

The Estimation of Total Personal Giving
Ralph L. Nelson
Washington D.C.
May 8, 1992

1. Historical Series

- A. Based upon tax return data for itemized contributions plus an estimate of giving by nonitemizers
- B. Cannot be current as there is a lag in tax return data. This requires a projection of two or three years to produce an estimate for the year just ended.

2. Projecting the most recent two or three years using the Personal Giving Estimating Model (PGEM)

- A. The PGEM is a single equation model with 5 explanatory variables, contemporary for the year for which the projection is made.
- B. The five variables are Personal Income, Giving Age Population, Standard and Poors November-December Index, Time, and Political Party of the President.
- C. The most important variable not included is the income tax rate, however a satisfactory single measure of the average marginal tax rate was not available.
- D. Each variable was found to be statistically significant and the parameters showed stability in the face of generally high multicollinearity.
- E. The model is re-estimated periodically, using the updated historical series for a progressively longer base period.

3. Estimating Nonitemizer Contributions

- A. Nonitemizer giving is estimated by income class and, given the changes in Statistics of Income, the number of classes has ranged between 14 and 25. An estimate of average nonitemizer giving for an income class is multiplied by the number of nonitemizers in the class. The products are summed over the classes to produce an estimate of total nonitemized giving.
- B. Average nonitemizer giving by income class is based upon University of Michigan survey data for 1972, produced for the Filer Commission.
- C. To make the breakdown comparable to current income classes, income class limits and average contributions per class are projected using independent techniques. Income class limits are adjusted using the GNP deflator and average contributions per class are adjusted using an index of the average overall itemized contribution for the year. There was reason to expect that average nonitemized contributions tend to track average itemized contributions.

The Estimation of Total Personal Giving
Ralph L. Nelson
Washington, D.C.
May 8, 1992
Page Two

4. New Survey Data on Nonitemized Giving

A. Independent Sector has conducted two surveys of individual and family giving, for 1987 and 1989. IS plans to continue to conduct the survey on a biennial basis.

B. Both itemizers and nonitemizers are included in the survey.

C. The availability of these new survey data means that I no longer will have to project the 1972 survey data. The new IS data will become the basis for my estimate of nonitemizer giving in extending the historical series and using it to re-estimate the PGEM.

D. A detailed comparison by income class of my projection of the Michigan nonitemizer average contribution data with the IS nonitemizer data will be made for the year 1989. If close agreement is found, the pre-1989 historical series may not have to be re-estimated. If significant disagreement is found, then a forward-backward projection may have to be made using Michigan 1972 and Independent Sector 1989 survey findings.

5. Factors affecting itemization and nonitemization will be examined.

Among these are:

A. Changes in the standard deduction.

B. Changes in allowable itemized deductions other than contributions.

C. The Charitable Contributions Law of 1982-1986.

**Preliminary: not for
publication or use
without permission
of author.**

**The Estimation of Total Personal Giving
in the United States**

Ralph L. Nelson

**Prepared for Conference on Charitable Statistics
Washington, D.C.
May 8, 1992**

TOTAL GIVING, ITEMIZED AND NONITEMIZED

The long term trend in the amount of total, itemized and nonitemized contributions is described in Table PG-1, and that in the number of total, itemized and nonitemized tax returns is described in Table PG-2.

From 1980 to 1989 estimated total personal giving grew from \$40.71 billion to \$93.02 billion or by 128 percent. The share that was itemized on tax returns rose and then fell reaching peaks in 1985 and 1986. The share was lowest in the last two years 1988 and 1989. Historically, 1970 saw the highest share for itemized giving when almost 80 percent of the total was itemized.

A similar pattern is seen for the number of itemizers. In the 1980's the percentage of returns itemizing contributions rose and then fell and, again, the last two years had the lowest shares. Again historically 1970 had the highest share, when almost one-half of all tax returns contained itemized contributions.

Comparison of Columns (3) and (5) of Table PG-2 show that changes in the standard deduction appear to have had a significant effect on the numbers of itemized and nonitemized contributions. Also significant in recent years has been the reduction in the deductibility of medical expenses shown in Table PG-4.

The years 1982-1986 were ones in which the Charitable Contributions Law was in effect, when tax filers taking the standard deduction could additionally claim a deduction for charitable contributions. The data in Table PG-3 suggest that tax filers taking the standard deduction may have deferred some of their planned 1984 giving until 1985 and moved back some of their planned 1987 giving to 1986. This also appears in the projections of the Personal Giving Estimating Model (PGEM), described later. The 1984 and 1987 projections of the PGEM were higher than the "Best Estimates" based on tax return data and the 1986 projection was lower (Table PG-8).

THE "BEST ESTIMATE" OF TOTAL PERSONAL GIVING FOR 1989

The "Best Estimate" that I have just made for the 1992 Edition of Giving USA put total personal giving at \$93.02 billion. This was based on the most recent data of \$55.33 billion for contributions itemized on tax returns plus an estimate of nonitemized giving of \$37.69 billion.

