		1.62 (.105)	0.03 .000 (.972)
		$\Delta \text{grants} \%_{1999-1998}$	41.40	232.37	0.01	0.18 (.859)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-21.91	362.15	0.00	-0.06 (.952)	
Crime and Legal-Related							
(N = 1,314)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	17,596.28	7,916.97		2.22 (.026)	0.36 .001 (.695)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.01	0.01	0.02	0.45 (.654)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-1.15E-09	0.00	-0.03	-0.84 (.401)	
(N = 1,214)		(Constant)	17,996.83	7,873.19		2.29 (.022)	0.12 .000 (.889)
		$\Delta \text{grants} \$_{1999-1998}$	0.00	0.01	0.00	0.02 (.982)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-4.49E-10	0.00	-0.01	-0.46 (.645)	
(N = 1,314)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	12,725.15	7,333.09		1.74 (.083)	1.50 .002 (.223)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.01	0.06	1.51 (.131)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-2.09E-09	0.00	-0.06	-1.64 (.101)	
(N = 1,214)		(Constant)	13,848.35	7,297.36		1.90 (.058)	0.39 .001 (.678)
		$\Delta \text{grants} \$_{1999-1998}$	0.01	0.01	0.02	0.59 (.555)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-7.44E-10	0.00	-0.02	-0.82 (.411)	

(N = 1,314)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	4,869.81	3,051.75	1.60 (.111)	3.05 (.048)	.005
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.01	0.01 -0.09	-2.46 (.014)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	9.36E-10	0.00 0.07	1.77 (.077)		
(N = 1,214)		(Constant)	4,147.18	3,039.09	1.36 (.173)	0.98 (.377)	.001
		$\Delta \text{grants}_{\$1999-1998}$	-0.01	0.00 -0.04	-1.36 (.174)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	2.95E-10	0.00 0.02	0.78 (.434)		
(N = 1,087)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	3,409.61	3,045.21	1.12 (.263)	0.05 (.955)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	489.44	15,585.39 0.00	0.03 (.975)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-7,183.03	23,832.48 -0.01	-0.30 (.763)		
(N = 1,071)		(Constant)	3,383.77	3,030.40	1.12 (.264)	0.04 (.958)	.000
		$\Delta \text{grants}_{\%1999-1998}$	896.04	17,308.35 0.00	0.05 (.959)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-7,976.30	27,229.11 -0.01	-0.29 (.770)		
(N = 1,079)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	357.54	134.95	2.65 (.008)	0.14 (.868)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	288.45	685.24 0.01	0.42 (.674)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-344.99	1,054.15 -0.01	-0.33 (.744)		
(N = 1,025)		(Constant)	360.35	134.28	2.68 (.007)	0.22 (.802)	.000
		$\Delta \text{grants}_{\%1999-1998}$	393.55	753.69 0.02	0.52 (.602)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-559.81	1,182.36 -0.01	-0.47 (.636)		
(N = 559)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	26.70	8.50	3.14 (.002)	1.73 (.179)	.006
		$\Delta \text{subsidy}_{\%1999-1998}$	57.38	45.11 0.05	1.27 (.204)		

			$(\Delta \text{subsidy} \%_{1999-1998})^2$	-95.32	70.13	-0.06	-1.36 (.175)	
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(N = 539)		(Constant)		22.59	8.49		2.66 (.008)	0.10 .000 (.905)
		$\Delta \text{grants} \%_{1999-1998}$		14.61	48.43	0.01	0.30 (.763)	
		$(\Delta \text{grants} \%_{1999-1998})^2$		26.21	76.11	0.01	0.34 (.731)	
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Diseases and Medical Disciplines								
(N = 962)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)		264,557.23	128,544.87		2.06 (.040)	2.32 .005 (.099)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.45	0.21	0.09	2.15 (.032)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-2.35E-08	0.00	-0.05	-1.28 (.200)	
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(N = 879)		(Constant)		259,405.29	128,330.11		2.02 (.044)	3.29 .007 (.038)
		$\Delta \text{grants} \$_{1999-1998}$		0.62	0.24	0.11	2.56 (.011)	
		$(\Delta \text{grants} \$_{1999-1998})^2$		-3.19E-08	0.00	-0.07	-1.65 (.100)	
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(N = 962)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)		210,925.35	124,245.31		1.70 (.090)	1.72 .004 (.180)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.38	0.20	0.08	1.85 (.065)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-1.91E-08	0.00	-0.04	-1.08 (.281)	
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(N = 879)		(Constant)		206,185.58	124,058.55		1.66 (.097)	2.52 .005 (.081)
		$\Delta \text{grants} \$_{1999-1998}$		0.52	0.23	0.10	2.24 (.025)	
		$(\Delta \text{grants} \$_{1999-1998})^2$		-2.66E-08	0.00	-0.06	-1.42 (.155)	
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(N = 962)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)		53,631.88	57,054.83		0.94 (.347)	0.34 .001 (.713)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.08	0.09	0.03	0.82 (.411)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-4.36E-09	0.00	-0.02	-0.54 (.592)	
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(N = 879)		(Constant)	53,219.71	57,013.14	0.93 (.351)	0.40 (.674)	.001
		$\Delta \text{grants}_{\$1999-1998}$	0.09	0.11 0.04	0.89 (.374)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-5.25E-09	0.00 -0.03	-0.61 (.541)		
(N = 906)	% $\Delta \text{charity}_{2000-1999}$	(Constant)	850.09	768.80	1.11 (.269)	0.04 (.958)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	470.28	3,995.39 0.00	0.12 (.906)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-1,411.36	5,583.22 -0.01	-0.25 (.800)		
(N = 829)		(Constant)	841.07	763.79	1.10 (.271)	0.04 (.961)	.000
		$\Delta \text{grants}_{\%1999-1998}$	731.65	4,692.60 0.01	0.16 (.876)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-1,701.35	6,904.47 -0.01	-0.25 (.805)		
(N = 892)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	85.51	16.90	5.06 (.000)	0.34 (.714)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	-66.21	87.22 -0.03	-0.76 (.448)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	27.46	121.81 0.01	0.23 (.822)		
(N = 817)		(Constant)	89.48	16.79	5.33 (.000)	0.27 (.763)	.001
		$\Delta \text{grants}_{\%1999-1998}$	-6.20	102.49 0.00	-0.06 (.952)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-109.39	150.62 -0.02	-0.73 (.468)		
(N = 464)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	26.10	16.85	1.55 (.122)	1.32 (.267)	.006
		$\Delta \text{subsidy}_{\%1999-1998}$	180.43	110.98 0.08	1.63 (.105)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	73.56	168.63 0.02	0.44 (.663)		
(N = 433)		(Constant)	25.64	16.77	1.53 (.127)	1.02 (.363)	.004
		$\Delta \text{grants}_{\%1999-1998}$	162.84	116.28 0.07	1.40 (.162)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	48.60	174.41	0.01	0.28 (.781)	
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Education							
(N = 2,525)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	79,832.49	31,696.03		2.52 (.012)	12.72 .010 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.04	0.02	0.10	1.94 (.053)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-5.90E-12	0.00	0.00	-0.07 (.946)	
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(N = 2,309)		(Constant)	75,805.08	31,793.64		2.38 (.017)	13.85 .011 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.07	0.03	0.21	2.39 (.017)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-1.81E-10	0.00	-0.11	-1.26 (.207)	
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(N = 2,525)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	54,270.53	25,920.94		2.09 (.036)	16.87 .013 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.01	0.06	1.10 (.271)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	7.89E-11	0.00	0.06	1.10 (.271)	
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(N = 2,309)		(Constant)	54,016.56	26,013.32		2.08 (.038)	16.76 .013 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.02	0.03	0.07	0.78 (.435)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	6.40E-11	0.00	0.05	0.55 (.586)	
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(N = 2,525)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	25,561.96	18,310.11		1.40 (.163)	1.62 .001 (.198)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.01	0.10	1.80 (.072)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-8.48E-11	0.00	-0.09	-1.68 (.094)	
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(N = 2,309)		(Constant)	21,788.51	18,352.90		1.19 (.235)	4.61 .004 (.010)
		$\Delta \text{grants} \$_{1999-1998}$	0.05	0.02	0.27	3.04 (.002)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-2.45E-10	0.00	-0.26	-2.96 (.003)	
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(N = 2,101)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	179.01	49.47	3.62 (.000)	0.09 (.917)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	113.92	286.25	0.01 (.691)	0.40	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-70.17	429.56	0.00 (.870)	-0.16	
(N = 1,955)		(Constant)	178.99	49.35	3.63 (.000)	0.03 (.969)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	74.55	335.70	0.00 (.824)	0.22	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-90.28	554.48	0.00 (.871)	-0.16	
(N = 2,048)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	191.27	50.69	3.77 (.000)	0.09 (.915)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	76.65	291.19	0.01 (.792)	0.26	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-153.90	435.33	-0.01 (.724)	-0.35	
(N = 1,904)		(Constant)	191.94	50.55	3.80 (.000)	0.09 (.918)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	41.97	343.32	0.00 (.903)	0.12	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-232.31	563.91	-0.01 (.680)	-0.41	
(N = 588)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	26.63	9.95	2.68 (.008)	0.13 (.879)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	-17.95	65.45	-0.01 (.784)	-0.27	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	33.78	102.17	0.01 (.741)	0.33	
(N = 562)		(Constant)	27.04	9.98	2.71 (.007)	0.04 (.962)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	-18.45	81.35	-0.01 (.821)	-0.23	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	38.03	159.29	0.01 (.811)	0.24	
Employment							
(N = 1,288)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	13,262.77	7,637.76	1.74 (.083)	0.22 (.802)	.000
		Δ subsidy\$ ₁₉₉₉₋₁₉₉₈	0.00	0.01	0.02 (.549)	0.60	

		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-3.56E-10	0.00 -0.02 -0.53 (.598)	
(N = 1,122)		(Constant)	13,336.73	7,616.07	1.75 0.51 .001 (.080) (.600)
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.01 0.03 0.85 (.393)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-9.52E-10	0.00 -0.04 -0.97 (.330)	
(N = 1,288)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	11,606.26	7,465.88	1.55 0.04 .000 (.120) (.961)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.01 0.01 0.22 (.828)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.70E-10	0.00 -0.01 -0.26 (.797)	
(N = 1,122)		(Constant)	11,725.33	7,445.79	1.57 0.14 .000 (.116) (.871)
		$\Delta \text{grants}_{\$1999-1998}$	0.00	0.01 0.01 0.32 (.747)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-5.00E-10	0.00 -0.02 -0.52 (.600)	
(N = 1,288)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	1,656.53	1,474.77	1.12 2.18 .003 (.262) (.114)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.00 0.06 2.00 (.045)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.86E-10	0.00 -0.04 -1.43 (.154)	
(N = 1,122)		(Constant)	1,611.41	1,468.68	1.10 4.14 .006 (.273) (.016)
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.00 0.10 2.79 (.005)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-4.51E-10	0.00 -0.09 -2.40 (.017)	
(N = 965)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	410.40	164.36	2.50 0.14 .000 (.013) (.873)
		$\Delta \text{subsidy}_{\%1999-1998}$	171.80	981.62 0.01 0.18 (.861)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-538.58	1,389.44 -0.01 -0.39 (.698)	
(N = 847)		(Constant)	410.68	164.33	2.50 0.13 .000 (.013) (.877)

