

Geography and Generosity: Boston and Beyond

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The Authors of the Report

John J. Havens is Senior Research Associate and Associate Director of the Center on Wealth and Philanthropy at Boston College. He received his training in mathematics, economics, and physics at Yale University, and his graduate training in economics at the Massachusetts Institute of Technology. Recognized for three years by the Nonprofit Times as a member of the "Power and Influence Top 50," Havens has directed and published research exploring the associations among philanthropy, income and wealth and its implications for fundraising and philanthropy.

Paul G. Schervish is a Professor of Sociology and Director of the Center on Wealth and Philanthropy at Boston College. He is National Research Scholar at the Indiana University Center on Philanthropy and Senior Advisor to the John Templeton Foundation. Schervish was appointed a Fulbright Scholar for the 2000-2001 academic year at University College Cork in the area of research on philanthropy. For the 1999-2000 academic year, he was appointed Distinguished Visiting Professor at the Indiana University Center on Philanthropy, where he now serves as National Research Fellow. He has been named five times to the Nonprofit Times' annual "Power and Influence Top 50," a list which acknowledges movers and shakers in the nonprofit world. Schervish has published extensively in the areas of philanthropy and wealth, and is a consultant to fundraisers, financial advisors, and families on issues of wealth and philanthropy.

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Dear Friends,

A vigorous nonprofit sector needs many components to thrive, and one of the most essential is an ample supply of generous donors. Several years ago, an index was launched which purported to rank every state in the country on the basis of its residents' charitable giving. This 'Generosity Index' has consistently placed Massachusetts residents at or near the bottom of the ladder when it comes to their generosity.

From the outset, this assertion has seemed implausible to those of us who work in the Commonwealth's thriving philanthropic sector. However, over the years this Index has been widely circulated in the media and in philanthropic circles, even though it has never been subjected to rigorous scientific scrutiny—until now.

Last year, the Boston Foundation asked the nationally renowned Center on Wealth and Philanthropy at Boston College, led by its Director, Paul G. Schervish, Ph.D., to undertake a comprehensive examination of the facts. Dr. Schervish and Associate Director John Havens have researched and published extensively on the issues of wealth and philanthropy, and this report, *Geography and Generosity: Boston and Beyond*, presents a vastly different portrait of the patterns of giving that exist in this country.

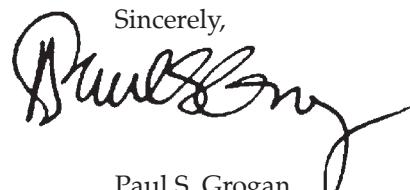
The Center's research shows that the methodology used to calculate the Generosity Index is severely biased against high-income states such as Massachusetts, skewing results so utterly that even if every resident of Massachusetts gave 1,000 times as much as they contributed in any given year, and the charitable giving of every other resident in the country remained unchanged, the state's ranking still could not rise even to the mid-point of the Index, let alone to the top. Using this approach, as long as Massachusetts is a high-income state, it will remain near the bottom of the chart, no matter how much its residents give to charity.

This report also examines the shortcomings inherent in using data from the Internal Revenue Service alone to accurately calculate and compare individual generosity, and presents a new way to measure charitable giving relative to income. Using this significantly more accurate measurement, researchers determined that the residents of Massachusetts earned a place significantly higher—near the top one year, and near average another—rather than at the bottom of the chart during the years studied.

In the end, the purpose for developing the new measures is not to create a new or even better index that lists winners and losers. Rather, this report recommends moving away from a 'winners and losers' model of national giving—with its implicitly scolding tone—and toward developing programs that generate acts of generosity by individuals throughout the country. Since philanthropy is, by its very nature, voluntary, we need to figure out how to help people make charitable gifts that are both effective and significant, and will benefit the donor and the community alike.

This report is the first in a series of studies sponsored by the Boston Foundation that will focus on the practice of philanthropy in our region. It is our goal to provide timely and accurate information to deepen our understanding of, and strengthen, the nonprofit sector that is such a vital part of our state's future.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul S. Grogan".