In the 1990 Edition of Giving and Volunteering in the United States the 1989 survey conducted for Independent Sector found that the average contribution per household, for the 94.6 million households in the United States, was \$734. This produces an estimate of 1989 total giving of \$69.44 billion.

The \$23.58 billion difference between \$93.02 billion and \$69.44 billion is considerable and invites examination of the factors contributing to it. I am particularly interested in sorting out the components of the difference because I hope to use the Independent Sector's biennial survey findings to assist me in updating the estimate of nonitemized giving.

FACTORS CONTRIBUTING TO THE DIFFERENCE

DIFFERENCES IN AVERAGE ITEMIZED CONTRIBUTIONS INTENT TO ITEMIZE AND ACTUAL ITEMIZATION ITEMIZING DEDUCTIONS AND ITEMIZING CONTRIBUTIONS NONITEMIZER CONTRIBUTIONS; AVRGE BY INCOME CLASS NONITEMIZER CONTRIBUTIONS; INCOME DISTRIBUTION

DIFFERENCES IN AVERAGE ITEMIZED CONTRIBUTIONS

It was possible to make direct comparisons of average itemized contributions by income class. Findings based on Independent Sector (IS) survey data were compared to those based on tax return data (SOI). The IS data were presented in sufficient detail to permit the reconciliation of IS classifications with SOI itemized contributions. (Reconciliation tables are presently in longhand worksheet form. Typed tables will be forthcoming.)

The comparisons for itemized contributions are presented in the left columns of Table PG-5. The average contributions that survey respondents said they made (Survey, Q.29) were lower than the average amount persons in the same income class itemized on their tax returns. In seven of the eight income classes average itemized IS contributions were significantly lower than those in SOI, the IS average ranging from 51.4% to 85.6% of the average in SOI. The 153.5% for the \$75-to-\$100 thousand income class seems out of line, however I have not yet had time to explore the basic survey data with IS.

The effect of the differences in average contributions on the estimate of total itemized giving is considerable. If the survey averages are applied to the number of tax returns containing itemized contributions, by income class, total itemized giving turns out to be \$43.26 billion instead of the \$55.33 billion reported in SOI. The overall difference does not appear to be due to any significant difference in income distribution (Table PG-6, middle columns).

INTENT TO ITEMIZE AND ACTUAL ITEMIZATION

Differences also appeared between survey respondents' stated intentions to itemize deductions (Survey, Q.61) and the tax return filers' itemization of deductions. 41.8 percent of IS respondents said that they planned to itemize while 28.4 percent of all tax return filers

itemized deductions (Table PG-7, left two columns). As seen in Table PG-6, this seems to be mainly a matter of distribution by income class. A much higher share of people in the lowest three income classes in the tax return population (67.5%) than in the IS survey sample (47.7%). In these three income classes a much higher percentage of survey respondents said that they will itemize deductions than the tax return data show actually did itemize.

ITEMIZING DEDUCTIONS AND ITEMIZING CONTRIBUTIONS

Differences also appeared in the percentage of persons intending to itemize deductions who said they will (IS) or actually did (SOI) itemize contributions (Table PG-7, right two columns). With the exception of the two highest income classes, the percentage of itemizers who said that they intended to itemize contributions (Survey, Q.62) was significantly below that of those who actually itemized contributions.

NONITEMIZER CONTRIBUTIONS: AVERAGE BY INCOME CLASS

Direct comparison of average nonitemized contributions between survey and tax return data, of course, is not possible. I thus use the differences in average itemized contributions as a device to estimate average nonitemized giving by income class. This adjustment to the IS income class data on average nonitemized contributions is made in Table PG-5 (right columns), where estimates of the differences are given.

The understatement in average contribution is estimated to be greater for nonitemizers than for itemizers. The reasoning is that people not expecting to deduct contributions are less likely to as fully recall contributions than those who expect to deduct contributions.

Average nonitemized contributions from the IS survey were adjusted as described in the right columns of Table PG-5, and the thus adjusted averages were applied to the number of nonitemizing tax returns. Thus estimated, total nonitemized giving was \$37.03 billion, compared to the \$37.69 billion estimated using the "Best Estimate" approach.

NONITEMIZER CONTRIBUTIONS: INCOME DISTRIBUTION

41.4 percent of the survey's nonitemizer respondents were in the two lowest income classes where the degree of understatement appeared to be greatest. However 67.4 percent of contributions nonitemizers on tax returns fall into these classes (Table PG-6, right columns). This must be counted as a major factor in the difference in the estimates of nonitemized contributions.

UNWEIGHTED AND WEIGHTED IS SURVEY ESTIMATES

The IS report presents weighted estimates based upon an income distribution different from that of the unweighted sample. The IS weights used and the distribution of actual sample counts are presented in the lower panel of Table PG-7. Actual sample counts are used in the IS-SOI comparisons contained in this report.

"BEST ESTIMATE" OF NONITEMIZED DEDUCTIONS

"Best Estimate" nonitemizer giving is estimated by income class. An estimate of average nonitemizer giving for an income class is multiplied by the number of nonitemizer tax returns in the class. The products are summed over the classes to produce an estimate of total nonitemized giving.

