

State *Of the* State Survey

***Public Perceptions of
Nonprofit Organizations
in Michigan***

Mark I. Wilson, Ph.D.

Neal R. Hegarty, M.P.A.

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Prepared by

Mark I. Wilson, Ph.D.

Director, Nonprofit Michigan Project
Research Associate, Institute for Public Policy and Social Research
Associate Professor
Geography and Urban and Regional Planning

Neal R. Hegarty, M.P.A.

Research Assistant, Institute for Public Policy and Social Research

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Please contact the following for further information:

About this report: Mark Wilson, Associate Professor, Michigan State University (Phone: 517-355-6672 ext. 114; Email: wilsonmm@pilot.msu.edu).

About SOSS: Brian D. Silver, Director of SOSS (Phone: (517) 355-2237) or visit the SOSS web site at <http://www.ippsr.msu.edu/soSS/>. **About the Institute for Public Policy and Social Research:** Carol S. Weissert, Director (Phone: (517) 355-6672 Email: Weissert@msu.edu). General contact for media and press: AnnMarie Schneider, or Amy J. Baumer at IPPSR (Phone: (517) 355-6672 Email: annmarie@msu.edu and baumeram@msu.edu).

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BACKGROUND

Through volunteer activities and financial support, thousands of people in Michigan interact with nonprofit organizations. The nonprofit community encompasses a wide variety of religious organizations, social service agencies, the United Way, youth and children's organizations, and educational organizations. Nonprofit and charitable organizations provide services which have a direct impact on our schools, our neighborhoods, and our economy. But how is the nonprofit sector perceived by Michigan residents? Are nonprofit organizations seen as being effective service providers? Do nonprofits have a reputation as being honest and ethical? How do Michiganders define the terms "nonprofit" and "charitable"? Are Michigan-based nonprofits more effective at service provision than national nonprofits?

The purpose of this briefing paper is to identify how Michigan residents perceive Michigan's nonprofit community. The paper illustrates the sometimes divergent views of nonprofits held by different demographic groups of Michiganders.

THE SURVEY

A telephone survey of 975 adult residents in the state of Michigan was conducted by Michigan State University's Institute for Public Policy and Social Research between February 18 and April 7, 1997. It was the tenth quarterly MSU State of the State Survey (SOSS). It focused on government performance, community needs and MSU Extension, charity and nonprofits, and assisted suicide. The overall sampling error is $\pm 3.1\%$.

The sample was designed to provide representative information for respondents from major regions of the state: Detroit City, Southeast Michigan (excluding Detroit), Southwest Michigan, Central Michigan (West and East), northern Lower Michigan, and the Upper Peninsula. (See attached information sheet for a list of the counties included in each region.) The data reported here are weighted to make the results representative of the adult population of Michigan.