		$\Delta \text{grants} \%_{1999-1998}$	170.38	917.94	0.01	0.19 (.853)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-546.63	1,289.18	-0.01	-0.42 (.672)	
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(N = 919)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	409.97	169.61		2.42 (.016)	0.11 .000 (.897)
		$\Delta \text{subsidy} \%_{1999-1998}$	178.72	1,003.54	0.01	0.18 (.859)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-488.06	1,431.85	-0.01	-0.34 (.733)	
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(N = 804)		(Constant)	404.93	169.53		2.39 (.017)	0.05 .000 (.949)
		$\Delta \text{grants} \%_{1999-1998}$	139.32	959.27	0.00	0.15 (.885)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-342.96	1,362.82	-0.01	-0.25 (.801)	
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(N = 404)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	82.44	39.00		2.11 (.035)	0.03 .000 (.969)
		$\Delta \text{subsidy} \%_{1999-1998}$	30.01	222.23	0.01	0.14 (.893)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-50.47	314.90	-0.01	-0.16 (.873)	
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(N = 344)		(Constant)	82.41	39.01		2.11 (.035)	0.02 .000 (.976)
		$\Delta \text{grants} \%_{1999-1998}$	-4.15	220.31	0.00	-0.02 (.985)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-68.66	314.57	-0.01	-0.22 (.827)	
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Environment							
(N = 802)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	104,423.84	60,896.67		1.71 (.087)	301.46 .430 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.58	0.13	0.26	4.54 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	5.11E-08	0.00	0.41	7.19 (.000)	
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(N = 773)		(Constant)	167,375.54	73,595.79		2.27 (.023)	78.85 .165 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	-0.04	0.17	-0.01	-0.23 (.822)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	5.72E-08	0.00	0.42	6.54 (.000)	
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(N = 802)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	102,649.49	60,850.81	1.69	301.46	.430
					(.092)	(.000)	
		$\Delta \text{subsidy}_{\$1999-1998}$	0.58	0.13	0.26	4.55	
						(.000)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	5.09E-08	0.00	0.41	7.18	
						(.000)	
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(N = 773)		(Constant)	165,618.52	73,552.57	2.25	78.69	.165
					(.025)	(.000)	
		$\Delta \text{grants}_{\$1999-1998}$	-0.04	0.16	-0.01	-0.22	
						(.828)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	5.70E-08	0.00	0.42	6.52	
						(.000)	
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(N = 802)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	1,774.36	1,899.04	0.93	0.32	.001
					(.350)	(.727)	
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.00	-0.03	-0.42	
						(.677)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	1.52E-10	0.00	0.05	0.69	
						(.493)	
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(N = 773)		(Constant)	1,757.03	1,895.85	0.93	0.35	.001
					(.354)	(.708)	
		$\Delta \text{grants}_{\$1999-1998}$	0.00	0.00	-0.02	-0.32	
						(.752)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.49E-10	0.00	0.05	0.66	
						(.509)	
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(N = 726)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	174.88	51.74	3.38	0.09	.000
					(.001)	(.910)	
		$\Delta \text{subsidy}_{\% 1999-1998}$	103.87	240.02	0.02	0.43	
						(.665)	
		$(\Delta \text{subsidy}_{\% 1999-1998})^2$	-20.32	431.87	0.00	-0.05	
						(.962)	
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(N = 706)		(Constant)	177.30	51.67	3.43	0.11	.000
					(.001)	(.893)	
		$\Delta \text{grants}_{\% 1999-1998}$	114.72	244.45	0.02	0.47	
						(.639)	
		$(\Delta \text{grants}_{\% 1999-1998})^2$	-74.81	443.91	-0.01	-0.17	
						(.866)	
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(N = 721)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	142.23	39.10	3.64	0.51	.001
					(.000)	(.599)	
		$\Delta \text{subsidy}_{\% 1999-1998}$	169.43	182.95	0.04	0.93	
						(.355)	

			$(\Delta \text{subsidy} \%_{1999-1998})^2$	82.38	333.45	0.01	0.25 (.805)	
(N = 701)		(Constant)		144.96	39.05		3.71 (.000)	0.51 .001 (.601)
		$\Delta \text{grants} \%_{1999-1998}$		182.71	186.45	0.04	0.98 (.327)	
		$(\Delta \text{grants} \%_{1999-1998})^2$		27.64	343.37	0.00	0.08 (.936)	
(N = 116)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)		17.84	14.15		1.26 (.210)	1.68 .029 (.190)
		$\Delta \text{subsidy} \%_{1999-1998}$		79.00	75.97	0.10	1.04 (.301)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$		-254.47	142.78	-0.18	-1.78 (.077)	
(N = 115)		(Constant)		16.42	14.17		1.16 (.249)	1.09 .019 (.340)
		$\Delta \text{grants} \%_{1999-1998}$		23.56	78.43	0.03	0.30 (.764)	
		$(\Delta \text{grants} \%_{1999-1998})^2$		-214.77	146.07	-0.14	-1.47 (.144)	
Food, Agriculture, and Nutrition								
(N = 630)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)		284,354.25	75,969.52		3.74 (.000)	0.08 .000 (.923)
		$\Delta \text{subsidy} \$_{1999-1998}$		-0.02	0.11	-0.01	-0.16 (.870)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-1.65E-09	0.00	-0.01	-0.16 (.874)	
(N = 608)		(Constant)		282,591.74	75,930.90		3.72 (.000)	0.01 .000 (.986)
		$\Delta \text{grants} \$_{1999-1998}$		-0.01	0.12	-0.01	-0.11 (.913)	
		$(\Delta \text{grants} \$_{1999-1998})^2$		-5.81E-10	0.00	0.00	-0.05 (.958)	
(N = 630)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)		259,714.63	77,431.05		3.35 (.001)	0.15 .000 (.858)
		$\Delta \text{subsidy} \$_{1999-1998}$		-0.05	0.12	-0.02	-0.43 (.670)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		3.04E-10	0.00	0.00	0.03 (.977)	

(N = 608)		(Constant)	258,039.68	77,392.70	3.33 (.001)	0.08 (.924)	.000
		$\Delta \text{grants}_{\$1999-1998}$	-0.04	0.12 -0.02	-0.38 (.706)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.05E-09	0.00 0.00	0.09 (.926)		
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(N = 630)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	24,639.62	30,633.42	0.80 (.422)	0.23 (.797)	.001
		$\Delta \text{subsidy}_{\$1999-1998}$	0.03	0.05 0.04	0.67 (.501)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.95E-09	0.00 -0.03	-0.47 (.641)		
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(N = 608)		(Constant)	24,552.06	30,614.37	0.80 (.423)	0.23 (.793)	.001
		$\Delta \text{grants}_{\$1999-1998}$	0.03	0.05 0.03	0.68 (.495)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.63E-09	0.00 -0.02	-0.36 (.716)		
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(N = 547)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	76.84	17.43	4.41 (.000)	0.29 (.750)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	113.67	172.09 0.03	0.66 (.509)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-151.94	479.31 -0.01	-0.32 (.751)		
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(N = 537)		(Constant)	76.93	17.40	4.42 (.000)	0.26 (.767)	.001
		$\Delta \text{grants}_{\%1999-1998}$	99.08	167.00 0.03	0.59 (.553)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-129.36	428.37 -0.01	-0.30 (.763)		
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(N = 541)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	76.25	18.13	4.21 (.000)	0.27 (.763)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	-62.05	178.69 -0.02	-0.35 (.729)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-334.28	496.03 -0.03	-0.67 (.501)		
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(N = 445)		(Constant)	76.46	18.09	4.23 (.000)	0.32 (.726)	.001
		$\Delta \text{grants}_{\%1999-1998}$	-74.97	173.29 -0.02	-0.43 (.665)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	-328.80	443.08	-0.03	-0.74 (.458)	
(N = 248)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	135.74	54.96	2.47 (.014)	0.00 (.997)	.000
		$\Delta \text{subsidy} \%_{1999-1998}$	19.86	593.22	0.00 (.973)	0.03 (.973)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-154.99	2,249.09	0.00 (.945)	-0.07 (.945)	
(N = 245)		(Constant)	136.63	55.00	2.48 (.014)	0.01 (.989)	.000
		$\Delta \text{grants} \%_{1999-1998}$	-45.06	567.80	-0.01 (.937)	-0.08 (.937)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-224.25	2,025.38	-0.01 (.912)	-0.11 (.912)	
Health Care							
(N = 2,543)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	-70,868.58	105,212.68	-0.67 (.501)	0.21 (.815)	.000
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.04	0.06	-0.02 (.523)	-0.64 (.523)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	3.46E-10	0.00	0.02 (.631)	0.48 (.631)	
(N = 2,310)		(Constant)	-71,200.91	105,244.22	-0.68 (.499)	0.38 (.682)	.000
		$\Delta \text{grants} \$_{1999-1998}$	-0.10	0.11	-0.02 (.384)	-0.87 (.384)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	2.15E-09	0.00	0.01 (.741)	0.33 (.741)	
(N = 2,543)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	24,061.95	8,882.61	2.71 (.007)	4.82 (.008)	.004
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.01	0.00	-0.10 (.003)	-3.02 (.003)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.16E-10	0.00	0.06 (.057)	1.90 (.057)	
(N = 2,310)		(Constant)	21,872.73	8,901.97	2.46 (.014)	0.22 (.800)	.000
		$\Delta \text{grants} \$_{1999-1998}$	0.00	0.01	0.01 (.797)	0.26 (.797)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	2.82E-10	0.00	0.01 (.609)	0.51 (.609)	

(N = 2,543)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	-94,930.03	104,665.52	-0.91 (.365)	0.08 (.928)	.000
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.02	0.06	-0.01 (.699)	-0.39 (.748)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.30E-10	0.00	0.01	0.32 (.748)	
(N = 2,310)		(Constant)	-93,073.15	104,690.69	-0.89 (.374)	0.40 (.668)	.000
		$\Delta \text{grants}_{\$1999-1998}$	-0.10	0.11	-0.02 (.370)	-0.90 (.773)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.87E-09	0.00	0.01	0.29 (.773)	
(N = 2,108)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	245.32	79.84	3.07 (.002)	1.69 (.184)	.002
		$\Delta \text{subsidy}_{\%1999-1998}$	784.47	430.22	0.04 (.068)	1.82 (.618)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	366.74	735.69	0.01	0.50 (.618)	
(N = 1,934)		(Constant)	235.92	78.79	2.99 (.003)	3.63 (.027)	.003
		$\Delta \text{grants}_{\%1999-1998}$	1,452.80	554.71	0.06 (.009)	2.62 (.151)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	1,417.09	987.59	0.03	1.43 (.151)	
(N = 2,003)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	258.25	84.17	3.07 (.002)	0.66 (.519)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	397.49	457.63	0.02 (.385)	0.87 (.380)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	688.49	784.46	0.02	0.88 (.380)	
(N = 1,836)		(Constant)	269.69	83.10	3.25 (.001)	2.46 (.086)	.002
		$\Delta \text{grants}_{\%1999-1998}$	1,327.14	600.28	0.05 (.027)	2.21 (.354)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	1,006.23	1,086.45	0.02	0.93 (.354)	
(N = 840)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	141.13	72.62	1.94 (.052)	0.16 (.855)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	134.97	410.76	0.01	0.33 (.743)	

			$(\Delta \text{subsidy} \%_{1999-1998})^2$	-256.25	679.00	-0.01	-0.38 (.706)
(N = 778)		(Constant)		131.00	71.52	1.83 (.067)	0.05 .000 (.953)
		$\Delta \text{grants} \%_{1999-1998}$		172.84	572.50	0.01 (.763)	0.30
		$(\Delta \text{grants} \%_{1999-1998})^2$		182.30	960.31	0.01 (.849)	0.19
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Hospitals							
(N = 970)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)		1,189,407.58	578,707.61	2.06 (.045)	0.71 .025 (.494)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.03	0.02	0.20 (.238)	1.19
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-1.46E-10	0.00	-0.13 (.448)	-0.76
(N = 925)		(Constant)		1,226,594.35	589,379.24	2.08 (.042)	0.42 .015 (.661)
		$\Delta \text{grants} \$_{1999-1998}$		0.87	1.40	0.25 (.538)	0.62
		$(\Delta \text{grants} \$_{1999-1998})^2$		-2.38E-07	0.00	-0.33 (.425)	-0.80
(N = 970)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)		845,607.20	469,253.76	1.80 (.077)	0.05 .002 (.955)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.00	0.02	0.00 (.986)	0.02
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-3.88E-11	0.00	-0.04 (.803)	-0.25
(N = 925)		(Constant)		895,267.53	474,099.81	1.89 (.064)	0.20 .007 (.816)
		$\Delta \text{grants} \$_{1999-1998}$		-0.07	1.13	-0.02 (.953)	-0.06
		$(\Delta \text{grants} \$_{1999-1998})^2$		-3.57E-08	0.00	-0.06 (.882)	-0.15
(N = 970)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)		343,800.39	360,040.65	0.95 (.344)	1.84 .062 (.168)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.03	0.01	0.31 (.063)	1.90
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-1.07E-10	0.00	-0.15 (.372)	-0.90