Average nonitemizer giving by income class is based upon data from a 1973 University of Michigan survey conducted for the Commission on Private Philanthropy and Public Needs (Filer Commission). To provide a breakdown coextensive with subsequent year income classes, income class limits and average contributions per class are projected independently. Income class limits are adjusted using the GNP deflator and average contributions per class are adjusted using an index of the overall average itemized contribution for the year. (The calculation for 1989 is presently in longhand and a typed copy will be forthcoming.) A comparison of average 1989 contributions by income class, using projected 1973 Michigan survey data and adjusted Independent Sector survey data, is presented in Table PG-9.

THE PERSONAL GIVING ESTIMATING MODEL (PGEM)

The most recent "Best Estimate" of total personal giving cannot be current because there is a lag in the tax return data upon which it is based. Thus far this has required a projection of three years to produce an estimate for the year just ended.

The PGEM is a single equation model with five explanatory variables, contemporary for the year for which the projection is made. The specified relationship is linear in logarithms. The dependent variable is Total Personal Giving and the five independent variables are Personal Income, Giving Age Population, Standard and Poors November-December Index, Time, and Political Party of the President.

Probably the most important omitted variable is the marginal tax rate, however a satisfactory single measure of a weighted average marginal income tax rate was not found. I am considering the possible inclusion of an Expectation-Of-Tax-Change variable which might capture the process of moving contributions forward or

backward by a year in anticipation of announced changes in tax rates and other tax developments such as the beginning and ending of the Charitable Contributions Law.

As described in detail in my 1986 study "The Amount of Total Personal Giving in the United States, 1948-1982, With Projections to 1985 Using The Personal Giving Estimating Model" (full citation in Table PG-8 footnote) each explanatory variable was found to be statistically significant and its parameter showed stability in the face of generally high multicollinearity. There was no significant serial correlation. The reader is referred to the 1986 study for a more complete discussion of the PGEM.

The record of the projection of total personal giving from the most recent "Best Estimate" year to the year then just ended, until now a three-year projection, is summarized in Table PG-8.

TABLE PG-1

Estimates of Total Personal Giving As Presented in Giving USA,
 "Best Estimate" Series, 1948-1989 (Dollar Values in Billions)

| Year | Total Personal Giving | Itemized Giving: | | Nonitemized Giving: | |
|---------|-----------------------------|------------------|------|------------------------|------|
| | | Amount | % | Amount | % |
| 1948 | 3.90 | 1.88 | 48.3 | 2.02 | 51.7 |
| 1952 | 5.52 | 3.12 | 56.4 | 2.40 | 43.6 |
| 1956 | 7.33 | 4.88 | 66.5 | 2.45 | 33.5 |
| 1960 | 9.16 | 6.75 | 73.7 | 2.41 | 26.3 |
| 1964 | 11.19 | 8.33 | 74.4 | 2.86 | 25.6 |
| 1968 | 14.75 | 11.14 | 75.5 | 3.61 | 24.5 |
| 1970 | 16.19 | 12.89 | 79.6 | 3.30 | 20.4 |
| 1972 | 19.37 | 13.21 | 68.2 | 6.16 | 31.8 |
| 1974 | 21.60 | 14.85 | 68.8 | 6.75 | 31.2 |
| 1976 | 26.32 | 16.79 | 63.8 | 9.53 | 36.2 |
| 1978 | 32.10 | 19.69 | 61.3 | 12.41 | 38.7 |
| 1980 | 40.71 | 25.81 | 63.4 | 14.90 | 36.6 |
| 1981 | 46.42 | 30.80 | 65.9 | 15.62 | 34.1 |
| 1982 | 48.52 | 33.47* | 69.0 | 15.05 | 31.0 |
| 1983 | 53.54 | 37.68* | 70.4 | 15.86 | 29.6 |
| 1984 | 58.62 | 42.12* | 71.9 | 16.50 | 28.1 |
| 1985 | 65.93 | 47.96* | 72.7 | 17.97 | 27.3 |
| 1986 | 74.59 | 53.81* | 72.1 | 20.78 | 27.9 |
| 1987 | 75.92 | 49.62 | 65.4 | 26.29 | 34.6 |
| 1988 | 84.70 | 50.95 | 60.2 | 33.75 | 39.8 |
| 1989(p) | 93.02 | 55.33 | 59.5 | 37.69 | 40.5 |

* = Does not include contributions itemized on standard deduction returns under the Charitable Contributions Law.