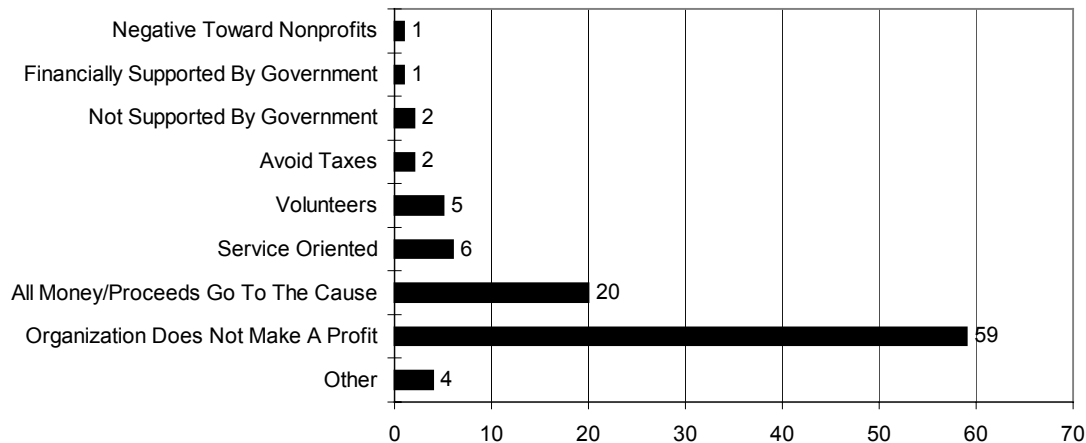
KEY FINDINGS

How do people define the terms "nonprofit" and "charitable"? We asked people to define these terms in their own words. We then analyzed their immediate responses and coded them into categories. We asked half the people what "nonprofit" meant to them, and the other half what "charitable" meant to them.

- **Approximately three in five Michiganders associate the term "nonprofit" with the idea (which is correct) that nonprofit organizations are not allowed to make a profit. As Figure 1 shows, the first thing that comes to mind for 59% of Michigan residents is that nonprofit organizations are not allowed to make a profit. For 20%, it is that all money and proceeds are required to go to the cause. Five percent of Michiganders associate the term "nonprofit" first with volunteers, and 6% associate nonprofits first with being service-oriented. One percent of Michiganders associate nonprofits first with**

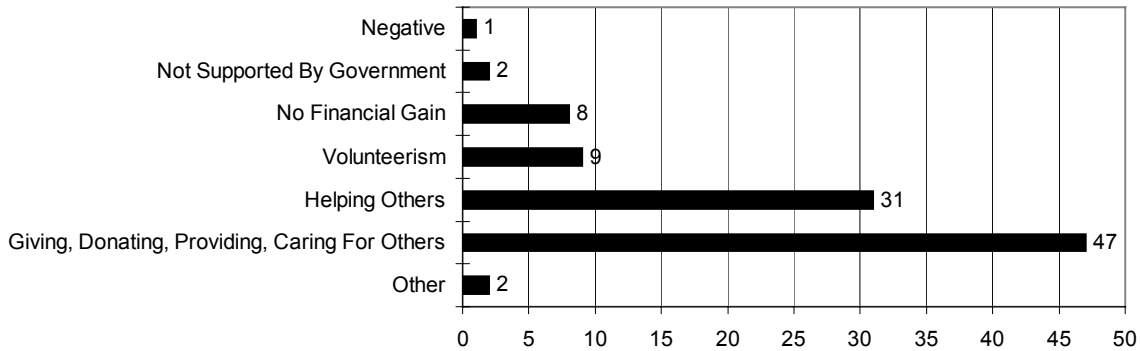
something negative, and 2% associate nonprofits first with tax avoidance. (Question 1 – exact wording is given below.)