(N = 925)		(Constant)	331,326.81	372,714.50	0.89 (.378)	0.59 (.559)	
		$\Delta \text{grants}_{\$1999-1998}$	0.93	0.89 0.43	1.05 (.296)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.02E-07	0.00 -0.44	-1.08 (.285)		
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(N = 831)	% $\Delta \text{charity}_{2000-1999}$	(Constant)	172.32	83.70	2.06 (.045)	0.85 (.434)	.033
		$\Delta \text{subsidy}_{\%1999-1998}$	718.21	561.02 0.21	1.28 (.206)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-1,272.62	1,424.65 -0.15	-0.89 (.376)		
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(N = 797)		(Constant)	145.43	79.16	1.84 (.072)	0.06 (.943)	.002
		$\Delta \text{grants}_{\%1999-1998}$	1,878.57	6,204.22 0.43	0.30 (.763)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-2,151.02	6,780.22 -0.45	-0.32 (.752)		
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(N = 748)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	291.47	288.10	1.01 (.317)	2.91 (.064)	.110
		$\Delta \text{subsidy}_{\%1999-1998}$	2,744.47	1,877.37 0.24	1.46 (.150)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	3,880.95	4,771.68 0.13	0.81 (.420)		
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(N = 718)		(Constant)	452.67	281.17	1.61 (.114)	0.18 (.835)	.008
		$\Delta \text{grants}_{\%1999-1998}$	-12,194.68	21,395.60 -0.83	-0.57 (.571)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	12,815.33	23,377.97 0.80	0.55 (.586)		
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(N = 359)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	493.53	394.88	1.25 (.225)	0.29 (.751)	.027
		$\Delta \text{subsidy}_{\%1999-1998}$	1,769.15	2,446.37 0.18	0.72 (.478)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-3,221.59	5,547.37 -0.15	-0.58 (.568)		
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(N = 347)		(Constant)	455.91	390.51	1.17 (.256)	0.10 (.906)	.009
		$\Delta \text{grants}_{\%1999-1998}$	26,904.69	79,847.10 0.10	0.34 (.739)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	131,096.92	3,484,931.8	0.01	0.04 (.970)
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Housing and Shelter						
(N = 3,504)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	14,310.34	7,752.14	1.85 (.065)	20.03 .011 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.04	0.01 0.18	5.93 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-4.63E-10	0.00 -0.19	-6.18 (.000)	
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(N = 2,846)		(Constant)	14,085.82	7,752.53	1.82 (.069)	19.51 .011 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.04	0.01 0.18	5.85 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-4.61E-10	0.00 -0.19	-6.11 (.000)	
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(N = 3,504)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	11,914.06	7,703.02	1.55 (.122)	23.20 .013 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.05	0.01 0.20	6.45 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-4.92E-10	0.00 -0.20	-6.60 (.000)	
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(N = 2,846)		(Constant)	11,684.44	7,702.32	1.52 (.129)	23.19 .013 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.05	0.01 0.20	6.45 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-4.96E-10	0.00 -0.21	-6.61 (.000)	
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(N = 3,504)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	2,396.29	2,231.21	1.07 (.283)	1.37 .001 (.255)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.00	0.00 -0.05	-1.65 (.099)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	2.89E-11	0.00 0.04	1.34 (.181)	
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(N = 2,846)		(Constant)	2,401.39	2,230.67	1.08 (.282)	1.89 .001 (.151)
		$\Delta \text{grants} \$_{1999-1998}$	0.00	0.00 -0.06	-1.94 (.052)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	3.45E-11	0.00 0.05	1.59 (.112)	
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(N = 1,619)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	151.85	35.39	4.29 (.000)	0.20 (.820)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	-64.23	146.06	-0.01 (.660)	-0.44 (.660)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	94.21	247.76	0.01 (.704)	0.38 (.704)	
(N = 1,512)		(Constant)	150.72	35.25	4.28 (.000)	0.25 (.779)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	-63.81	151.36	-0.01 (.673)	-0.42 (.673)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	119.12	254.94	0.01 (.640)	0.47 (.640)	
(N = 1,530)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	220.79	75.12	2.94 (.003)	0.02 (.980)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	-64.64	317.85	-0.01 (.839)	-0.20 (.839)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-21.46	542.02	0.00 (.968)	-0.04 (.968)	
(N = 1,433)		(Constant)	219.02	74.88	2.92 (.003)	0.02 (.979)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	-63.26	330.46	-0.01 (.848)	-0.19 (.848)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	12.81	563.93	0.00 (.982)	0.02 (.982)	
(N = 486)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	159.52	79.42	2.01 (.045)	0.24 (.790)	.001
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	-20.06	387.56	0.00 (.959)	-0.05 (.959)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-486.71	727.21	-0.03 (.504)	-0.67 (.504)	
(N = 452)		(Constant)	158.36	78.67	2.01 (.045)	0.25 (.777)	.001
		Δ grants% ₁₉₉₉₋₁₉₉₈	-83.79	388.81	-0.01 (.829)	-0.22 (.829)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-483.63	695.05	-0.03 (.487)	-0.70 (.487)	
Human Services							
(N = 11,333)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	36,747.46	7,471.08	4.92 (.000)	7.10 (.001)	.001
		Δ subsidy\$ ₁₉₉₉₋₁₉₉₈	0.02	0.01	0.04 (.000)	3.75 (.000)	

		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-4.52E-10	0.00	-0.01	-1.35 (.177)
(N = 10,031)		(Constant)	35,508.06	7,447.38	4.77 (.000)	17.40 .003 (.000)
		$\Delta \text{grants}_{\$1999-1998}$	0.05	0.01	0.07	5.89 (.000)
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.16E-09	0.00	-0.05	-4.11 (.000)
(N = 11,333)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	22,571.30	7,901.10	2.86 (.004)	1.08 .000 (.341)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.01	0.01	0.01	0.84 (.401)
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.46E-10	0.00	0.01	0.69 (.487)
(N = 10,031)		(Constant)	22,256.99	7,882.53	2.82 (.005)	2.03 .000 (.132)
		$\Delta \text{grants}_{\$1999-1998}$	0.02	0.01	0.02	1.98 (.048)
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.97E-10	0.00	-0.01	-0.99 (.320)
(N = 11,333)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	14,174.28	6,311.19	2.25 (.025)	6.28 .001 (.002)
		$\Delta \text{subsidy}_{\$1999-1998}$	0.02	0.01	0.04	3.39 (.001)
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-6.98E-10	0.00	-0.03	-2.47 (.014)
(N = 10,031)		(Constant)	13,249.19	6,294.54	2.10 (.035)	10.50 .002 (.000)
		$\Delta \text{grants}_{\$1999-1998}$	0.03	0.01	0.06	4.49 (.000)
		$(\Delta \text{grants}_{\$1999-1998})^2$	-8.61E-10	0.00	-0.04	-3.61 (.000)
(N = 9,683)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	215.97	76.40	2.83 (.005)	1.43 .000 (.239)
		$\Delta \text{subsidy}_{\%1999-1998}$	614.23	421.88	0.01	1.46 (.145)
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	572.79	618.05	0.01	0.93 (.354)
(N = 8,774)		(Constant)	223.36	75.97	2.94 (.003)	1.02 .000 (.362)

		$\Delta \text{grants} \%_{1999-1998}$	645.34	491.88	0.01	1.31 (.190)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	532.43	755.65	0.01	0.70 (.481)	
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(N = 9,346)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	204.31	52.56		3.89 (.000)	2.89 .000 (.056)
		$\Delta \text{subsidy} \%_{1999-1998}$	582.36	290.34	0.02	2.01 (.045)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	658.40	427.37	0.02	1.54 (.123)	
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(N = 8,464)		(Constant)	212.67	52.27		4.07 (.000)	1.98 .000 (.138)
		$\Delta \text{grants} \%_{1999-1998}$	586.71	339.51	0.02	1.73 (.084)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	599.69	527.77	0.01	1.14 (.256)	
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(N = 5,196)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	149.45	87.71		1.70 (.088)	0.03 .000 (.971)
		$\Delta \text{subsidy} \%_{1999-1998}$	60.04	537.23	0.00	0.11 (.911)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-177.05	850.74	0.00	-0.21 (.835)	
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(N = 4,817)		(Constant)	149.42	87.33		1.71 (.087)	0.03 .000 (.970)
		$\Delta \text{grants} \%_{1999-1998}$	58.07	626.62	0.00	0.09 (.926)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-215.24	1,044.97	0.00	-0.21 (.837)	
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International, Foreign Affairs, and National Security							
(N = 179)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	75,471.41	649,665.81		0.12 (.908)	34.49 .282 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.07	0.08	-0.06	-0.87 (.385)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.04E-08	0.00	0.53	8.26 (.000)	
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(N = 173)		(Constant)	74,362.02	649,455.03		0.11 (.909)	34.49 .282 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	-0.07	0.08	-0.06	-0.87 (.383)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.04E-08	0.00	0.53	8.26 (.000)	
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(N = 179)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	14,491.67	642,563.77	0.02 (.982)	11.17 (.000)	.113
		$\Delta \text{subsidy}_{\$1999-1998}$	0.26	0.08	0.24 (.001)	3.36 (.001)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	4.16E-09	0.00	0.24 (.001)	3.33 (.001)	
(N = 173)		(Constant)	30,966.19	642,343.08	0.05 (.962)	11.17 (.000)	.113
		$\Delta \text{grants}_{\$1999-1998}$	0.26	0.08	0.24 (.001)	3.37 (.001)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	4.16E-09	0.00	0.24 (.001)	3.33 (.001)	
(N = 179)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	60,979.74	155,606.05	0.39 (.696)	369.36 (.000)	.808
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.33	0.02 -0.58	-17.52 (.000)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	6.27E-09	0.00 0.69	20.72 (.000)		
(N = 173)		(Constant)	43,395.83	155,147.00	0.28 (.780)	371.78 (.000)	.809
		$\Delta \text{grants}_{\$1999-1998}$	-0.33	0.02 -0.58	-17.60 (.000)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	6.27E-09	0.00 0.69	20.79 (.000)		
(N = 157)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	122.65	63.92	1.92 (.057)	0.48 (.622)	.006
		$\Delta \text{subsidy}_{\% 1999-1998}$	238.85	250.54 0.08	0.95 (.342)		
		$(\Delta \text{subsidy}_{\% 1999-1998})^2$	-129.00	376.48 -0.03	-0.34 (.732)		
(N = 154)		(Constant)	123.80	63.94	1.94 (.055)	0.45 (.640)	.006
		$\Delta \text{grants}_{\% 1999-1998}$	231.61	253.45 0.07	0.91 (.362)		
		$(\Delta \text{grants}_{\% 1999-1998})^2$	-123.86	388.37 -0.03	-0.32 (.750)		
(N = 155)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	129.90	64.84	2.00 (.047)	0.41 (.665)	.005
		$\Delta \text{subsidy}_{\% 1999-1998}$	220.73	254.73 0.07	0.87 (.388)		

			$(\Delta \text{subsidy} \%_{1999-1998})^2$	-143.36	379.90	-0.03	-0.38 (.706)	
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(N = 152)		(Constant)		131.06	64.85		2.02 (.045)	0.38 .005 (.682)
		$\Delta \text{grants} \%_{1999-1998}$		212.91	257.62	0.07	0.83 (.410)	
		$(\Delta \text{grants} \%_{1999-1998})^2$		-140.54	391.84	-0.03	-0.36 (.720)	
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(N = 41)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)		9.86	17.99		0.55 (.587)	0.06 .003 (.944)
		$\Delta \text{subsidy} \%_{1999-1998}$		18.97	55.63	0.06	0.34 (.735)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$		-2.38	77.80	0.00	-0.03 (.976)	
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(N = 40)		(Constant)		9.93	17.98		0.55 (.584)	0.06 .003 (.943)
		$\Delta \text{grants} \%_{1999-1998}$		19.18	55.82	0.06	0.34 (.733)	
		$(\Delta \text{grants} \%_{1999-1998})^2$		-2.47	77.75	-0.01	-0.03 (.975)	
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Medical Research								
(N = 117)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)		204,445.36	202,527.25		1.01 (.315)	11.11 .163 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.64	0.24	0.57	2.61 (.010)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-1.53E-08	0.00	-0.18	-0.85 (.397)	
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(N = 113)		(Constant)		200,367.08	203,127.09		0.99 (.326)	11.07 .163 (.000)
		$\Delta \text{grants} \$_{1999-1998}$		0.64	0.25	0.57	2.60 (.011)	
		$(\Delta \text{grants} \$_{1999-1998})^2$		-1.53E-08	0.00	-0.19	-0.85 (.398)	
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(N = 117)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)		140,424.35	200,121.48		0.70 (.484)	9.73 .146 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$		0.46	0.24	0.42	1.91 (.058)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$		-3.41E-09	0.00	-0.04	-0.19 (.848)	
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(N = 113)		(Constant)	137,629.65	200,698.94	0.69 (.494)	9.71 (.000)	.145
		$\Delta \text{grants}_{\$1999-1998}$	0.46	0.24 0.42	1.90 (.060)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-3.39E-09	0.00 -0.04	-0.19 (.850)		
(N = 117)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	64,021.00	56,145.45	1.14 (.257)	3.36 (.038)	.056
		$\Delta \text{subsidy}_{\$1999-1998}$	0.18	0.07 0.60	2.59 (.011)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.19E-08	0.00 -0.55	-2.39 (.019)		
(N = 113)		(Constant)	62,737.43	56,301.90	1.11 (.267)	3.35 (.038)	.056
		$\Delta \text{grants}_{\$1999-1998}$	0.18	0.07 0.60	2.59 (.011)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.20E-08	0.00 -0.55	-2.38 (.019)		
(N = 104)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	322.19	239.88	1.34 (.182)	0.30 (.739)	.006
		$\Delta \text{subsidy}_{\%1999-1998}$	1,231.34	1,644.98 0.08	0.75 (.456)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-1,783.02	3,519.25 -0.06	-0.51 (.614)		
(N = 101)		(Constant)	322.98	239.63	1.35 (.181)	0.34 (.714)	.007
		$\Delta \text{grants}_{\%1999-1998}$	1,305.22	1,650.29 0.09	0.79 (.431)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-1,871.17	3,519.57 -0.06	-0.53 (.596)		
(N = 100)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	70.13	25.99	2.70 (.008)	0.31 (.738)	.006
		$\Delta \text{subsidy}_{\%1999-1998}$	127.28	177.85 0.07	0.72 (.476)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-176.98	618.97 -0.03	-0.29 (.776)		
(N = 97)		(Constant)	71.62	25.84	2.77 (.007)	0.74 (.482)	.015
		$\Delta \text{grants}_{\%1999-1998}$	198.26	177.70 0.11	1.12 (.267)		