TABLE PG-2

Total Number of Tax Returns and Percent Itemizing All Deductions and Percent Itemizing Contributions, 1948-1989, (Millions of Returns)

| Year | Number of Returns (1) | Percent Itemizing: All Deds. (2) | Con-tribns (3) | (2)/(3) x 100 (4) | Stan-dard Ded.** (5) |
|---------|-----------------------|----------------------------------|----------------|-------------------|----------------------|
| 1948 | 52.07 | 17.0 | 15.0 | 88.3 | 1000 |
| 1952 | 56.53 | 22.7 | 21.2 | 93.1 | 1000 |
| 1956 | 59.20 | 31.2 | 29.7 | 95.4 | 1000 |
| 1960 | 61.03 | 39.5 | 37.9 | 95.9 | 1000 |
| 1964 | 65.38 | 41.2 | 39.2 | 94.2 | 1000 |
| 1968 | 73.73 | 43.4 | 40.9 | 94.2 | 1000 |
| 1970 | 74.28 | 47.7 | 45.3 | 94.0 | 1000 |
| 1972 | 77.57 | 34.8 | 33.2 | 95.6 | 2000 |
| 1974 | 83.34 | 35.5 | 33.4 | 94.0 | 2000 |
| 1976 | 84.60 | 30.6 | 28.9 | 94.2 | 2800 |
| 1978 | 89.78 | 28.7 | 26.7 | 92.9 | 3200 |
| 1980 | 93.90 | 30.8 | 28.3 | 91.9 | 3400 |
| 1981 | 95.40 | 33.1 | 30.4 | 91.8 | 3400 |
| 1982 | 95.34 | 35.1 | 32.0* | 91.3 | 3400 |
| 1983 | 96.32 | 36.6 | 33.3* | 90.9 | 3400 |
| 1984 | 99.44 | 38.4 | 34.8* | 90.6 | 3400 |
| 1985 | 101.66 | 39.2 | 35.6* | 90.7 | 3540 |
| 1986 | 103.05 | 39.5 | 35.6* | 90.3 | 3670 |
| 1987 | 107.00 | 33.3 | 30.1 | 90.5 | 3760 |
| 1988 | 109.71 | 29.1 | 26.5 | 91.2 | 5000 |
| 1989(p) | 112.28 | 28.4 | 26.0 | 91.3 | 5200 |

* = Does not include contributors who itemized on standard deduction returns under the Charitable Contributions Law.

** = Married, filing joint return.

TABLE PG-3

The Charitable Contributions Law and Itemization of Contributions
1980-1989

| Year | All Returns | Percent of Total: | | Max. CCL Ded. | |
|------------------------------|----------------|-------------------------------|------------------|---------------------|------|
| | | Crtbns Itemized: Itemizers | Not Itemizers | | |
| Amount (\$Billions) | | | | | |
| 1980 | 40.71 | 63.4 | | 36.6 | |
| 1981 | 46.42 | 65.9 | | 34.1 | |
| 1982 | 48.52 | 70.0 | 1.0 | 30.0 | \$25 |
| 1983 | 53.54 | 70.4 | 1.1 | 28.5 | \$25 |
| 1984 | 58.62 | 71.9 | 2.9 | 25.2 | \$25 |
| 1985 | 65.93 | 72.7 | 14.3 | 13.0 | 50% |
| 1986 | 74.59 | 72.1 | 17.8 | 10.1 | 100% |
| 1987 | 75.92 | 65.4 | | 34.6 | |
| 1988 | 84.70 | 60.2 | | 39.8 | |
| 1989(p) | 93.02 | 59.5 | | 40.5 | |
| Number of Returns (millions) | | | | | |
| 1980 | 93.90 | 28.3 | | 71.7 | |
| 1981 | 95.40 | 30.4 | | 69.6 | |
| 1982 | 95.34 | 32.0 | 20.2 | 47.8 | \$25 |
| 1983 | 96.32 | 33.2 | 23.4 | 43.4 | \$25 |
| 1984 | 99.44 | 34.8 | 23.0 | 42.2 | \$75 |
| 1985 | 101.66 | 35.6 | 24.9 | 39.5 | 50% |
| 1986 | 103.05 | 35.6 | 27.2 | 37.2 | 100% |
| 1987 | 107.00 | 30.1 | | 69.9 | |
| 1988 | 109.71 | 26.5 | | 73.5 | |
| 1989(p) | 112.28 | 26.0 | | 74.0 | |

