



Questions answered *during* the Event

1. How we can compare general population responses to mainland U.S. counterparts?

Very good question. I am glad somebody asked. We were hoping that they would. At the Lilly Family School, we have been pioneers collecting data about U.S. mainland trends. Just to give you a sense of this date, back more than a decade, we have been collecting data for what is called the Philanthropy Panel Study that follows close to 10,000 American families and tracks their giving and volunteering over time. All through the study we have been able to capture important benchmarks in terms of how much people give, what percentage of the population gives, and so forth. In addition to that national picture, we also partnered with cities and communities throughout the mainland U.S. Last year, we worked very closely in Chicago to provide a first-ever study of giving in Chicago. So what we're able to do is compare the results in Puerto Rico because many of the survey questions are identical to allow us to do essentially an "apples to apples comparison".

2. How verifiable is the data compiled?

Very good. That's a very important question. Unfortunately, I think I rush through it... In order to ensure that data is of high quality, is reliable and so forth, we took several steps to validate the data. In addition to drawing a national representative sample for the island, we also worked with Census data, which is, all of you know, the Puerto Rican Community Survey, to actually assess how closely our data track that Puerto Rican Community Survey conducted by the US Census Bureau and there, those results are on the report, you will see that along all observable dimensions: income, education, age profiles, employment profiles and so forth are data track very closely by Census data. So I think that increases our overall confidence in the reliability and the validity and the accuracy of the data.

3. What other studies have looked at giving/charity in PR?

That is a great question. I'm so glad once again someone asked...I think you guys read our minds because these are all things that we thought about. I am very pleased to report that this is really the first time a study has ever looked at giving for all of Puerto Rico. Now, there is tax data for households that itemized but, as you know, is a small fraction of Puerto Ricans that actually itemized on their tax return. Unfortunately, tax returns don't tell us very much about donors, they don't tell us about the donors' motivations, why donors are giving, they don't tell us why they stopped giving; and tax records also have very little information on demographics. Even understanding what education levels people have, what the migration history is, where they live, where they grew up, and all of these things we don't know very much. In this Giving in Puerto Rico study, we know about donors' motivations, priorities issues they care about. We also have a narrative about the donor, their migration patterns and the causes that matter to them. All of that wouldn't be possible if we haven't done this national sample.

4. How can we get actively involved in the organization (not money involved)?

Gabriela Arroyo, Alondra Díaz and Alejandro Marxuach - Academia Perpetuo Socorro

I am so glad we got some questions from our students. I think we should give them a round of applause. So, that's a great question because one of the things we hear a lot is "I want to get involved. I am a student; I don't have a lot of resources... financial resources. What can I do?" Well, you have your time and you have your talent, and those are priceless. In fact, it is very hard to put a dollar value on a committed volunteer. I heard that earlier this morning. Committed volunteers can actually change the trajectory of an organization. So, I would say that the first step is

figure out what causes matter the most to you and also where there is an opportunity to make a difference and volunteer. As an example, it could be tutoring young people in your community, you heard about the environmental organizations that were profiled, many young people are getting involved. If you don't see an organization serving the purpose that you have prioritized start your own nonprofit. We see a lot of young people and students who are starting to be social entrepreneurs at young ages. There are lots of examples. And I think Flamboyant has compiled some resources you can also turn to.

5. Is there any data about the giving behavior for a) younger generations; b) Puerto Ricans in the diaspora?

Alejandro Silva – Mentas Puertorriqueñas en Acción

Very good. Those are really important groups. In this data, we do have young households as well included. Maybe a next step is actually to carve out and slice that data so that you can see what the priorities of the young population are and young donors and what they care about. So that is within the study but we haven't necessarily analyzed it separately. The second question is one that actually very important and near to my heart because like many of you in the audience, I think increasingly we all live transnational lives and many people move around. I have talked to many of you this morning that have spent time in many different parts of Puerto Rico and as well as the world. Here in the study we have made a very important effort to capture that narrative by looking at migration patterns but there is a lot of more work to be done in that. And I think maybe a future study could actually focus on Puerto Ricans living in the U.S. and how are they contributing to Puerto Rico itself.

6. There seems to be a discrepancy between what type of causes need the most and where most donations actually go. Does that need to change?