**Figure 1. What Does The Term "Nonprofit" Mean To You?
Total by Percent**



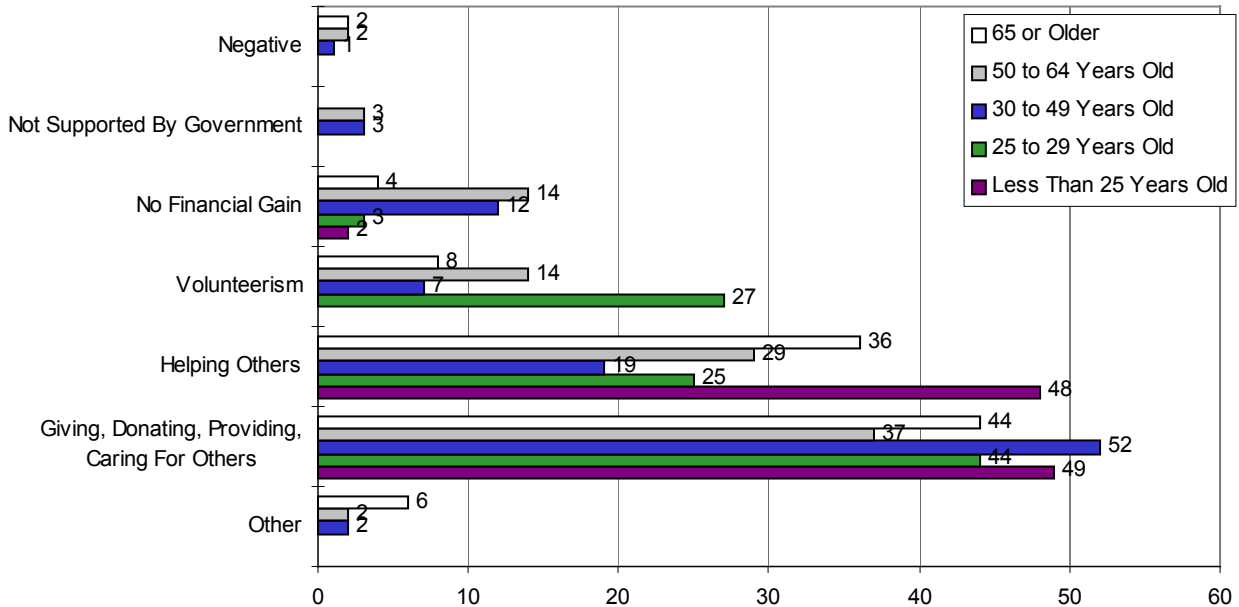
- Definitions of “nonprofit” differ by sex, income, race, and political affiliation. More women (24%) than men (16%) mention first that all money goes to the cause, while more men (61%) than women (57%) mention first that nonprofit organizations do not make a profit. More Michigianians with household incomes between \$25,000 and \$90,000 say first that nonprofit organizations do not make a profit than those with incomes less than \$25,000 (53%) or more than \$90,000 (44%). More African-Americans (73%) than whites (57%) say first that nonprofit organizations do not make a profit, while more whites say first that all money goes to the cause (21% vs. 10%). More Democrats (70%) than Republicans (60%), independents (54%), or those with no political affiliation (43%) say first that nonprofit organizations do not make a profit.**
- Approximately half of all Michigan residents associate the term “charitable” first with giving, donating, providing, or caring for others. An additional 31% of residents associate “charitable” first with helping others, while 1% of Michigianians have a negative first association with the term. (See Figure 2 Below)**

**Figure 2. What Does The Term "Charitable" Mean To You?
Total by Percent**



- Associations with “charitable” do not differ by sex, but do differ by political affiliation. For example, 57% of people with no political affiliation but only 45%-47% of other people associate “charitable” first with giving, donating, providing or caring for others. “Helping others” is the association mentioned first by 34% of Democrats and 26% of Republicans. More Republicans (15%) than Democrats (6%) or independents (3%) mention “no financial gain,” while more independents (12%) mention “volunteerism.”
- Half of all Michigianians aged 18-25 associate the term “charitable” first with giving, donating, providing, or caring for others. As Figure 3 shows, each age group has its own set of interpretations of the term.