TABLE PG-4

Other Itemized Deductions Affecting Itemization of Contributions
1970-1989

| Year | All Returns (millions) | Percent Itemizing: | | | | | Stan- dard Ded. |
|---------|---------------------------|--------------------|------------|-------------|--------------|---------------|-----------------------|
| | | All | Tax- es | In- trst | Med- ical | Cntr- btns | |
| 1970 | 74.28 | 47.7 | 47.3 | 39.3 | 37.0 | 45.3 | 1000 |
| 1971 | 74.56 | 41.1 | - | - | - | - | 1500 |
| 1972 | 77.57 | 34.8 | 34.6 | 30.7 | 27.0 | 33.2 | 2000 |
| 1973 | 80.69 | 34.8 | 34.6 | 30.7 | 26.6 | 32.8 | 2000 |
| 1974 | 83.34 | 35.5 | 35.3 | 31.3 | 26.7 | 33.4 | 2000 |
| 1975 | 82.23 | 31.7 | 31.5 | 28.4 | 23.7 | 30.0 | 2600 |
| 1976 | 84.60 | 30.6 | 30.5 | 27.6 | 22.5 | 28.9 | 2800 |
| 1977 | 86.64 | 26.4 | 26.3 | 24.1 | 18.8 | 24.9 | 3200 |
| 1978 | 89.78 | 28.7 | 28.5 | 26.2 | 19.9 | 26.7 | 3200 |
| 1979 | 92.69 | 28.6 | 28.4 | 26.4 | 19.4 | 26.5 | 3400 |
| 1980 | 93.90 | 30.8 | 30.6 | 28.4 | 20.7 | 28.3 | 3400 |
| 1981 | 95.40 | 33.1 | 32.8 | 30.1 | 22.2 | 30.4 | 3400 |
| 1982 | 95.34 | 35.1 | 34.7 | 31.7 | 23.1 | 32.0 | 3400 |
| 1983 | 96.32 | 36.6 | 36.2 | 32.9 | 10.1 | 33.3 | 3400 |
| 1984 | 99.44 | 38.4 | 38.1 | 34.7 | 10.7 | 34.8 | 3400 |
| 1985 | 101.66 | 39.2 | 38.8 | 35.7 | 10.6 | 35.6 | 3540 |
| 1986 | 103.05 | 39.5 | 39.2 | 36.2 | 10.2 | 35.6 | 3670 |
| 1987 | 107.00 | 33.3 | 32.6 | 31.0 | 05.0 | 30.1 | 3760 |
| 1988 | 109.71 | 29.1 | 28.6 | 27.0 | 04.4 | 26.5 | 5000 |
| 1989(p) | 112.28 | 28.4 | 27.9 | 26.2 | 04.5 | 26.0 | 5200 |

TABLE PG-5

Average Itemized and Non-Itemized Contributions, By Income Class,
Independent Sector Survey (IS) Compared to Tax Return Data (SOI)
1989

| Income Class (\$000) | Average Itemized Contributions | | | Average Non-Itemized Contributions | | |
|-------------------------|--------------------------------|------|--------|------------------------------------|------|---------|
| | IS | SOI | IS/SOI | IS | SOI* | IS/SOI* |
| Under 10 | 0475 | 0760 | 0.625 | 0138 | 0276 | 0.500 |
| 10 to 20 | 0640 | 1097 | 0.583 | 0205 | 0410 | 0.500 |
| 20 to 30 | 0976 | 1140 | 0.856 | 0376 | 0537 | 0.700 |
| 30 to 40 | 0981 | 1184 | 0.829 | 0597 | 0853 | 0.700 |
| 40 to 50 | 1075 | 1318 | 0.816 | 0393 | 0561 | 0.700 |
| 50 to 75 | 1297 | 1607 | 0.807 | 0646 | 0922 | 0.700 |
| 75 to 100 | 3236 | 2108 | 1.535 | 1684 | 2105 | 0.800 |
| 100 & over | 3488 | 6790 | 0.514 | 1176 | 1470 | 0.800 |

* = estimate

TABLE PG-6

1989 Distribution of Number of Observations, By Income Class,
Independent Sector Survey (IS) Compared to Tax Return Data (SOI)

| Income Class \$(000) | All Rsp-ndts | | Cntrbn Itemizers | | Crtbn Non-Itemizers | |
|-------------------------|--------------|------------------|------------------|-----------------|---------------------|-----------------|
| | IS | Re- turns SOI | IS | SOI | IS | SOI |
| Under 10 | 12.5 | 29.0 | 03.0 | 01.8 | 18.3 | 38.5 |
| 10 to 20 | 17.4 | 23.3 | 08.1 | 07.1 | 23.1 | 28.9 |
| 20 to 30 | 17.8 | 15.2 | 13.1 | 12.7 | 20.7 | 16.0 |
| 30 to 40 | 15.2 | 10.8 | 16.1 | 16.6 | 14.8 | 08.8 |
| 40 to 50 | 09.5 | 07.6 | 13.3 | 17.2 | 07.1 | 04.3 |
| 50 to 75 | 18.5 | 08.9 | 29.0 | 26.3 | 12.0 | 02.8 |
| 75 to 100 | 05.3 | 02.7 | 10.0 | 09.2 | 02.3 | 00.4 |
| 100 & over | 03.8 | 02.6 | 07.3 | 09.2 | 01.7 | 00.3 |
| Number | 2547 | 112.3 million | 0968 | 29.2 million | 1579 | 83.1 million |

TABLE PG-7

Itemization of All deductions and Contributions, By Income Class,
Independent Sector Survey (IS) Compared to Tax Return Data (SOI)
1989

| Income Class (\$000) | Percent of Total: | | Ctbrs % Itemizers | |
|-------------------------|--|---|---|-------------------------------------|
| | Rspmts: Will Itemize Deductns IS | Retrns: Itemized Deduc- tions SOI | Will Itemize Contri- tions IS | Itmzd on Tax Retrns SOI |
| Under 10 | 13.2 | 2.3 | 48.9 | 69.1 |
| 10 to 20 | 21.7 | 9.8 | 51.0 | 81.8 |
| 20 to 30 | 32.1 | 25.0 | 69.9 | 86.9 |
| 30 to 40 | 45.2 | 44.3 | 75.0 | 89.9 |
| 40 to 50 | 58.4 | 63.1 | 71.6 | 92.5 |
| 50 to 75 | 62.6 | 80.4 | 69.6 | 95.5 |
| 75 to 100 | 73.3 | 91.6 | 92.9 | 96.4 |
| 100 & over | 73.3 | 95.3 | 84.7 | 96.5 |
| All classes | 41.8 | 28.4 | 74.5 | 91.3 |
| Total Number | 1065/ 2547 | 31.9/ 112.3 million | 793/ 1065 | 29.2/ 31.9 million |