		$(\Delta \text{grants}\%_{1999-1998})^2$	-267.62	615.69	-0.04	-0.43 (.665)	
(N = 25)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	1,080.24	1,001.23	1.08 (.292)	0.31 .027 (.736)	
		$\Delta \text{subsidy}\%_{1999-1998}$	6,901.86	9,048.22	0.27 (.454)	0.76	
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	-9,765.65	13,273.21	-0.26 (.470)	-0.74	
(N = 25)		(Constant)	1,080.24	1,001.23	1.08 (.292)	0.31 .027 (.736)	
		$\Delta \text{grants}\%_{1999-1998}$	6,901.86	9,048.22	0.27 (.454)	0.76	
		$(\Delta \text{grants}\%_{1999-1998})^2$	-9,765.65	13,273.21	-0.26 (.470)	-0.74	
Mental Health and Crisis Intervention							
(N = 2,597)	$\Delta \text{charity}\$_{2000-1999}$	(Constant)	-512.20	8,311.70	-0.06 (.951)	0.70 .001 (.497)	
		$\Delta \text{subsidy}\$_{1999-1998}$	0.01	0.01	0.02 (.314)	1.01	
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	1.51E-10	0.00	0.01 (.709)	0.37	
(N = 2,262)		(Constant)	305.81	8,286.84	0.04 (.971)	0.88 .001 (.415)	
		$\Delta \text{grants}\$_{1999-1998}$	0.01	0.01	0.03 (.185)	1.33	
		$(\Delta \text{grants}\$_{1999-1998})^2$	-2.11E-10	0.00	-0.01 (.651)	-0.45	
(N = 2,597)	$\Delta \text{direct}\$_{2000-1999}$	(Constant)	953.12	7,728.59	0.12 (.902)	0.24 .000 (.788)	
		$\Delta \text{subsidy}\$_{1999-1998}$	0.00	0.01	0.00 (.827)	0.22	
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	2.21E-10	0.00	0.01 (.557)	0.59	
(N = 2,262)		(Constant)	1,375.59	7,706.58	0.18 (.858)	0.05 .000 (.952)	
		$\Delta \text{grants}\$_{1999-1998}$	0.00	0.01	0.01 (.779)	0.28	
		$(\Delta \text{grants}\$_{1999-1998})^2$	1.30E-11	0.00	0.00 (.976)	0.03	

(N = 2,597)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	-1,465.32	2,959.20	-0.50 (.621)	2.55 (.078)	.002
		$\Delta \text{subsidy}_{\$1999-1998}$	0.01	0.00	0.05	2.26 (.024)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-7.00E-11	0.00	-0.01	-0.49 (.627)	
(N = 2,262)		(Constant)	-1,069.78	2,948.31	-0.36 (.717)	4.53 (.011)	.003
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.00	0.06	3.00 (.003)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.24E-10	0.00	-0.03	-1.35 (.176)	
(N = 2,193)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	273.56	67.79	4.04 (.000)	0.05 (.955)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	-17.64	326.50	0.00	-0.05 (.957)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-132.90	458.42	-0.01	-0.29 (.772)	
(N = 1,950)		(Constant)	251.32	67.26	3.74 (.000)	1.15 (.316)	.001
		$\Delta \text{grants}_{\%1999-1998}$	-392.22	369.95	-0.02	-1.06 (.289)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	522.47	528.36	0.02	0.99 (.323)	
(N = 2,055)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	239.01	49.67	4.81 (.000)	0.01 (.988)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	33.52	237.39	0.00	0.14 (.888)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-24.49	331.83	0.00	-0.07 (.941)	
(N = 1,828)		(Constant)	216.21	49.22	4.39 (.000)	2.95 (.053)	.003
		$\Delta \text{grants}_{\%1999-1998}$	-400.61	269.80	-0.03	-1.48 (.138)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	695.86	384.48	0.04	1.81 (.070)	
(N = 1,100)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	422.40	460.63	0.92 (.359)	1.45 (.234)	.003
		$\Delta \text{subsidy}_{\%1999-1998}$	4,140.92	2,588.52	0.05	1.60 (.110)	

		$(\Delta \text{subsidy} \%_{1999-1998})^2$	1,470.16	4,019.72	0.01	0.37 (.715)
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(N = 1,011)		(Constant)	395.72	457.26	0.87 (.387)	2.28 .004 (.102)
		$\Delta \text{grants} \%_{1999-1998}$	5,854.98	2,953.56	0.06 (.048)	1.98
		$(\Delta \text{grants} \%_{1999-1998})^2$	3,912.84	4,744.37	0.02 (.410)	0.82
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Public and Societal Benefit						
(N = 182)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	-21,951.86	53,221.28	-0.41 (.680)	2.64 .029 (.074)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.22	0.10	-0.46 (.023)	-2.30
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.25E-08	0.00	0.43 (.035)	2.12
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(N = 167)		(Constant)	-23,627.37	53,028.75	-0.45 (.656)	2.71 .029 (.069)
		$\Delta \text{grants} \$_{1999-1998}$	-0.22	0.10	-0.47 (.021)	-2.33
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.26E-08	0.00	0.43 (.033)	2.15
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(N = 182)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	-29,717.08	52,264.20	-0.57 (.570)	2.92 .032 (.057)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.23	0.09	-0.49 (.017)	-2.42
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.29E-08	0.00	0.45 (.027)	2.24
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(N = 167)		(Constant)	-31,449.23	52,073.52	-0.60 (.547)	2.99 .032 (.053)
		$\Delta \text{grants} \$_{1999-1998}$	-0.23	0.09	-0.49 (.015)	-2.44
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.31E-08	0.00	0.45 (.025)	2.26
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(N = 182)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	7,765.22	8,277.49	0.94 (.349)	0.12 .001 (.891)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.01	0.01	0.10 (.638)	0.47
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-4.33E-10	0.00	-0.10 (.637)	-0.47
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(N = 167)		(Constant)	7,821.86	8,250.32	0.95 (.344)	0.12 (.890)	.001
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.01 0.10	0.47 (.636)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-4.35E-10	0.00 -0.10	-0.48 (.635)		
(N = 145)	% $\Delta \text{charity}_{2000-1999}$	(Constant)	128.04	54.93	2.33 (.021)	0.35 (.705)	.005
		$\Delta \text{subsidy}_{\%1999-1998}$	100.21	338.02 0.03	0.30 (.767)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-449.54	703.95 -0.06	-0.64 (.524)		
(N = 135)		(Constant)	126.23	54.44	2.32 (.022)	0.29 (.746)	.004
		$\Delta \text{grants}_{\%1999-1998}$	74.76	367.70 0.02	0.20 (.839)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-561.27	798.45 -0.06	-0.70 (.483)		
(N = 140)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	131.81	56.99	2.31 (.022)	0.22 (.803)	.003
		$\Delta \text{subsidy}_{\%1999-1998}$	62.40	347.54 0.02	0.18 (.858)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-388.48	719.71 -0.05	-0.54 (.590)		
(N = 130)		(Constant)	130.82	56.45	2.32 (.022)	0.21 (.814)	.003
		$\Delta \text{grants}_{\%1999-1998}$	34.13	377.72 0.01	0.09 (.928)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-501.63	815.20 -0.05	-0.62 (.539)		
(N = 32)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	-18.23	9.68	-1.88 (.070)	0.28 (.758)	.019
		$\Delta \text{subsidy}_{\%1999-1998}$	19.64	49.93 0.08	0.39 (.697)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	69.24	94.24 0.14	0.73 (.468)		
(N = 29)		(Constant)	-16.68	9.77	-1.71 (.099)	0.05 (.947)	.004
		$\Delta \text{grants}_{\%1999-1998}$	14.37	70.50 0.04	0.20 (.840)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	25.81	175.44	0.03	0.15 (.884)
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Public Safety, Disaster Preparedness, and Relief						
(N = 931)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	-882.51	8,836.42	-0.10 (.920)	73.29 .136 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.77	0.07 0.35	10.75 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	4.16E-07	0.00 0.29	8.86 (.000)	
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(N = 875)		(Constant)	-893.11	8,716.19	-0.10 (.918)	86.97 .158 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.92	0.08 0.38	11.87 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	4.49E-07	0.00 0.30	9.49 (.000)	
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(N = 931)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	-1,631.93	8,815.26	-0.19 (.853)	73.58 .137 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.77	0.07 0.35	10.79 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	4.15E-07	0.00 0.29	8.85 (.000)	
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(N = 875)		(Constant)	-1,661.42	8,692.01	-0.19 (.848)	87.69 .159 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.92	0.08 0.38	11.94 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	4.48E-07	0.00 0.30	9.49 (.000)	
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(N = 931)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	749.42	679.83	1.10 (.271)	0.15 .000 (.862)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.00	0.01 -0.01	-0.19 (.853)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.52E-09	0.00 0.01	0.42 (.675)	
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(N = 875)		(Constant)	768.31	678.93	1.13 (.258)	0.33 .001 (.719)
		$\Delta \text{grants} \$_{1999-1998}$	0.00	0.01 -0.02	-0.54 (.590)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.42E-09	0.00 0.01	0.38 (.701)	
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(N = 858)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	146.98	60.73	2.42 (.016)	0.09 (.910)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	75.81	311.60	0.01 (.808)	0.24	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-176.55	510.06	-0.01 (.729)	-0.35	
(N = 807)		(Constant)	145.49	60.34	2.41 (.016)	0.05 (.951)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	43.76	358.65	0.00 (.903)	0.12	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-174.77	621.61	-0.01 (.779)	-0.28	
(N = 846)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	143.15	61.49	2.33 (.020)	0.09 (.911)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	82.61	313.71	0.01 (.792)	0.26	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-167.45	512.97	-0.01 (.744)	-0.33	
(N = 796)		(Constant)	142.09	61.10	2.33 (.020)	0.05 (.947)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	47.54	361.23	0.00 (.895)	0.13	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-179.89	625.16	-0.01 (.774)	-0.29	
(N = 145)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	56.85	29.85	1.90 (.059)	0.09 (.916)	.001
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	38.59	147.56	0.02 (.794)	0.26	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	108.10	296.58	0.03 (.716)	0.36	
(N = 142)		(Constant)	55.45	29.24	1.90 (.060)	0.65 (.526)	.009
		Δ grants% ₁₉₉₉₋₁₉₉₈	209.40	203.00	0.11 (.304)	1.03	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	377.24	367.89	0.11 (.307)	1.03	
Recreation and Sports							
(N = 762)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	29,639.35	59,048.94	0.50 (.616)	10.68 (.000)	.027
		Δ subsidy\$ ₁₉₉₉₋₁₉₉₈	-0.81	0.19	-0.20 (.000)	-4.15	

		$(\Delta \text{subsidy}_{\$1999-1998})^2$	4.03E-08	0.00	0.05	1.16 (.247)	
(N = 718)		(Constant)	36,796.71	59,197.03	0.62 (.534)	9.19 .024 (.000)	
		$\Delta \text{grants}_{\$1999-1998}$	-0.55	0.13	-0.27	-4.27 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.66E-08	0.00	-0.23	-3.70 (.000)	
(N = 762)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	29,583.44	58,989.49	0.50 (.616)	10.72 .027 (.000)	
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.81	0.19	-0.20	-4.16 (.000)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	4.04E-08	0.00	0.05	1.17 (.244)	
(N = 718)		(Constant)	36,755.29	59,138.10	0.62 (.534)	9.22 .024 (.000)	
		$\Delta \text{grants}_{\$1999-1998}$	-0.55	0.13	-0.27	-4.28 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.66E-08	0.00	-0.23	-3.70 (.000)	
(N = 762)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	55.90	2,477.53	0.02 (.982)	0.01 .000 (.992)	
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.01	0.01	0.12 (.903)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-1.46E-10	0.00	0.00	-0.10 (.920)	
(N = 718)		(Constant)	41.42	2,479.01	0.02 (.987)	0.00 .000 (.997)	
		$\Delta \text{grants}_{\$1999-1998}$	0.00	0.01	0.00	0.07 (.941)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.79E-11	0.00	0.00	0.06 (.953)	
(N = 662)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	117.53	40.11	2.93 (.004)	0.43 .001 (.653)	
		$\Delta \text{subsidy}_{\%1999-1998}$	190.45	238.52	0.03	0.80 (.425)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-257.18	431.53	-0.02	-0.60 (.551)	
(N = 629)		(Constant)	117.12	39.88	2.94 (.003)	0.34 .001 (.715)	