Lucas Miranda – Saint. John's School

Very good question. We struggle with this issue. In fact, the Flamboyant team pushed us a lot on it and we had a webinar where we actually talked about it this for an extensive amount of time. This disconnect is actually present in many different societies. Why? Because many people care about an issue but they made in their minds that this is not necessarily philanthropy's job to fix. So let's take an example that many of you are familiar with. In Western Europe, education is an important issue for donors but many of them think the government should be fixing the schools, not philanthropists. In the U.S., where philanthropy plays such an important role, there is more of a connection between perhaps policy priorities and where donors are giving. So education is something important and that's why donors are investing their charitable dollars.

This is also maybe another call to action to be issued, another role that the study can play is to tell donors “put your money where your mouth is”. If you care about education invest in education. These are the ways that you can help. Realizing that in a crisis sometimes the different actors: government, philanthropy, corporations, have to come together to solve the problem. So no one actor alone can solve the problem. Maybe a three sector solution... I think that's what the study can also help us see.

7. In your experience, what tactics have been successful in increasing knowledge about nonprofits?

Lourdes Miranda

This is a very good one because there is a lot of research ongoing on this specific topic. Donor education is important. What forms does it take? Which methods are effective? Which ones are less effective? One of the things that we learned in our own research is that charity begins at home, probably the most effective thing all of us



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can do is to train our children, grandchildren and all the young people we come into contact with to learn about philanthropy; to introduce them. We also found throughout our research that talking about giving is more effective than being a good role model. Many parents think “I don't need to talk about it, I am living it, they see me giving, they see me volunteering” but that is not enough. Research shows that you have to talk about it because sometimes kids don't necessarily see that connection between what you are doing and the impact you're having. I love the fact that the donors have a really good story about why they gave and also some of them are trying to involve the next generation in their giving. Charity begins at home. We also know that public policy can play a role in actually providing information about philanthropy. In the U.S., there are many infrastructure organizations providing information about where to give and how to give and the goal is that Puerto Rico can join in some of those efforts. Flamboyant has been leading some of those to just educate the community about what's available. And then, I think nonprofits themselves can be part of that donor education story, as well as educational institutions. I am actually quite amazed, several years ago we did a study on philanthropy education, that many schools, colleges, universities, as well as K-grade through twelve are turning to introduce philanthropy education into their curriculum. Whether it is service learning, volunteering or other forms of introducing children to the idea of giving. So as they become adults, they already know how to give, where to give, and more importantly how to give effectively to make a difference.

8. Based on the data you've collected, what do you hope will happen with the philanthropic field on the island?
José Contreras – Saint John's School

Because this is the first time this is ever happened, we think this can be a catalyst for change. You can't change what you don't know. So we have to set a benchmark and here today you can see that we at least know where we are today. And where we go from here? I think that's a conversation for all of us to have and I think all of us individually can start to set targets for how we change the narrative in the future. So if we do this study a few years from now, we will find that the 1.5% has been going up, maybe to double, to 3%, or as all of you know the biblical mandate is 10%. So maybe that's the percent we should be aspiring to. I think the goal is to start to bring a community together to highlight the challenges as well as the opportunities but solely the data, having the data is part of building the knowledge piece to actually drive change.

Questions Answered *after* the Event.

9. How much do high net worth Puerto Ricans give? How does this compare to the general population in Puerto Rico?

The general population households gave an average of **\$286** in 2014. The high net worth sample households gave an average of **\$1,171** in 2014.

10. What was the total amount given to charity in 2014?

Giving in Puerto Rico does not estimate the overall amount of charitable giving in Puerto Rico. Rather, this study focuses solely on charitable giving trends by households within the island of Puerto Rico. This is similar to the approach used by the Philanthropy Panel Study for U.S. household giving.

Giving USA estimates total U.S. charitable giving on an annual basis by donor and recipient type using econometric methods. These methods rely on data from governmental and non-governmental sources, many of which are not



available specifically for Puerto Rico. For example, the bulk of philanthropy from households in the mainland U.S. is itemized, which makes it straightforward to estimate. In Puerto Rico, giving is largely not itemized, so while there is tax data available on giving in Puerto Rico, it likely makes up a small part of the picture of household giving. For other sources of giving (namely non-itemized charitable giving, bequest giving, foundation giving, and corporate giving), readily available data sources are not available in Puerto Rico.