| Income Class (\$000) | Independent Sector Survey | |
|-------------------------|------------------------------|------|
| | Unwtd | Wtd |
| Under 10 | 12.5 | 12.6 |
| 10 to 20 | 17.4 | 17.2 |
| 20 to 30 | 17.8 | 18.9 |
| 30 to 40 | 15.2 | 15.5 |
| 40 to 50 | 9.5 | 10.3 |
| 50 to 75 | 18.5 | 15.5 |
| 75 to 100 | 5.3 | 5.1 |
| 100 & Over | 3.8 | 3.4 |
| Total | 100.0 | 98.5 |

TABLE PG-8

Comparison of Estimates of Total Personal Giving Projected By the Personal Giving Estimating Model (PGEM) with the "Best Estimate" Series Based Upon Tax Return Data, 1983-1989.

| Year | "Best Estimate" | Projections: | | | | |
|------|-----------------|--------------|-----------------------|------|------|-----------|
| | | TPG US* | Edition of Giving USA | | | |
| | | 1987 | 1988 | 1989 | 1990 | 1991 |
| 1983 | 53.5 | 55.1 | | | | |
| 1984 | 58.6 | 60.7 | 60.7 | | | |
| 1985 | 65.9 | 66.1 | 65.7 | 66.2 | | |
| 1986 | 74.6 | | 71.7 | 72.2 | 76.2 | |
| 1987 | 75.9 | | | 77.1 | 80.8 | 78.0 |
| 1988 | 84.7 | | | | 86.7 | 86.3 86.5 |
| 1989 | 93.0(p) | | | | | 96.4 96.8 |

* Ralph L. Nelson THE AMOUNT OF TOTAL PERSONAL GIVING IN THE UNITED STATES, 1948-1982 (With Projections to 1985 Using The Personal Giving Estimating Model) , United Way Institute, June 1986.

TABLE PG-9

Estimated Average Nonitemized Contributions By Income Class,
Adjusted Independent Sector Survey Averages Compared to the
Projected Michigan Survey Averages Used in the "Best Estimate"
1989

| Income Class \$(000) | Ave. Itemized Contributions | | % Nonite- mizing Returns (SOI) |
|----------------------------|--------------------------------|----------------|---|
| | Adjstd IS | Prjtd Mich. | |
| Under 10 | 276 | 250 | 38.5 |
| 10 to 20 | 410 | 322 | 28.9 |
| 20 to 30 | 537 | 552 | 16.0 |
| 30 to 40 | 853 | 842 | 8.8 |
| 40 to 50 | 561 | 1190 | 4.3 |
| 50 to 75 | 922 | 1280 | 2.8 |
| 75 to 100 | 2105 | 1280 | 0.4 |
| 100 & Over | 1470 | 6619 | 0.3 |
| | | | 100.0 |

R-11
1/12

GIVING AND VOLUNTEERING IN THE UNITED STATES: FINDINGS FROM A NATIONAL SURVEY, 1990 Edition, Washington, D.C., The Independent Sector, 1990. The information was obtained from in-home personal interviews conducted from March 23 to May 20, 1990.

Q.61

For your 1989 federal tax return that is normally due by April 15, 1990, will you itemize your deductions, that is use the 1040 long form and Schedule A?

A.61

1 Yes

2 No

9 Don't know/No answer

GO TO Q.63

Q.62

Will you be claiming a deduction for charitable contributions?

A.62

1 Yes

2 No

9 Don't know

Q.927

Would you please give me the letter of the group which best represents, before taxes, the total annual income in 1989 — including wages, salaries, interest, dividends, social security, and other forms, before taxes, of all the members of your immediate family living in your household? (JUST READ OFF THE LETTER)

A.927

1 Under \$7,000 8 \$35,000 - \$39,999

2 \$7,000 - \$9,999 9 \$40,000 - \$49,999

3 \$10,000 - \$14,999 10 \$50,000 - \$59,999

4 \$15,000 - \$19,999 11 \$60,000 - \$74,999

5 \$20,000 - \$24,999 12 \$75,000 - \$99,999

6 \$25,000 - \$29,999 13 \$100,000 or more

7 \$30,000 - \$34,999

Q.29 (APPENDIX A)

Listed on this card are examples of the many different fields in which people and families contribute money or other property for charitable purposes. I mean making a voluntary contribution and not with the intention of making a profit, or obtaining goods and/or services for yourself. In which, if any, of the fields listed on this card have you and the members of your family or household contributed some money or other property in 1989?