**Figure 3. What Does The Term "Charitable" Mean To You
Percent by Age**

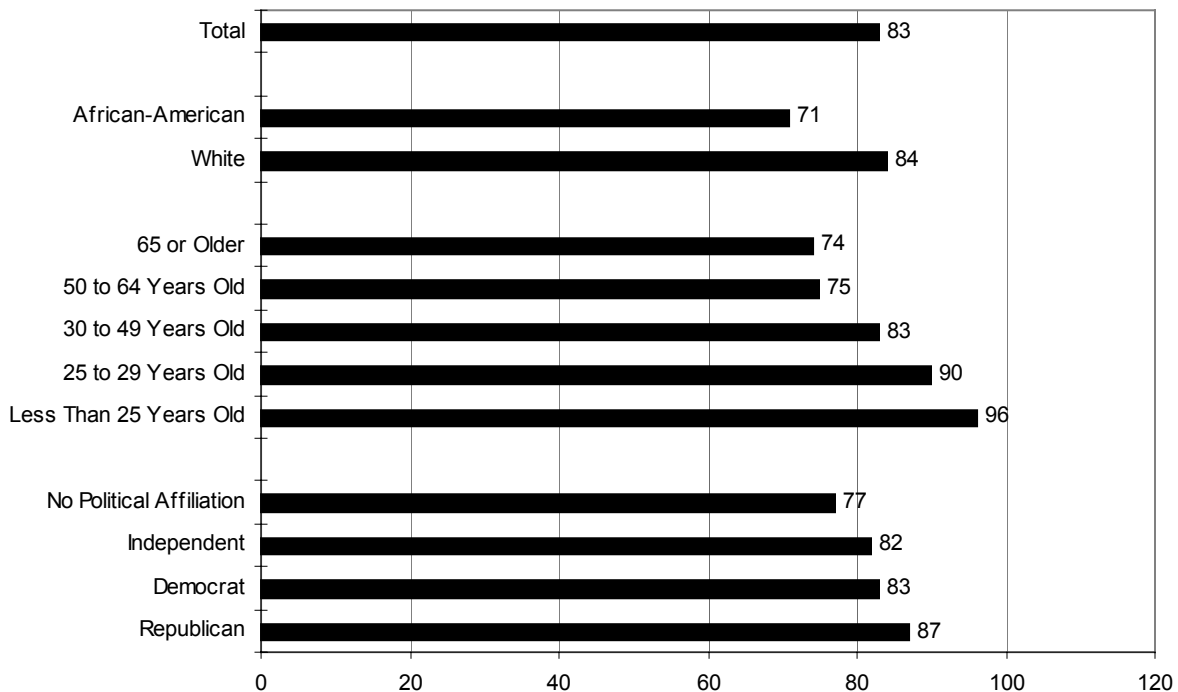


- More African-Americans (59%) than whites (45%) associate “charitable” first with giving, donating, providing, or caring for others. However, more whites (33%) than African-Americans (21%) associate the term “charitable” with helping others. (“Helping others” is a more inclusive but less specific definition.) Approximately the same proportions of African-Americans and whites associate “charitable” with volunteerism (9%) and with no financial gain (7-8%).

Are nonprofits more effective now in providing services than they were five years ago?

- Approximately four in five Michigianians (83%) “strongly agree” or “somewhat agree” that nonprofits are more effective in providing services now than they were five years ago. (See Figure 4 Below; Q. 3.) Both men and women and people in all household income categories share this perception: all are within four percentage points of 83%.

Figure 4. Percent Who Believe Nonprofits Are More Effective Now Than Five Years Ago by Total, Race, Age, Political Affiliation