11. What is the main reason high net worth households do not give? What is the best way to encourage these households to be more philanthropic?

The top reason cited for not giving in 2014 by both general population (51%) and high net worth households (36%) was not having an adequate income for giving. Other top reasons for not giving provided by high net worth households were a lack of information about nonprofits or where to give (27%), distrust of nonprofit organizations or nonprofit leaders (18%), and a lack of a desire to give (18%).

To encourage high net worth households to be more engaged in the philanthropic sector, their concerns about giving must be addressed. Clearly the economy has an impact: the top response of a lack of income seems to indicate that the ongoing economic and fiscal crisis in Puerto Rico is affecting household giving to charity. However, this is not the only issue that limits philanthropy in Puerto Rico. Education about nonprofits and causes, as well as education about how and why to give to nonprofits as opposed to informal giving, might also increase giving.

These households can start by finding a cause that is closely aligned with their values and interests, and getting involved with that organization. A person starting out on their philanthropic journey should not feel like their first gift should be a certain amount. Perhaps they can give a small amount and get involved by volunteering with the organization or visiting the nonprofit. Once they feel their gift has been well used, they may desire to give more.

12. How can we deliver the message of increasing philanthropy in the current context where Puerto Rico suffers the most serious and severe economic crisis in its history, which generates distrust, uncertainty and apathy?

The results reflect the importance of the economy for charitable giving, as the primary reason both general population and high net worth donors stop giving is the result of the donor's circumstances (i.e., because of a change in financial circumstances of the household). However, both general population and high net worth households predict that they will maintain their current donation levels (56% and 64%, respectively). The remaining households are split between anticipating an increase or a decrease in their future giving.

Studies have shown that during adverse economic conditions, giving may grow more slowly, but still has the capacity to grow – there is no direct relationship between the economic situation and the level of charitable giving. Quality information about the landscape of giving is fundamental for donors and their advisors, as well as nonprofits and philanthropic leaders that seek to grow in an uncertain economic environment.

It is also important to keep in mind that giving should be explored at the macro and micro levels. In other words, it is important to look at overall trends and impacts on giving, such as the economy. However, every individual and household has a different reason for giving or not giving. Nonprofits can continue to connect with donors and address reasons why they may not be giving, or may not be giving to their full potential. We know that distrust of nonprofits is a key reason for not giving; nonprofits that can demonstrate results and accountability to donors can retain and grow donations.



13. Looking at high rates of religious donations, do you have insight into whether that is being translated into impacts on other areas such as basic needs, youth, education, etc.?

Does giving to “religion” in this study mean only churches, or are religious service organizations also included? If they are, what is the percentage breakdown between these types of organizations?

In this study, giving to “religion” or “religious causes” is defined as *organizations for religious or spiritual service or development, e.g. a church or congregation*. We specifically asked respondents to *not* include donations to charities run by religious organizations. The goal was to isolate in this category giving to congregations, separate from other giving. Giving to organizations that address, for example, health causes or basic needs, should be included under other categories of giving, even if the organization has a religious motivation.

As a result of this definition, it is not possible to break down the amounts donated to congregations and amounts donated to other nonprofits that are religiously affiliated or motivated. Because the causes were defined by the respondents, we cannot answer this in a definitive way.

Further, it is difficult to answer whether giving to religious causes has an impact on other areas such as basic needs, education, and so on. Certainly some giving to congregations then passes through via the congregation’s outreach to the community to address some social problem; however, we do not have information on the extent to which this is happening.

14. You talked about the mobility of Puerto Ricans. Do you know the impact of the diaspora in Puerto Rican philanthropy?

Since 2010, the number of residents leaving the island has significantly increased, creating a larger gap between emigrants and immigrants than in previous decades; this pattern significantly affects the formation of human capital and the economy of the island.

The impact of the diaspora in Puerto Rican philanthropy can work in several ways. There are many current Puerto Rican residents who have spent significant time in the mainland U.S. or other regions and may have learned about philanthropy in that context; they may know more about large U.S. nonprofits than local Puerto Rican groups, for example. There are also many Puerto Ricans who have now moved to the mainland U.S. and other areas who have learned about informal giving and other uniquely Puerto Rican aspects of giving.