(JUST READ OFF THE LETTER OF EACH FIELD. RECORD BELOW UNDER A.29)

| | <u>A.29</u> | | <u>A.30</u> | | <u>A.31</u> | <u>A.31a</u> | <u>A.32</u> |
|--------------------------------------|-------------|----|-------------|---------------|---|--------------|------------------|
| | Yes | No | One | More Than One | Estimated Dollars Including Value of Property | | (IF TYPE IS UNKN |
| | | | | | | | RECORD NAME O |
| | | | | | | | ORGANIZATION) |
| | | | | | | | Type |
| a. Health | 1 | 2 | 1 | 2 | \$ | \$ | |
| b. Education | 1 | 2 | 1 | 2 | \$ | \$ | |
| c. Religious organizations | 1 | 2 | 1 | 2 | \$ | \$ | |
| d. Human services | 1 | 2 | 1 | 2 | \$ | \$ | |
| e. Environment | 1 | 2 | 1 | 2 | \$ | \$ | |
| f. Public/society benefit | 1 | 2 | 1 | 2 | \$ | \$ | |
| g. Recreation - adults | 1 | 2 | 1 | 2 | \$ | \$ | |
| h. Arts, culture, & humanities | 1 | 2 | 1 | 2 | \$ | \$ | |
| i. Work-related organizations | 1 | 2 | 1 | 2 | \$ | \$ | |
| j. Political organizations | 1 | 2 | 1 | 2 | \$ | \$ | |
| k. Youth development | 1 | 2 | 1 | 2 | \$ | \$ | |
| l. Private and community foundations | 1 | 2 | 1 | 2 | \$ | \$ | |
| m. International/foreign | 1 | 2 | 1 | 2 | \$ | \$ | |
| n. Other _____ | 1 | 2 | 1 | 2 | \$ | \$ | |

(PLEASE SPECIFY

o9 None of these (SKIP TO Q.41)

SOI BULLETIN



Contents of This Issue

Page

- 1 SOI Bulletin Board.
- 7 Individual Income Tax Returns, Preliminary Data, 1989
- 23 Private Foundation Returns, 1986 and 1987
- 51 Selected Historical Data

Figure H.— Selected Itemized Deductions and the Standard Deduction, Tax Years 1988 and 1989

[Number of returns are in thousands—money amounts are in millions of dollars]

| Deduction | 1988 | | 1989 | | Percentage change in amount |
|--|-------------------|------------------|-------------------|------------------|-----------------------------|
| | Number of returns | Amount | Number of returns | Amount | |
| | (1) | (2) | (3) | (4) | (5) |
| Total itemized deductions | 31,903 | \$395,216 | 31,930 | \$424,687 | 7.5% |
| Medical and dental expenses..... | 4,810 | 17,994 | 5,074 | 20,499 | 13.9 |
| Taxes paid..... | 31,328 | 120,628 | 31,384 | 131,410 | 8.9 |
| Interest paid ¹ | 29,631 | 179,738 | 29,391 | 188,411 | 4.8 |
| Home mortgage..... | 25,993 | 149,166 | 26,346 | 167,188 | 12.1 |
| Personal interest..... | 25,839 | 16,281 | 25,000 | 8,008 | -50.8 |
| Contributions..... | 29,111 | 50,949 | 29,163 | 55,329 | 8.6 |
| Casualty or theft losses..... | 133 | 1,236 | 185 | 1,709 | 38.3 |
| Moving expenses..... | 912 | 3,634 | 899 | 3,940 | 8.4 |
| Miscellaneous expenses after limitation..... | 7,444 | 19,408 | 7,433 | 21,438 | 10.5 |
| Other miscellaneous expenses..... | 822 | 1,629 | 697 | 1,951 | 19.8 |
| Standard deduction..... | 76,472 | 289,564 | 79,627 | 311,186 | 7.5 |

¹Also includes investment interest and deductible "points" not shown separately.

NOTES: Those returns with AGI less than or equal to zero are not included in deduction counts. For this reason, the sum of the number of returns for total itemized deductions and total standard deduction is less than the total number of returns for all filers. Detail may not add to totals because of rounding.