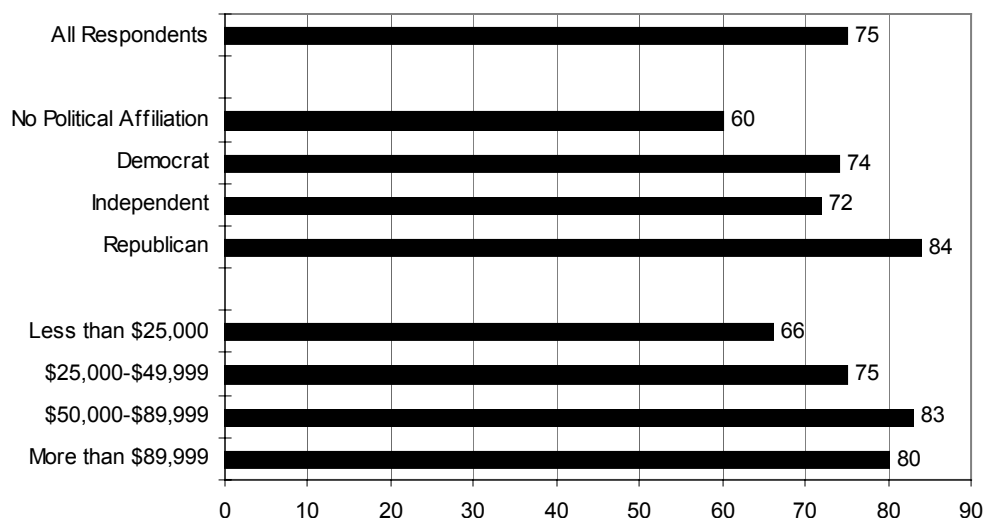


- Whites in Michigan generally have a more positive view than African-Americans about the effectiveness of the nonprofit community. As Figure 4 shows, 84% of whites and 71% of African-Americans feel nonprofits are doing a better job today than they were five years ago.
- Favorable opinion about the effectiveness of nonprofits today, as opposed to five years ago, decreases with age. Figure 4 shows that while 96% of people under 25 years old believe that nonprofits today are more effective than they were five years ago, this figure steadily declines to 74% for people aged 65 or older.
- Slightly more Republicans (87%) than Democrats (83%) believe that nonprofits are more effective today than they were five years ago. Only 77% of the people with no political affiliation think that nonprofits are more effective today than they were five years ago. (See Figure 4 above.)

Are nonprofits honest and ethical in their use of funds?

- Three-quarters (75%) of Michigianians agree strongly or somewhat that nonprofits are honest and ethical in their use of funds. (See Figure 5; Q. 4.) More women (77%) and whites (76%) than men (72%) and African-Americans (71%) believe that nonprofits use their funds honestly and ethically.
- As level of income increases, so does the proportion of people who believe that nonprofits are honest and ethical in their use of funds. (See Figure 5 Below.)

Figure 5. Percent Who Think Nonprofits Are Honest and Ethical With Their Funds by Total, Political Affiliation, Income

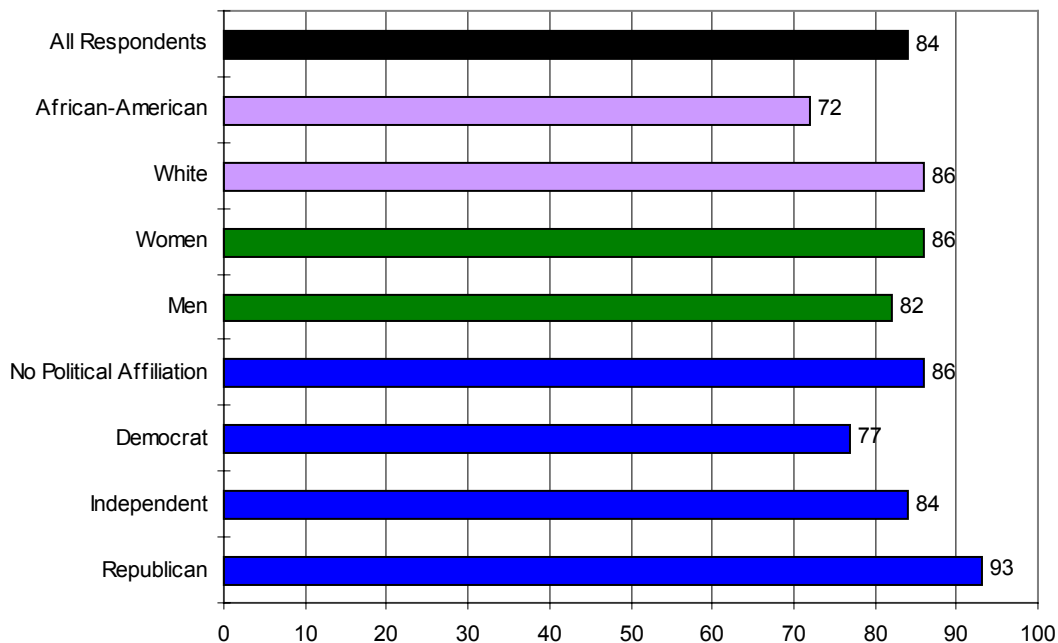


- More Republicans (84%) than Democrats (74%), independents (72%) or people with no political affiliation (60%) believe that nonprofits use their funds honestly and ethically. (See Figure 5.)