		$\Delta \text{grants} \%_{1999-1998}$	161.92	240.13	0.03	0.67 (.500)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-213.68	409.28	-0.02	-0.52 (.602)	
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(N = 654)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	122.74	41.64		2.95 (.003)	0.36 .001 (.696)
		$\Delta \text{subsidy} \%_{1999-1998}$	172.56	246.66	0.03	0.70 (.484)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-266.26	445.41	-0.02	-0.60 (.550)	
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(N = 621)		(Constant)	121.86	41.41		2.94 (.003)	0.34 .001 (.711)
		$\Delta \text{grants} \%_{1999-1998}$	168.97	248.18	0.03	0.68 (.496)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-221.87	422.38	-0.02	-0.53 (.600)	
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(N = 176)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	41.61	33.16		1.25 (.211)	11.12 .114 (.000)
		$\Delta \text{subsidy} \%_{1999-1998}$	1,170.97	279.16	0.33	4.19 (.000)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	1,994.68	527.56	0.30	3.78 (.000)	
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(N = 164)		(Constant)	42.05	32.81		1.28 (.202)	12.62 .127 (.000)
		$\Delta \text{grants} \%_{1999-1998}$	1,298.78	287.85	0.36	4.51 (.000)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	2,152.59	531.60	0.32	4.05 (.000)	
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Religion-Related							
(N = 240)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	97,169.03	37,971.31		2.56 (.011)	1.25 .010 (.288)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.11	0.12	-0.06	-0.87 (.385)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	7.74E-08	0.00	0.09	1.45 (.149)	
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(N = 211)		(Constant)	96,540.32	38,095.00		2.53 (.012)	0.86 .007 (.423)
		$\Delta \text{grants} \$_{1999-1998}$	0.31	0.24	0.14	1.30 (.196)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-1.23E-07	0.00	-0.13	-1.17 (.243)	
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(N = 240)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	97,077.36	37,230.03	2.61 (.010)	1.42 (.245)	.012
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.13	0.12 -0.07	-1.05 (.295)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	7.71E-08	0.00 0.10	1.47 (.142)		
(N = 211)		(Constant)	96,966.01	37,414.70	2.59 (.010)	0.62 (.537)	.005
		$\Delta \text{grants}_{\$1999-1998}$	0.26	0.24 0.12	1.09 (.277)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.06E-07	0.00 -0.11	-1.02 (.308)		
(N = 240)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	91.67	5,130.04	0.02 (.986)	0.71 (.492)	.006
		$\Delta \text{subsidy}_{\$1999-1998}$	0.02	0.02 0.08	1.17 (.243)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.57E-10	0.00 0.00	0.04 (.972)		
(N = 211)		(Constant)	-425.69	5,122.60	-0.08 (.934)	1.45 (.237)	.012
		$\Delta \text{grants}_{\$1999-1998}$	0.06	0.03 0.19	1.69 (.092)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.78E-08	0.00 -0.14	-1.26 (.210)		
(N = 205)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	34.24	15.21	2.25 (.025)	0.39 (.677)	.004
		$\Delta \text{subsidy}_{\% 1999-1998}$	-72.49	86.44 -0.06	-0.84 (.403)		
		$(\Delta \text{subsidy}_{\% 1999-1998})^2$	-6.74	138.36 0.00	-0.05 (.961)		
(N = 189)		(Constant)	35.72	15.28	2.34 (.020)	0.31 (.734)	.003
		$\Delta \text{grants}_{\% 1999-1998}$	-48.31	83.96 -0.04	-0.58 (.566)		
		$(\Delta \text{grants}_{\% 1999-1998})^2$	-40.48	133.36 -0.02	-0.30 (.762)		
(N = 199)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	50.28	17.87	2.81 (.005)	0.19 (.827)	.002
		$\Delta \text{subsidy}_{\% 1999-1998}$	-25.53	119.92 -0.02	-0.21 (.832)		

		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-78.19	198.70	-0.03	-0.39 (.694)
(N = 184)		(Constant)	52.07	17.92	2.91 (.004)	0.35 .004 (.706)
		$\Delta \text{grants} \%_{1999-1998}$	14.89	118.07	0.01 (.900)	0.13
		$(\Delta \text{grants} \%_{1999-1998})^2$	-144.60	192.53	-0.07 (.454)	-0.75
(N = 79)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	4.88	8.91	0.55 (.585)	2.99 .080 (.056)
		$\Delta \text{subsidy} \%_{1999-1998}$	-291.63	113.13	-0.50 (.012)	-2.58
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-388.52	182.78	-0.42 (.037)	-2.13
(N = 76)		(Constant)	4.91	8.86	0.55 (.581)	2.94 .092 (.059)
		$\Delta \text{grants} \%_{1999-1998}$	-306.11	110.62	-0.54 (.007)	-2.77
		$(\Delta \text{grants} \%_{1999-1998})^2$	-409.70	180.61	-0.44 (.026)	-2.27
Science and Technology						
(N = 148)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	-8,235.09	59,573.30	-0.14 (.890)	0.98 .013 (.378)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.01	0.12 (.213)	1.25
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-4.04E-11	0.00	-0.01 (.929)	-0.09
(N = 127)		(Constant)	-6,504.99	61,086.07	-0.11 (.915)	0.49 .007 (.614)
		$\Delta \text{grants} \$_{1999-1998}$	0.04	0.04	0.11 (.349)	0.94
		$(\Delta \text{grants} \$_{1999-1998})^2$	-2.43E-09	0.00	-0.06 (.637)	-0.47
(N = 148)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	-28,149.25	58,338.52	-0.48 (.630)	0.96 .013 (.386)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.01	0.11 (.234)	1.20
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-4.60E-13	0.00	0.00 (.999)	0.00

(N = 127)		(Constant)	-26,255.74	59,851.17	-0.44 (.662)	0.39 (.677)	.005
		$\Delta \text{grants}_{\$1999-1998}$	0.03	0.04 0.10	0.81 (.420)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.74E-09	0.00 -0.04	-0.35 (.730)		
(N = 148)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	19,914.17	10,612.50	1.88 (.063)	0.15 (.861)	.002
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.00 0.04	0.45 (.651)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-3.99E-11	0.00 -0.05	-0.49 (.621)		
(N = 127)		(Constant)	19,750.75	10,829.43	1.82 (.070)	0.37 (.693)	.005
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.01 0.10	0.83 (.409)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-6.90E-10	0.00 -0.09	-0.76 (.451)		
(N = 106)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	89.41	35.54	2.52 (.013)	0.05 (.948)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	11.88	134.90 0.01	0.09 (.930)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	61.77	192.36 0.03	0.32 (.749)		
(N = 97)		(Constant)	91.58	35.31	2.59 (.011)	0.28 (.760)	.005
		$\Delta \text{grants}_{\%1999-1998}$	-99.60	154.42 -0.06	-0.64 (.520)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	84.53	235.20 0.04	0.36 (.720)		
(N = 100)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	94.52	37.89	2.49 (.014)	0.01 (.987)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	-10.78	139.23 -0.01	-0.08 (.938)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	26.36	199.22 0.01	0.13 (.895)		
(N = 91)		(Constant)	95.64	37.59	2.54 (.013)	0.27 (.765)	.005
		$\Delta \text{grants}_{\%1999-1998}$	-110.10	159.42 -0.07	-0.69 (.491)		

		$(\Delta \text{grants}\%_{1999-1998})^2$	57.55	243.31	0.02	0.24 (.814)	
(N = 20)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	-21.01	21.66	-0.97 (.345)	2.58 (.105)	.233
		$\Delta \text{subsidy}\%_{1999-1998}$	74.76	153.03	0.21 (.631)	0.49	
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	157.23	232.54	0.29 (.508)	0.68	
(N = 20)		(Constant)	-26.72	16.78	-1.59 (.130)	10.70 (.001)	.557
		$\Delta \text{grants}\%_{1999-1998}$	-170.72	130.51	-0.36 (.208)	-1.31	
		$(\Delta \text{grants}\%_{1999-1998})^2$	898.44	245.30	1.01 (.002)	3.66	
Social Science							
(N = 87)	$\Delta \text{charity}\$_{2000-1999}$	(Constant)	519,824.41	304,116.25	1.71 (.091)	0.12 (.890)	.003
		$\Delta \text{subsidy}\$_{1999-1998}$	-0.06	0.14	-0.20 (.657)	-0.45	
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	6.91E-10	0.00	0.18 (.698)	0.39	
(N = 76)		(Constant)	519,743.37	304,128.49	1.71 (.091)	0.11 (.892)	.003
		$\Delta \text{grants}\$_{1999-1998}$	-0.06	0.14	-0.20 (.660)	-0.44	
		$(\Delta \text{grants}\$_{1999-1998})^2$	6.85E-10	0.00	0.18 (.701)	0.39	
(N = 87)	$\Delta \text{direct}\$_{2000-1999}$	(Constant)	520,647.75	304,048.49	1.71 (.091)	0.12 (.891)	.003
		$\Delta \text{subsidy}\$_{1999-1998}$	-0.06	0.14	-0.20 (.658)	-0.44	
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	6.89E-10	0.00	0.18 (.699)	0.39	
(N = 76)		(Constant)	520,566.86	304,060.68	1.71 (.091)	0.11 (.892)	.003
		$\Delta \text{grants}\$_{1999-1998}$	-0.06	0.14	-0.20 (.660)	-0.44	
		$(\Delta \text{grants}\$_{1999-1998})^2$	6.83E-10	0.00	0.18 (.702)	0.38	

(N = 87)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	-823.34	1,824.65	-0.45 (.653)	0.02 (.982)	.000
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.00	-0.08 (.856)	-0.18	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.02E-12	0.00	0.09 (.850)	0.19	
(N = 76)		(Constant)	-823.49	1,824.70	-0.45 (.653)	0.02 (.983)	.000
		$\Delta \text{grants}_{\$1999-1998}$	0.00	0.00	-0.08 (.858)	-0.18	
		$(\Delta \text{grants}_{\$1999-1998})^2$	2.00E-12	0.00	0.09 (.852)	0.19	
(N = 75)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	32.86	16.99	1.93 (.057)	7.54 (.001)	.173
		$\Delta \text{subsidy}_{\%1999-1998}$	40.24	160.42	0.05 (.803)	0.25	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	383.83	200.73	0.37 (.060)	1.91	
(N = 68)		(Constant)	37.34	17.48	2.14 (.036)	4.58 (.013)	.113
		$\Delta \text{grants}_{\%1999-1998}$	28.24	179.10	0.03 (.875)	0.16	
		$(\Delta \text{grants}_{\%1999-1998})^2$	481.17	261.23	0.32 (.070)	1.84	
(N = 73)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	76.79	44.26	1.74 (.087)	0.83 (.440)	.023
		$\Delta \text{subsidy}_{\%1999-1998}$	64.14	418.15	0.03 (.879)	0.15	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	295.10	521.23	0.12 (.573)	0.57	
(N = 66)		(Constant)	80.82	44.15	1.83 (.071)	0.53 (.590)	.015
		$\Delta \text{grants}_{\%1999-1998}$	63.99	453.56	0.03 (.888)	0.14	
		$(\Delta \text{grants}_{\%1999-1998})^2$	361.27	656.56	0.10 (.584)	0.55	
(N = 9)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	95.62	76.03	1.26 (.255)	1.18 (.369)	.283
		$\Delta \text{subsidy}_{\%1999-1998}$	-522.92	424.48	-0.45 (.264)	-1.23	