Individual Returns/1989

| Size of adjusted gross income | Itemized deductions | | | | | | Total | | Medical and dental expense deduction | | Taxes paid deduction | | Interest paid deduction | | Contributions deduction | |
|----------------------------------|---------------------|-------------|-----------|------------|------------|-------------|------------|-------------|--------------------------------------|------------|----------------------|------|-------------------------|------|-------------------------|------|
| | (71) | (72) | (73) | (74) | (75) | (76) | (77) | (78) | (79) | (80) | (81) | (82) | (83) | (84) | (85) | (86) |
| All returns, total..... | 31,930,074 | 424,688,913 | 5,074,083 | 20,488,643 | 31,382,714 | 131,409,831 | 29,391,090 | 188,411,379 | 29,162,820 | 55,328,974 | | | | | | |
| No adjusted gross income..... | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| \$1 under \$5,000..... | 148,297 | 1,359,165 | 94,540 | 560,694 | 123,043 | 169,681 | 107,525 | 524,439 | 93,309 | 39,726 | | | | | | |
| \$5,000 under \$10,000..... | 611,991 | 5,202,828 | 392,981 | 2,255,225 | 513,007 | 644,381 | 412,958 | 1,690,771 | 432,008 | 359,524 | | | | | | |
| \$10,000 under \$15,000..... | 1,057,579 | 8,777,202 | 604,390 | 2,865,332 | 959,878 | 1,294,264 | 794,763 | 2,962,922 | 816,598 | 902,287 | | | | | | |
| \$15,000 under \$20,000..... | 1,490,337 | 11,888,971 | 664,808 | 2,547,091 | 1,422,950 | 2,079,201 | 1,260,548 | 5,006,559 | 1,267,050 | 1,383,488 | | | | | | |
| \$20,000 under \$25,000..... | 1,951,087 | 15,827,650 | 850,308 | 2,186,977 | 1,891,383 | 3,192,760 | 1,728,469 | 7,074,104 | 1,678,485 | 1,978,537 | | | | | | |
| \$25,000 under \$30,000..... | 2,307,042 | 19,286,474 | 948,818 | 1,716,723 | 2,251,680 | 4,446,997 | 2,134,916 | 9,210,997 | 2,023,207 | 2,243,169 | | | | | | |
| \$30,000 under \$40,000..... | 5,372,458 | 48,920,334 | 858,798 | 2,441,121 | 5,324,659 | 12,467,907 | 5,049,093 | 24,676,507 | 4,826,934 | 5,714,321 | | | | | | |
| \$40,000 under \$50,000..... | 5,415,034 | 58,208,164 | 578,854 | 2,052,828 | 5,377,252 | 15,847,253 | 5,134,525 | 21,726,464 | 5,010,994 | 6,602,174 | | | | | | |
| \$50,000 under \$75,000..... | 6,019,981 | 100,972,341 | 514,934 | 2,426,648 | 7,979,744 | 31,466,775 | 7,680,220 | 48,161,068 | 7,855,998 | 12,301,222 | | | | | | |
| \$75,000 under \$100,000..... | 2,787,851 | 47,850,083 | 110,190 | 710,525 | 2,778,227 | 15,871,679 | 2,592,807 | 23,120,364 | 2,686,553 | 5,664,125 | | | | | | |
| \$100,000 under \$200,000..... | 1,979,394 | 50,598,407 | 48,105 | 485,366 | 1,973,411 | 17,800,285 | 1,799,522 | 21,864,059 | 1,906,884 | 6,734,795 | | | | | | |
| \$200,000 under \$500,000..... | 609,603 | 28,769,050 | 8,200 | 197,898 | 606,931 | 11,923,018 | 539,302 | 10,706,587 | 589,286 | 4,250,805 | | | | | | |
| \$500,000 under \$1,000,000..... | 119,147 | 10,639,248 | 958 | 38,853 | 118,695 | 5,161,354 | 103,823 | 3,092,672 | 115,581 | 2,123,684 | | | | | | |
| \$1,000,000 and over..... | 61,272 | 18,229,095 | 201 | 13,362 | 60,893 | 9,044,375 | 52,617 | 3,593,889 | 59,945 | 5,031,135 | | | | | | |
| Taxable returns, total..... | 30,450,048 | 402,033,999 | 4,147,878 | 12,839,828 | 30,100,986 | 128,824,048 | 28,282,710 | 179,533,915 | 28,082,851 | 53,876,838 | | | | | | |
| Non-taxable returns, total..... | 1,480,026 | 22,652,915 | 926,405 | 7,859,715 | 1,282,728 | 2,585,483 | 1,128,380 | 8,887,464 | 1,080,169 | 1,452,336 | | | | | | |

Footnotes at end of table.

[All figures are estimates based on samples—money amounts are in thousands.]

| Size of adjusted gross income | Number of returns | Adjusted gross income less deficit (AGI) |
|----------------------------------|-------------------|--|
| All returns, total..... | 112,279,888 | 3,291,413,132 |
| No adjusted gross income..... | 721,525 | -30,505,082 |
| \$1 under \$5,000..... | 16,761,868 | 41,628,970 |
| \$5,000 under \$10,000..... | 15,032,901 | 112,025,735 |
| \$10,000 under \$15,000..... | 14,348,584 | 178,303,046 |
| \$15,000 under \$20,000..... | 11,761,209 | 204,989,941 |
| \$20,000 under \$25,000..... | 9,361,682 | 209,595,894 |
| \$25,000 under \$30,000..... | 7,849,156 | 210,132,689 |
| \$30,000 under \$40,000..... | 12,136,095 | 421,525,845 |
| \$40,000 under \$50,000..... | 8,577,458 | 363,063,044 |
| \$50,000 under \$75,000..... | 9,978,417 | 598,214,907 |
| \$75,000 under \$100,000..... | 3,044,653 | 259,758,935 |
| \$100,000 under \$200,000..... | 2,097,490 | 277,814,410 |
| \$200,000 under \$500,000..... | 625,710 | 183,081,370 |
| \$500,000 under \$1,000,000..... | 121,253 | 82,341,686 |
| \$1,000,000 and over..... | 61,987 | 159,421,731 |
| Taxable returns, total..... | 89,422,362 | 3,193,367,362 |
| Non-taxable returns, total..... | 22,857,526 | 108,045,770 |