Who is more effective at providing service to the community, Michigan-based or national charitable organizations?

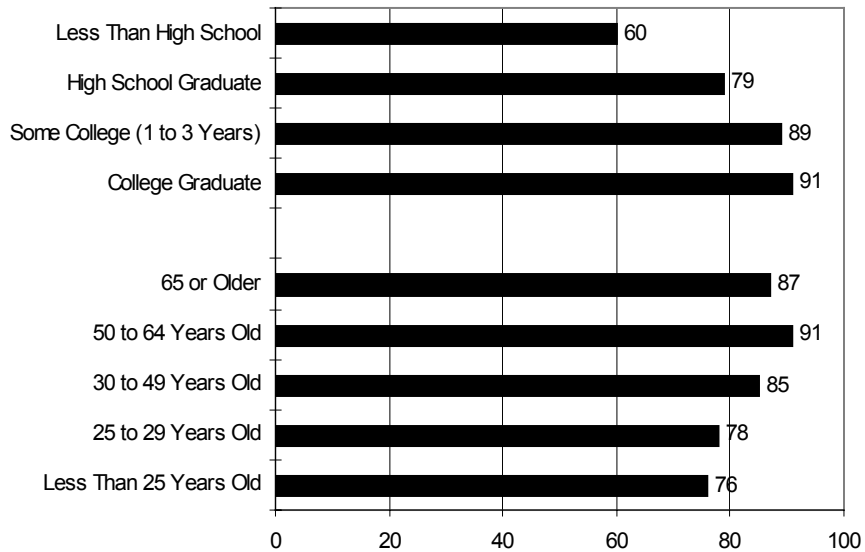
- Most Michigan residents (84%) believe that Michigan-based charitable organizations are more effective than national ones. (See Figure 6 Below; Q. 5.)

Figure 6. Percent Who Think Michigan-Based Charitable Organizations Are More Effective Service Providers Than Nationally-Based Ones by Total, Race, Gender, Political Affiliation



- Views of whether Michigan-based or national charitable organizations are more effective at providing services for the community differ sharply by race and political affiliation, and slightly by sex. (See Figure 6.) Republicans, whites, and women place most confidence in Michigan-based organizations.
- Generally, as education and age increase, people favor Michigan-based over national charitable organizations. Figure 7 shows that the percentage of people favoring Michigan-based over nationally-based nonprofits rises from 76% for people under age 25 to 87% for people over age 65. (Confidence in Michigan-based nonprofits is highest among people aged 50-64.) As the level of educational attainment rises, so does the belief that Michigan-based nonprofits are more effective than nationally based ones. (See Figure 7 Below)

Figure 7. Percent Who Think Michigan-Based Charitable Organizations Are More Effective Service Providers Than Nationally-Based Ones by Education, Age



SURVEY QUESTIONS

NOTE: The full wording of questions for the items discussed in this briefing paper is given below. The order of questions conforms with the order of the results above. Numbers in brackets are the actual question numbers on the survey instrument. Overall, the interviews lasted an average of 26 minutes. The questions discussed in this report consumed about two minutes of that time.

People were asked either Question 1 or Question 2, and they answered in their own words. Their first responses were then analyzed and coded into categories.

Q.1. What does the term “non-profit” mean to you? [N29A]

Q.2. What does the term “charitable” mean to you? [N29B]

The following introduction preceded Questions 3 and 4.

Next, I’d like to read you some statements about the role and responsibilities of charities. For each statement, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement.

Q.3. Charitable organizations are more effective now in providing services than five years ago. [N19]

Q.4. Most charitable organizations are honest and ethical in their use of funds. [N20]

Q.5. Charitable organizations serve either at the state level or at the national level. Who do you think is more effective in providing the highest quality of service to the community – Michigan-based or nationally-based charitable organizations? [N21]