		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-3,540.03	2,755.79	-0.47	-1.28 (.246)	
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(N = 9)		(Constant)	95.62	76.03		1.26 (.255)	1.18 .283 (.369)
		$\Delta \text{grants} \%_{1999-1998}$	-522.92	424.48	-0.45	-1.23 (.264)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-3,540.03	2,755.79	-0.47	-1.28 (.246)	
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Youth Development							
(N = 1,192)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	54,187.04	29,716.60		1.82 (.068)	207.17 .258 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.40	0.10	0.13	3.91 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.52E-07	0.00	0.41	12.33 (.000)	
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(N = 1,146)		(Constant)	56,896.90	29,655.22		1.92 (.055)	212.67 .263 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.28	0.14	0.09	2.07 (.039)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.66E-07	0.00	0.44	10.41 (.000)	
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(N = 1,192)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	45,376.01	29,521.59		1.54 (.125)	211.17 .262 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.42	0.10	0.14	4.19 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.50E-07	0.00	0.41	12.26 (.000)	
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(N = 1,146)		(Constant)	47,807.54	29,470.15		1.62 (.105)	216.17 .267 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.32	0.14	0.10	2.37 (.018)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.63E-07	0.00	0.43	10.25 (.000)	
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(N = 1,192)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	8,811.03	3,113.32		2.83 (.005)	2.80 .005 (.061)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.02	0.01	-0.09	-2.36 (.018)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.92E-09	0.00	0.06	1.49 (.137)	
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(N = 1,146)		(Constant)	9,089.36	3,115.30	2.92 (.004)	3.65 (.026)	.006
		$\Delta \text{grants}_{\$1999-1998}$	-0.04	0.01 -0.13	-2.70 (.007)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	3.57E-09	0.00 0.10	2.13 (.033)		
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(N = 1,152)	% $\Delta \text{charity}_{2000-1999}$	(Constant)	50.50	10.18	4.96 (.000)	0.94 (.392)	.002
		$\Delta \text{subsidy}_{\%1999-1998}$	90.20	66.21 0.04	1.36 (.173)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-9.61	131.05 0.00	-0.07 (.942)		
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(N = 1,112)		(Constant)	50.36	10.13	4.97 (.000)	0.70 (.497)	.001
		$\Delta \text{grants}_{\%1999-1998}$	79.78	67.47 0.03	1.18 (.237)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-1.17	128.38 0.00	-0.01 (.993)		
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(N = 1,136)	% $\Delta \text{direct}_{2000-1999}$	(Constant)	77.13	12.89	5.98 (.000)	0.15 (.862)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	44.74	84.84 0.02	0.53 (.598)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	21.46	177.08 0.00	0.12 (.904)		
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(N = 1,097)		(Constant)	76.45	12.82	5.96 (.000)	0.61 (.541)	.001
		$\Delta \text{grants}_{\%1999-1998}$	90.67	87.13 0.03	1.04 (.298)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	43.99	174.08 0.01	0.25 (.801)		
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(N = 789)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	24.06	7.49	3.21 (.001)	0.85 (.426)	.002
		$\Delta \text{subsidy}_{\%1999-1998}$	72.26	59.58 0.04	1.21 (.226)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-63.18	126.04 -0.02	-0.50 (.616)		
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(N = 762)		(Constant)	24.28	7.47	3.25 (.001)	0.89 (.411)	.002
		$\Delta \text{grants}_{\%1999-1998}$	72.18	61.09 0.04	1.18 (.238)		

		$(\Delta \text{grants} \%_{1999-1998})^2$	-74.37	126.31	-0.02	-0.59 (.556)
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By Size						
Smallest NPOs						
(N = 5,036)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	5,583.39	1,859.20	3.00 (.003)	2.10 .001 (.123)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.01	0.01 -0.02	-1.70 (.090)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-5.97E-10	0.00 -0.01	-0.78 (.435)	
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(N = 4,716)		(Constant)	5,596.67	1,858.90	3.01 (.003)	2.15 .001 (.117)
		$\Delta \text{grants} \$_{1999-1998}$	-0.01	0.01 -0.03	-1.73 (.085)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-5.38E-10	0.00 -0.01	-0.69 (.490)	
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(N = 5,036)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	4,108.83	1,782.78	2.30 (.021)	2.91 .001 (.055)
		$\Delta \text{subsidy} \$_{1999-1998}$	-0.01	0.01 -0.03	-2.10 (.036)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-5.43E-10	0.00 -0.01	-0.74 (.459)	
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(N = 4,716)		(Constant)	4,125.05	1,782.46	2.31 (.021)	3.04 .001 (.048)
		$\Delta \text{grants} \$_{1999-1998}$	-0.01	0.01 -0.03	-2.16 (.031)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-4.66E-10	0.00 -0.01	-0.62 (.532)	
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(N = 5,036)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	1,474.86	715.22	2.06 (.039)	0.34 .000 (.715)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.00	0.00 0.01	0.82 (.413)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-5.37E-11	0.00 0.00	-0.18 (.855)	
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(N = 4,716)		(Constant)	1,471.92	715.10	2.06 (.040)	0.40 .000 (.670)
		$\Delta \text{grants} \$_{1999-1998}$	0.00	0.00 0.01	0.90 (.371)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-7.14E-11	0.00 0.00	-0.24 (.812)	
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(N = 4,044)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	189.61	52.55		3.61 (.000)	2.77 (.063)	.003
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	775.30	241.04	0.05	3.22 (.001)		
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	615.45	423.00	0.02	1.45 (.146)		
		<hr/>						
(N = 3,897)		(Constant)	191.10	52.37		3.65 (.000)	2.70 (.067)	.003
		Δ grants% ₁₉₉₉₋₁₉₉₈	771.37	246.01	0.05	3.14 (.002)		
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	601.04	427.30	0.02	1.41 (.160)		
		<hr/>						
(N = 3,956)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	200.56	53.87		3.72 (.000)	2.82 (.060)	.003
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	724.73	249.00	0.05	2.91 (.004)		
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	632.50	439.46	0.02	1.44 (.150)		
		<hr/>						
(N = 3,813)		(Constant)	202.19	53.69		3.77 (.000)	2.79 (.062)	.003
		Δ grants% ₁₉₉₉₋₁₉₉₈	717.87	254.91	0.04	2.82 (.005)		
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	612.20	447.31	0.02	1.37 (.171)		
		<hr/>						
(N = 961)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	77.30	28.22		2.74 (.006)	0.40 (.672)	.001
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	74.34	142.26	0.02	0.52 (.601)		
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	-158.65	254.38	-0.02	-0.62 (.533)		
		<hr/>						
(N = 306)		(Constant)	76.12	28.14		2.70 (.007)	0.35 (.705)	.001
		Δ grants% ₁₉₉₉₋₁₉₉₈	78.02	147.30	0.02	0.53 (.596)		
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-127.88	257.96	-0.02	-0.50 (.620)		
		<hr/>						
2nd Quintile								
(N = 7,213)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	12,119.50	1,829.92		6.62 (.000)	0.01 (.988)	.000

		$\Delta\text{subsidy}_{\$1999-1998}$	0.00	0.01	0.00	-0.15 (.883)	
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	-3.56E-10	0.00	0.00	-0.10 (.919)	
<hr/>							
(N = 6,630)		(Constant)	12,116.86	1,829.68		6.62 (.000)	0.01 .000 (.995)
		$\Delta\text{grants}_{\$1999-1998}$	0.00	0.01	0.00	-0.01 (.990)	
		$(\Delta\text{grants}_{\$1999-1998})^2$	-3.41E-10	0.00	0.00	-0.10 (.923)	
<hr/>							
(N = 7,213)	$\Delta\text{direct}_{\$2000-1999}$	(Constant)	10,637.63	1,783.62		5.96 (.000)	0.01 .000 (.993)
		$\Delta\text{subsidy}_{\$1999-1998}$	0.00	0.01	0.00	-0.10 (.919)	
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	4.47E-11	0.00	0.00	0.01 (.990)	
<hr/>							
(N = 6,630)		(Constant)	10,639.17	1,783.39		5.97 (.000)	0.00 .000 (.999)
		$\Delta\text{grants}_{\$1999-1998}$	0.00	0.01	0.00	-0.04 (.970)	
		$(\Delta\text{grants}_{\$1999-1998})^2$	-1.23E-11	0.00	0.00	0.00 (.997)	
<hr/>							
(N = 7,213)	$\Delta\text{indirect}_{\$2000-1999}$	(Constant)	1,481.14	347.70		4.26 (.000)	0.18 .000 (.834)
		$\Delta\text{subsidy}_{\$1999-1998}$	0.00	0.00	0.00	-0.25 (.803)	
		$(\Delta\text{subsidy}_{\$1999-1998})^2$	-4.01E-10	0.00	-0.01	-0.60 (.547)	
<hr/>							
(N = 6,630)		(Constant)	1,476.96	347.66		4.25 (.000)	0.19 .000 (.824)
		$\Delta\text{grants}_{\$1999-1998}$	0.00	0.00	0.00	0.13 (.895)	
		$(\Delta\text{grants}_{\$1999-1998})^2$	-3.28E-10	0.00	-0.01	-0.49 (.623)	
<hr/>							
(N = 5,975)	$\% \Delta\text{charity}_{2000-1999}$	(Constant)	132.25	24.90		5.31 (.000)	0.64 .000 (.530)
		$\Delta\text{subsidy}_{\%1999-1998}$	131.98	123.63	0.01	1.07 (.286)	
		$(\Delta\text{subsidy}_{\%1999-1998})^2$	71.35	205.82	0.00	0.35 (.729)	
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(N = 5,690)		(Constant)	132.00	24.81	5.32 (.000)	0.53 (.589)	.000	
		$\Delta \text{grants}\%_{1999-1998}$	121.97	129.60	0.01 (.347)	0.94 (.347)		
		$(\Delta \text{grants}\%_{1999-1998})^2$	90.16	216.66	0.01 (.677)	0.42 (.677)		
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(N = 5,810)		% $\Delta \text{direct}_{2000-1999}$	(Constant)	160.65	30.73	5.23 (.000)	0.15 (.860)	.000
		$\Delta \text{subsidy}\%_{1999-1998}$	84.86	154.62	0.01 (.583)	0.55 (.583)		
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	1.47	261.18	0.00 (.996)	0.01 (.996)		
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(N = 5,535)		(Constant)	160.45	30.61	5.24 (.000)	0.14 (.873)	.000	
		$\Delta \text{grants}\%_{1999-1998}$	83.78	161.83	0.01 (.605)	0.52 (.605)		
		$(\Delta \text{grants}\%_{1999-1998})^2$	10.36	274.51	0.00 (.970)	0.04 (.970)		
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(N = 1,956)		% $\Delta \text{indirect}_{2000-1999}$	(Constant)	107.55	34.77	3.09 (.002)	0.19 (.823)	.000
		$\Delta \text{subsidy}\%_{1999-1998}$	122.36	197.95	0.01 (.537)	0.62 (.537)		
		$(\Delta \text{subsidy}\%_{1999-1998})^2$	7.31	348.80	0.00 (.983)	0.02 (.983)		
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(N = 1,881)		(Constant)	107.63	34.59	3.11 (.002)	0.09 (.915)	.000	
		$\Delta \text{grants}\%_{1999-1998}$	85.28	207.48	0.01 (.681)	0.41 (.681)		
		$(\Delta \text{grants}\%_{1999-1998})^2$	-2.85	355.60	0.00 (.994)	-0.01 (.994)		
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3rd Quintile								
(N = 8,568)		$\Delta \text{charity}\$_{2000-1999}$	(Constant)	25,132.03	9,258.42	2.71 (.007)	0.20 (.822)	.000
		$\Delta \text{subsidy}\$_{1999-1998}$	-0.01	0.04	0.00 (.793)	-0.26 (.793)		
		$(\Delta \text{subsidy}\$_{1999-1998})^2$	-7.80E-09	0.00	-0.01 (.577)	-0.56 (.577)		
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(N = 7,728)		(Constant)	25,147.95	9,256.05	2.72 (.007)	0.22 (.804)	.000	
		$\Delta \text{grants}\$_{1999-1998}$	-0.02	0.05	0.00 (.737)	-0.34 (.737)		

		$(\Delta \text{grants}_{\$1999-1998})^2$	-7.75E-09	0.00	-0.01	-0.55 (.580)	
(N = 8,568)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	22,641.43	9,244.70	2.45 (.014)	0.25 .000 (.781)	
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.02	0.04	0.00	-0.43 (.669)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-7.57E-09	0.00	-0.01	-0.54 (.587)	
(N = 7,728)		(Constant)	22,645.04	9,242.34	2.45 (.014)	0.27 .000 (.765)	
		$\Delta \text{grants}_{\$1999-1998}$	-0.02	0.05	-0.01	-0.48 (.633)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-7.48E-09	0.00	-0.01	-0.53 (.593)	
(N = 8,568)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	2,488.53	603.42	4.12 (.000)	3.20 .001 (.041)	
		$\Delta \text{subsidy}_{\$1999-1998}$	0.01	0.00	0.03	2.52 (.012)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-2.25E-10	0.00	0.00	-0.25 (.805)	
(N = 7,728)		(Constant)	2,500.85	603.33	4.15 (.000)	2.37 .001 (.094)	
		$\Delta \text{grants}_{\$1999-1998}$	0.01	0.00	0.02	2.17 (.030)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.77E-10	0.00	0.00	-0.30 (.762)	
(N = 7,106)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	348.27	130.90	2.66 (.008)	0.17 .000 (.842)	
		$\Delta \text{subsidy}_{\%1999-1998}$	247.67	689.47	0.00	0.36 (.719)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-493.83	1,115.32	-0.01	-0.44 (.658)	
(N = 6,640)		(Constant)	345.78	130.49	2.65 (.008)	0.14 .000 (.866)	
		$\Delta \text{grants}_{\%1999-1998}$	245.20	744.42	0.00	0.33 (.742)	
		$(\Delta \text{grants}_{\%1999-1998})^2$	-477.00	1,239.95	0.00	-0.38 (.700)	
(N = 6,917)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	176.88	28.90	6.12 (.000)	0.70 .000 (.496)	