While this study looks solely at those living in Puerto Rico, whether or not they have spent time outside of the territory, this is an area ripe for future research.

15. The 75% giving rate for the general population seems high. There is a large underground economy and fraud in Puerto Rico. Does the study adjust for this?

Lina Toledo Kitsos

This study is based on self-reported survey data, which like other types of data is open to bias. The survey was fielded by interviewers primarily gathering information in-person from respondents. While this method was the



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best for collecting data in Puerto Rico, this also allows for social desirability bias. In other words, respondents may over-estimate their giving or volunteering behaviors because they know these behaviors are socially desirable.

We also know that a general attitude of distrust of both government and nonprofit organizations in Puerto Rico may have affected our data. Anecdotally, we understand that some respondents may have higher incomes than they reported.

However, we also know this giving level is in line with other studies. The World Giving Index, for example, can be compared to Giving in Puerto Rico numbers. The values are not directly comparable because the WGI words its questions differently and also asks about giving behavior for a month, rather than a year. Given these differences, our numbers from this study are roughly comparable.

It is also important to note that our survey asked about *any* giving level. While the 75% number is high, a household that gave \$20 to any charity over the course of the entire year 2014 would count as giving to charity for our study.

16. Did you look at preferred ways to donate (e.g. directly to NGOs, crowdfunding)? What is the best strategy for nonprofits to ask for donations?

Dr. Mónica Feliú Mójer – Ciencia Puerto Rico

While this question is an interesting one and a good avenue for future research, the existing study did not look at this question in detail. We hope that we captured the bulk of giving by asking about both formal and informal giving.

The survey did ask about informal giving specifically (i.e., giving directly to individuals, such as neighbors or family members), as well as formal giving (i.e., giving directly to nonprofit organizations).

This study also explored whether Puerto Rican high net worth households currently have or plan to establish giving vehicles. The greatest percentage of Puerto Rican high net worth households indicated that they currently use or plan to establish a giving circle (7.0 percent currently have and 1.2 percent plan to establish). This result was followed by those who have or plan to establish a private foundation (5.9 percent and 0.0 percent, respectively) or a planned giving instrument that specifies a charitable beneficiary (4.9 percent and 3.7 percent, respectively).

17. Did the study look into how to go about the lack of knowledge in Puerto Rico, considering our particular cultural profile? Are there studies we can refer to, to begin this process of educating our community?

Risa Tobin

Yes, this study explored the level of knowledge Puerto Ricans have about philanthropy and nonprofits in great detail. Understanding why households do not give, including the barriers to giving, is as important as understanding why households do give.

Nonprofits and interested stakeholders can help to induce more philanthropic behavior across Puerto Rican communities by addressing these barriers. Education about nonprofits and causes, as well as education about how and why to give to nonprofits as opposed to informal giving, might also increase giving.



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This study is available to the public and can be used to educate the community about giving in Puerto Rico. While Spanish-language resources for nonprofit leaders are rare, Flamboyant Foundation has developed several materials. Check out their Resources and Publications area in their website, where you can find a *Guide to Create and Manage a Nonprofit* according to laws and best practices, as well as different educational conferences in partnership with the local nonprofit organization *Financial Community Advisors* and in the same post of the *Giving in Puerto Rico* report you can see the testimony of Nilda Morales, executive director of the local nonprofit SER de Puerto Rico who shared very useful strategies for educating and cultivating donors and an infographic of *Tips for Donors* (like a *Roadmap* that can be useful for educating your community).

18. Why is there an oversample of high net worth households? What is an oversample? How was it obtained?

To obtain the sample of high net worth households, the survey research partner targeted specific households that met certain income and wealth criteria. Similar to an approach used by other leading studies on high net worth giving, in this study high net worth households are defined as having at least \$150,000 in annual income and/or \$1 million in assets, excluding the value of their primary residence.

The number of responses collected from high net worth households is considered an “oversample,” which means that data were collected from a greater number of high net worth households than is statistically necessary to ensure representativeness. Oversamples are used to make certain that the broad range of trends are captured from among a relatively small sample size.