		$\Delta\text{subsidy}\%_{1999-1998}$	167.06	152.38	0.01	1.10 (.273)	
		$(\Delta\text{subsidy}\%_{1999-1998})^2$	-96.93	246.84	0.00	-0.39 (.695)	
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(N = 6,463)		(Constant)	176.28	28.81		6.12 (.000)	0.48 .000 (.618)
		$\Delta\text{grants}\%_{1999-1998}$	146.25	164.25	0.01	0.89 (.373)	
		$(\Delta\text{grants}\%_{1999-1998})^2$	-88.86	274.24	0.00	-0.32 (.746)	
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(N = 2,678)	$\% \Delta\text{indirect}_{2000-1999}$	(Constant)	41.50	17.55		2.36 (.018)	0.76 .001 (.467)
		$\Delta\text{subsidy}\%_{1999-1998}$	78.46	106.35	0.01	0.74 (.461)	
		$(\Delta\text{subsidy}\%_{1999-1998})^2$	166.81	180.28	0.02	0.93 (.355)	
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(N = 2,532)		(Constant)	40.48	17.50		2.31 (.021)	1.05 .001 (.348)
		$\Delta\text{grants}\%_{1999-1998}$	93.52	113.97	0.02	0.82 (.412)	
		$(\Delta\text{grants}\%_{1999-1998})^2$	245.71	197.62	0.02	1.24 (.214)	
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4th Quintile							
(N = 9,298)	$\Delta\text{charity}\$_{2000-1999}$	(Constant)	35,305.16	5,688.38		6.21 (.000)	24.07 .005 (.000)
		$\Delta\text{subsidy}\$_{1999-1998}$	0.05	0.01	0.04	3.64 (.000)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	2.18E-08	0.00	0.07	6.30 (.000)	
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(N = 8,339)		(Constant)	35,566.53	5,673.82		6.27 (.000)	26.73 .006 (.000)
		$\Delta\text{grants}\$_{1999-1998}$	0.06	0.02	0.04	4.01 (.000)	
		$(\Delta\text{grants}\$_{1999-1998})^2$	2.30E-08	0.00	0.07	6.55 (.000)	
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(N = 9,298)	$\Delta\text{direct}\$_{2000-1999}$	(Constant)	30,333.64	5,474.41		5.54 (.000)	26.50 .006 (.000)
		$\Delta\text{subsidy}\$_{1999-1998}$	0.05	0.01	0.04	3.93 (.000)	
		$(\Delta\text{subsidy}\$_{1999-1998})^2$	2.18E-08	0.00	0.07	6.56 (.000)	

(N = 8,339)		(Constant)	30,596.12	5,460.24	5.60 (.000)	29.45 (.000)	.006
		$\Delta \text{grants}_{\$1999-1998}$	0.06	0.01 0.05	4.33 (.000)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	2.30E-08	0.00 0.07	6.81 (.000)		
<hr/>							
(N = 9,298)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	4,971.43	1,616.24	3.08 (.002)	0.12 (.887)	.000
		$\Delta \text{subsidy}_{\$1999-1998}$	0.00	0.00 -0.01	-0.49 (.625)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-3.85E-11	0.00 0.00	-0.04 (.969)		
<hr/>							
(N = 8,339)		(Constant)	4,970.34	1,612.55	3.08 (.002)	0.15 (.858)	.000
		$\Delta \text{grants}_{\$1999-1998}$	0.00	0.00 -0.01	-0.55 (.581)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	-1.14E-11	0.00 0.00	-0.01 (.991)		
<hr/>							
(N = 7,739)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	656.92	445.78	1.47 (.141)	0.04 (.964)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	625.17	2,526.45 0.00	0.25 (.805)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-393.22	3,724.37 0.00	-0.11 (.916)		
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(N = 7,132)		(Constant)	658.03	444.63	1.48 (.139)	0.01 (.989)	.000
		$\Delta \text{grants}_{\%1999-1998}$	290.11	2,827.01 0.00	0.10 (.918)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-496.08	4,455.31 0.00	-0.11 (.911)		
<hr/>							
(N = 7,485)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	219.94	64.55	3.41 (.001)	1.79 (.167)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	513.80	363.82 0.02	1.41 (.158)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	683.72	535.95 0.01	1.28 (.202)		
<hr/>							
(N = 6,903)		(Constant)	222.58	64.38	3.46 (.001)	0.82 (.439)	.000
		$\Delta \text{grants}_{\%1999-1998}$	136.66	410.74 0.00	0.33 (.739)		

			$(\Delta \text{grants} \%_{1999-1998})^2$	806.24	650.56	0.01	1.24 (.215)	
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(N = 3,483)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	73.24	24.25			3.02 (.003)	0.19 .000 (.825)
		$\Delta \text{subsidy} \%_{1999-1998}$	1.32	159.03	0.00		0.01 (.993)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-158.76	257.82	-0.01		-0.62 (.538)	
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(N = 3,373)		(Constant)	72.46	24.20			2.99 (.003)	0.13 .000 (.879)
		$\Delta \text{grants} \%_{1999-1998}$	6.75	171.87	0.00		0.04 (.969)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-147.00	291.64	-0.01		-0.50 (.614)	
<hr/>								
Largest NPOs								
(N = 9,689)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	242,563.80	64,810.09			3.74 (.000)	11.93 .002 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.04	0.02	0.03		2.41 (.016)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.82E-10	0.00	0.02		1.36 (.172)	
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(N = 8,740)		(Constant)	257,974.79	64,855.17			3.98 (.000)	3.83 .001 (.022)
		$\Delta \text{grants} \$_{1999-1998}$	0.03	0.03	0.01		0.99 (.322)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.96E-10	0.00	0.02		1.11 (.267)	
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(N = 9,689)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	220,849.58	57,069.87			3.87 (.000)	19.66 .004 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.08	0.02	0.07		4.90 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-7.21E-11	0.00	-0.01		-0.61 (.540)	
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(N = 8,740)		(Constant)	224,767.45	57,089.66			3.94 (.000)	14.93 .003 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.11	0.02	0.07		5.12 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-3.56E-10	0.00	-0.03		-2.29 (.022)	
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(N = 9,689)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	21,714.22	31,128.43	0.70 (.485)	9.27 (.000)	.002
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.03	0.01 -0.06	-3.97 (.000)		
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	2.54E-10	0.00 0.06	3.97 (.000)		
(N = 8,740)		(Constant)	33,207.34	31,062.07	1.07 (.285)	28.67 (.000)	.006
		$\Delta \text{grants}_{\$1999-1998}$	-0.09	0.01 -0.11	-7.34 (.000)		
		$(\Delta \text{grants}_{\$1999-1998})^2$	5.52E-10	0.00 0.09	6.54 (.000)		
(N = 8,423)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	137.30	17.75	7.74 (.000)	0.02 (.980)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	15.13	111.10 0.00	0.14 (.892)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-21.29	157.56 0.00	-0.14 (.893)		
(N = 7,669)		(Constant)	138.04	17.61	7.84 (.000)	0.44 (.646)	.000
		$\Delta \text{grants}_{\%1999-1998}$	115.93	139.45 0.01	0.83 (.406)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-60.79	203.35 0.00	-0.30 (.765)		
(N = 8,103)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	177.24	24.43	7.26 (.000)	0.20 (.818)	.000
		$\Delta \text{subsidy}_{\%1999-1998}$	-13.74	153.15 0.00	-0.09 (.929)		
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	135.30	217.58 0.01	0.62 (.534)		
(N = 7,371)		(Constant)	181.77	24.24	7.50 (.000)	0.64 (.528)	.000
		$\Delta \text{grants}_{\%1999-1998}$	208.72	192.92 0.01	1.08 (.279)		
		$(\Delta \text{grants}_{\%1999-1998})^2$	-52.39	283.30 0.00	-0.18 (.853)		
(N = 3,673)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	295.34	183.01	1.61 (.107)	1.16 (.312)	.001
		$\Delta \text{subsidy}_{\%1999-1998}$	1,654.14	1,105.71 0.02	1.50 (.135)		

		$(\Delta \text{subsidy} \%_{1999-1998})^2$	757.17	1,601.03	0.01	0.47 (.636)
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(N = 3,373)	(Constant)		290.04	181.44	1.60 (.110)	2.26 .001 (.105)
	$\Delta \text{grants} \%_{1999-1998}$		2,932.66	1,432.44	0.04 (.041)	2.05
	$(\Delta \text{grants} \%_{1999-1998})^2$		2,435.58	2,153.35	0.02 (.258)	1.13
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By % 1999 revenue from government sources						
0 to 25						
(N = 17,555)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	132,660.17	37,112.94	3.57 (.000)	60.84 .007 (.000)
	$\Delta \text{subsidy} \$_{1999-1998}$		0.08	0.02	0.04 (.000)	3.77
	$(\Delta \text{subsidy} \$_{1999-1998})^2$		1.22E-09	0.00	0.06 (.000)	5.92
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(N = 16,391)	(Constant)		125,977.76	37,074.47	3.40 (.001)	69.97 .008 (.000)
	$\Delta \text{grants} \$_{1999-1998}$		0.07	0.03	0.02 (.014)	2.46
	$(\Delta \text{grants} \$_{1999-1998})^2$		6.22E-09	0.00	0.09 (.000)	11.27
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(N = 17,555)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	141,753.24	32,772.66	4.33 (.000)	86.31 .010 (.000)
	$\Delta \text{subsidy} \$_{1999-1998}$		0.18	0.02	0.09 (.000)	9.67
	$(\Delta \text{subsidy} \$_{1999-1998})^2$		2.13E-10	0.00	0.01 (.244)	1.17
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(N = 16,391)	(Constant)		136,880.46	32,802.52	4.17 (.000)	62.48 .007 (.000)
	$\Delta \text{grants} \$_{1999-1998}$		0.24	0.02	0.08 (.000)	9.82
	$(\Delta \text{grants} \$_{1999-1998})^2$		2.12E-09	0.00	0.03 (.000)	4.33
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(N = 17,555)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	-9,092.97	17,587.90	-0.52 (.605)	64.53 .008 (.000)
	$\Delta \text{subsidy} \$_{1999-1998}$		-0.10	0.01	-0.10 (.000)	-10.05
	$(\Delta \text{subsidy} \$_{1999-1998})^2$		1.01E-09	0.00	0.10 (.000)	10.32
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(N = 16,391)	(Constant)	-10,902.61	17,446.45	-0.62 (.532)	193.68 (.000)	.023
	$\Delta \text{grants}_{\$1999-1998}$	-0.18	0.01	-0.10	-13.25 (.000)	
	$(\Delta \text{grants}_{\$1999-1998})^2$	4.11E-09	0.00	0.12	15.80 (.000)	
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(N = 15,756) % $\Delta \text{charity}_{2000-1999}$	(Constant)	177.75	49.12	3.62 (.000)	1.08 (.340)	.000
	$\Delta \text{subsidy}_{\%1999-1998}$	901.32	626.42	0.03	1.44 (.150)	
	$(\Delta \text{subsidy}_{\%1999-1998})^2$	986.67	861.83	0.02	1.14 (.252)	
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(N = 14,943)	(Constant)	175.07	48.75	3.59 (.000)	0.97 (.380)	.000
	$\Delta \text{grants}_{\%1999-1998}$	911.27	662.59	0.02	1.38 (.169)	
	$(\Delta \text{grants}_{\%1999-1998})^2$	1,040.04	969.64	0.02	1.07 (.283)	
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(N = 15,386) % $\Delta \text{direct}_{2000-1999}$	(Constant)	147.20	17.60	8.36 (.000)	2.90 (.055)	.000
	$\Delta \text{subsidy}_{\%1999-1998}$	650.64	225.04	0.05	2.89 (.004)	
	$(\Delta \text{subsidy}_{\%1999-1998})^2$	869.27	311.42	0.05	2.79 (.005)	
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(N = 14,596)	(Constant)	145.86	17.47	8.35 (.000)	2.89 (.056)	.000
	$\Delta \text{grants}_{\%1999-1998}$	661.22	238.07	0.04	2.78 (.005)	
	$(\Delta \text{grants}_{\%1999-1998})^2$	953.73	352.91	0.04	2.70 (.007)	
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(N = 5,535) % $\Delta \text{indirect}_{2000-1999}$	(Constant)	60.74	11.74	5.17 (.000)	1.06 (.347)	.000
	$\Delta \text{subsidy}_{\%1999-1998}$	-145.19	157.80	-0.03	-0.92 (.358)	
	$(\Delta \text{subsidy}_{\%1999-1998})^2$	-291.41	219.93	-0.04	-1.32 (.185)	
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(N = 5,263)	(Constant)	59.26	11.63	5.10 (.000)	1.63 (.196)	.001
	$\Delta \text{grants}_{\%1999-1998}$	-263.46	168.10	-0.04	-1.57 (.117)	

		$(\Delta \text{grants} \%_{1999-1998})^2$	-442.55	245.14	-0.05	-1.81 (.071)	
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25.1 to 50							
(N = 6,438)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	57,488.95	10,904.04		5.27 (.000)	95.54 .029 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.10	0.01	0.21	13.55 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.23E-09	0.00	0.16	10.38 (.000)	
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(N = 5,982)		(Constant)	50,120.68	10,355.76		4.84 (.000)	463.71 .126 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.05	0.02	0.04	2.71 (.007)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	2.25E-08	0.00	0.32	19.53 (.000)	
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(N = 6,438)	$\Delta \text{direct} \$_{2000-1999}$	(Constant)	52,593.82	10,646.82		4.94 (.000)	93.08 .028 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.09	0.01	0.20	13.17 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	1.25E-09	0.00	0.17	10.80 (.000)	
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(N = 5,982)		(Constant)	44,790.90	10,114.06		4.43 (.000)	459.10 .125 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.07	0.02	0.06	3.78 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	2.09E-08	0.00	0.31	18.59 (.000)	
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(N = 6,438)	$\Delta \text{indirect} \$_{2000-1999}$	(Constant)	4,895.14	2,793.78		1.75 (.080)	7.73 .002 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.00	0.00	0.04	2.69 (.007)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-2.02E-11	0.00	-0.01	-0.66 (.508)	
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(N = 5,982)		(Constant)	5,329.78	2,794.88		1.91 (.057)	13.03 .004 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	-0.02	0.00	-0.06	-3.63 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	1.59E-09	0.00	0.09	5.10 (.000)	
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(N = 5,665)	% Δ charity ₂₀₀₀₋₁₉₉₉	(Constant)	76.61	10.14	7.55 (.000)	1.37 (.254)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	55.43	54.13	0.01	1.02 (.306)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	218.86	167.29	0.02	1.31 (.191)	
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(N = 5,322)		(Constant)	87.36	9.95	8.78 (.000)	2.26 (.105)	.001
		Δ grants% ₁₉₉₉₋₁₉₉₈	96.30	56.72	0.02	1.70 (.090)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-201.61	166.20	-0.02	-1.21 (.225)	
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(N = 5,515)	% Δ direct ₂₀₀₀₋₁₉₉₉	(Constant)	108.12	27.00	4.00 (.000)	1.30 (.273)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	-65.88	143.52	-0.01	-0.46 (.646)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	682.98	442.78	0.02	1.54 (.123)	
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(N = 5,183)		(Constant)	136.21	26.50	5.14 (.000)	0.47 (.626)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	38.02	150.33	0.00	0.25 (.800)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	-406.93	439.50	-0.01	-0.93 (.355)	
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(N = 2,429)	% Δ indirect ₂₀₀₀₋₁₉₉₉	(Constant)	87.70	34.68	2.53 (.012)	0.11 (.893)	.000
		Δ subsidy% ₁₉₉₉₋₁₉₉₈	101.44	221.27	0.01	0.46 (.647)	
		$(\Delta$ subsidy% ₁₉₉₉₋₁₉₉₈) ²	103.79	736.26	0.00	0.14 (.888)	
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(N = 2,294)		(Constant)	85.84	33.62	2.55 (.011)	0.27 (.762)	.000
		Δ grants% ₁₉₉₉₋₁₉₉₈	162.67	230.37	0.01	0.71 (.480)	
		$(\Delta$ grants% ₁₉₉₉₋₁₉₉₈) ²	212.50	633.22	0.01	0.34 (.737)	
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50.1 to 75							
(N = 6,854)	Δ charity\$ ₂₀₀₀₋₁₉₉₉	(Constant)	32,876.65	5,777.45	5.69 (.000)	94.66 (.000)	.027
		Δ subsidy\$ ₁₉₉₉₋₁₉₉₈	0.00	0.00	0.04	1.10 (.272)	

		$(\Delta \text{subsidy}_{\$1999-1998})^2$	9.15E-11	0.00	0.13	3.84 (.000)	
(N = 6,106)		(Constant)	25,950.39	5,706.94		4.55 189.82 .053 (.000) (.000)	
		$\Delta \text{grants}_{\$1999-1998}$	0.08	0.01	0.47	10.83 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.09E-10	0.00	-0.26	-5.97 (.000)	
(N = 6,854)	$\Delta \text{direct}_{\$2000-1999}$	(Constant)	29,374.18	5,481.59		5.36 112.24 .032 (.000) (.000)	
		$\Delta \text{subsidy}_{\$1999-1998}$	-0.01	0.00	-0.08	-2.46 (.014)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	1.71E-10	0.00	0.25	7.54 (.000)	
(N = 6,106)		(Constant)	25,024.67	5,458.45		4.58 150.19 .042 (.000) (.000)	
		$\Delta \text{grants}_{\$1999-1998}$	0.03	0.01	0.19	4.42 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	1.19E-11	0.00	0.02	0.36 (.722)	
(N = 6,854)	$\Delta \text{indirect}_{\$2000-1999}$	(Constant)	3,499.73	2,026.04		1.73 48.27 .014 (.084) (.000)	
		$\Delta \text{subsidy}_{\$1999-1998}$	0.02	0.00	0.33	9.79 (.000)	
		$(\Delta \text{subsidy}_{\$1999-1998})^2$	-7.91E-11	0.00	-0.32	-9.46 (.000)	
(N = 6,106)		(Constant)	922.95	1,990.85		0.46 179.54 .050 (.643) (.000)	
		$\Delta \text{grants}_{\$1999-1998}$	0.05	0.00	0.82	18.94 (.000)	
		$(\Delta \text{grants}_{\$1999-1998})^2$	-2.21E-10	0.00	-0.78	-18.08 (.000)	
(N = 5,513)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	82.54	11.23		7.35 2.66 .002 (.000) (.070)	
		$\Delta \text{subsidy}_{\%1999-1998}$	202.57	85.90	0.05	2.36 (.018)	
		$(\Delta \text{subsidy}_{\%1999-1998})^2$	-115.08	179.11	-0.01	-0.64 (.521)	
(N = 5,111)		(Constant)	82.61	11.10		7.44 2.62 .001 (.000) (.073)	

		$\Delta \text{grants} \%_{1999-1998}$	169.75	69.99	0.04	2.43 (.015)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-32.40	142.00	0.00	-0.23 (.820)	
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(N = 5,320)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	143.07	26.37		5.43 (.000)	0.51 .000 (.598)
		$\Delta \text{subsidy} \%_{1999-1998}$	192.61	202.61	0.02	0.95 (.342)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-398.04	422.27	-0.02	-0.94 (.346)	
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(N = 4,934)		(Constant)	143.22	26.07		5.49 (.000)	0.64 .000 (.526)
		$\Delta \text{grants} \%_{1999-1998}$	160.26	163.71	0.02	0.98 (.328)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-335.07	331.54	-0.02	-1.01 (.312)	
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(N = 2,529)	$\% \Delta \text{indirect}_{2000-1999}$	(Constant)	203.64	205.89		0.99 (.323)	1.90 .002 (.150)
		$\Delta \text{subsidy} \%_{1999-1998}$	3,096.02	1,844.48	0.05	1.68 (.093)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-2,214.25	3,885.65	-0.02	-0.57 (.569)	
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(N = 2,368)		(Constant)	177.15	204.20		0.87 (.386)	2.05 .002 (.128)
		$\Delta \text{grants} \%_{1999-1998}$	2,456.46	1,479.92	0.04	1.66 (.097)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	833.35	3,130.92	0.01	0.27 (.790)	
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75.1 to 100							
(N = 9,823)	$\Delta \text{charity} \$_{2000-1999}$	(Constant)	30,463.67	6,397.35		4.76 (.000)	12.53 .003 (.000)
		$\Delta \text{subsidy} \$_{1999-1998}$	0.02	0.00	0.08	4.92 (.000)	
		$(\Delta \text{subsidy} \$_{1999-1998})^2$	-2.28E-10	0.00	-0.07	-4.32 (.000)	
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(N = 8,503)		(Constant)	32,567.52	6,322.76		5.15 (.000)	12.68 .003 (.000)
		$\Delta \text{grants} \$_{1999-1998}$	0.02	0.00	0.07	4.89 (.000)	
		$(\Delta \text{grants} \$_{1999-1998})^2$	-2.86E-10	0.00	-0.06	-4.37 (.000)	
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(N = 9,823)	$\Delta \text{direct}_{2000-1999}$	(Constant)	20,030.76	4,107.51	4.88 (.000)	10.30 (.000)	.002
		$\Delta \text{subsidy}_{1999-1998}$	0.01	0.00 0.07	4.27 (.000)		
		$(\Delta \text{subsidy}_{1999-1998})^2$	-1.44E-10	0.00 -0.07	-4.23 (.000)		
(N = 8,503)		(Constant)	21,285.46	4,059.56	5.24 (.000)	10.59 (.000)	.002
		$\Delta \text{grants}_{1999-1998}$	0.01	0.00 0.06	4.13 (.000)		
		$(\Delta \text{grants}_{1999-1998})^2$	-1.84E-10	0.00 -0.06	-4.39 (.000)		
(N = 9,823)	$\Delta \text{indirect}_{2000-1999}$	(Constant)	10,432.41	4,923.64	2.12 (.034)	4.01 (.018)	.001
		$\Delta \text{subsidy}_{1999-1998}$	0.01	0.00 0.04	2.83 (.005)		
		$(\Delta \text{subsidy}_{1999-1998})^2$	-8.46E-11	0.00 -0.03	-2.08 (.037)		
(N = 8,503)		(Constant)	11,281.59	4,866.20	2.32 (.020)	4.22 (.015)	.001
		$\Delta \text{grants}_{1999-1998}$	0.01	0.00 0.04	2.90 (.004)		
		$(\Delta \text{grants}_{1999-1998})^2$	-1.02E-10	0.00 -0.03	-2.02 (.043)		
(N = 7,131)	$\% \Delta \text{charity}_{2000-1999}$	(Constant)	958.16	503.37	1.90 (.057)	0.02 (.984)	.000
		$\Delta \text{subsidy}_{1999-1998}$	653.34	6,985.39 0.00	0.09 (.925)		
		$(\Delta \text{subsidy}_{1999-1998})^2$	-1,261.85	8,784.08 0.00	-0.14 (.886)		
(N = 6,359)		(Constant)	966.33	494.09	1.96 (.051)	0.02 (.985)	.000
		$\Delta \text{grants}_{1999-1998}$	167.16	3,096.65 0.00	0.05 (.957)		
		$(\Delta \text{grants}_{1999-1998})^2$	-682.47	4,069.30 0.00	-0.17 (.867)		
(N = 6,748)	$\% \Delta \text{direct}_{2000-1999}$	(Constant)	363.32	80.73	4.50 (.000)	2.05 (.129)	.001
		$\Delta \text{subsidy}_{1999-1998}$	2,005.87	1,110.41 0.06	1.81 (.071)		

		$(\Delta \text{subsidy} \%_{1999-1998})^2$	-1,874.44	1,394.59	-0.04	-1.34 (.179)	
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(N = 6,005)		(Constant)	391.08	79.16		4.94 (.000)	0.58 .000 (.559)
		$\Delta \text{grants} \%_{1999-1998}$	354.60	499.79	0.01	0.71 (.478)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	186.27	657.02	0.00	0.28 (.777)	
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(N = 2,593)	% $\Delta \text{indirect}_{2000-1999}$	(Constant)	272.79	178.82		1.53 (.127)	0.12 .000 (.887)
		$\Delta \text{subsidy} \%_{1999-1998}$	-1,235.09	2,703.26	-0.02	-0.46 (.648)	
		$(\Delta \text{subsidy} \%_{1999-1998})^2$	1,253.43	3,545.39	0.02	0.35 (.724)	
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(N = 2,357)		(Constant)	258.91	174.84		1.48 (.139)	0.04 .000 (.961)
		$\Delta \text{grants} \%_{1999-1998}$	-179.14	1,119.96	0.00	-0.16 (.873)	
		$(\Delta \text{grants} \%_{1999-1998})^2$	-237.97	1,554.44	0.00	-0.15 (.878)	
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