Paul S. Grogan
President and CEO
The Boston Foundation

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I. Executive Summary

Over the past decade, increasing attention has been focused on the relative generosity—or lack thereof—of the residents of different states or regions in this country. In particular, various reports published locally and nationally have drawn sharply different conclusions regarding the generosity of Massachusetts residents. The resolution of this issue holds profound significance for the overall economy of the Commonwealth, and especially for the state's vital nonprofit sector. This sector, which includes organizations ranging from the Bay State's leading universities and health care institutions to the state's numerous small, community-based organizations, is larger than most industries in Massachusetts, and also outnumbers the entire public sector. So, which is it? Do Massachusetts residents contribute generously to the nonprofit organizations that are so integral to the civic life of their communities, or not?

In 1994, Julian Wolpert, who is an expert in the social geography of philanthropy and a Professor at the Woodrow Wilson School at Princeton University, wrote an authoritative report about generosity in this country. In his report, *The Structure of Generosity in America*, Wolpert wrote, "American generosity varies significantly within income, social and demographic groups and from place to place in both levels and targeting of contributions. Giving rates are higher where per capita income is higher, the political and cultural ideology is liberal rather than conservative, and where distress levels and population numbers are lower." Wolpert uses a variety of measures of distress levels, but unemployment, poverty, and population growth rates are prominent among his indicators of distress. In Wolpert's report, the Boston metropolitan area is in the upper middle or upper range of various measures of generosity; and given his general findings, one would presume that Massachusetts would be among the more generous states in the country.

However, a sharply different portrait of the giving patterns of Massachusetts' residents was painted by the Generosity Index, a national giving index that was launched in 1997. Under the direction of George E. McCully, this index is calculated and published annually by the Catalogue for Philanthropy, based on data from federal tax returns. McCully, a Massachusetts resident who developed the Index and is President of The Catalog Project, concluded in an article in *Connection*¹ that "1) New England and Massachusetts lag behind the rest of the country in charitable giving in relation to income and 2) we can well afford to give more." Indeed, the initial Generosity Index based on tax data for 1995 rated the residents of Massachusetts among the least generous people compared with the residents of other states, just one year after the Wolpert report was categorizing them in the upper half of generous metropolitan areas. To be sure, Wolpert uses a broader definition of generosity—one that includes individual, corporate, foundation, and government largesse—while McCully and other studies based on federal tax returns restricted their analysis to the generosity of residents filing itemized tax returns. Nevertheless, Wolpert's findings stand in stark contrast to McCully's conclusions, which have consistently rated Massachusetts residents at the bottom of the ladder for more than a decade.

Largely due to the Generosity Index, there is a widespread perception that the residents of Massachusetts are not generous regarding their charitable contributions. This perception has been promoted by newspaper articles and media presentations in which the Generosity Index plays a prominent role, and has been widely disseminated in philanthropic circles. From the outset, the Generosity Index has ranked the residents of Massachusetts at or near the bottom of its state rankings in each of its well-publicized annual releases, and this has fostered and reinforced the broad impression that the residents of Massachusetts are not generous regarding their charitable giving.

¹ McCully, George. 1999. "A New England Renaissance? Changing the Region's Culture of Philanthropy." *Connection: The Journal of the New England Board of Higher Education*. Fall/Winter: 32-36.

In September 2004, with funding from the Boston Foundation, the Center on Wealth and Philanthropy at Boston College began a two-year study, *Geography and Generosity: Boston and Beyond*, focusing on individual generosity for regions, states, and metropolitan areas across the United States. This publication reports on the first year of research.

Objectives

The general objective of the study is to evaluate the generosity of the residents of the Boston metropolitan area, the Commonwealth of Massachusetts, and the New England region in relation to the residents of other metropolitan areas, states, and regions of the country. The two-year study examines the patterns of giving within geographic areas, and relates differences in these patterns to differences in household characteristics and behaviors, and to socio-demographic variations among geographic regions, specifically their tax burdens, cost of living, and church membership.

The specific objectives of the study are:

- To examine and evaluate the Generosity Index as a general measure of the generosity of the population of each state;
- To acquire data and build datasets to conduct an analysis of giving in relation to income by metropolitan area, state, and regions;
- To analyze the aggregate personal giving patterns of metropolitan areas, states, and regions; and
- To produce profiles of the demographics, expenditure patterns, and giving patterns of individuals for metropolitan areas, states, and regions.

Summary of Findings

The first year of the study focused on an examination of the Generosity Index, on an analysis of data from income tax returns and consumer expenditure surveys, and the development of an alternative measure of generosity. This initial phase of the study, which is the basis for this report, produced the following major conclusions:

A Biased Generosity Index

A detailed examination of the Generosity Index found that it is severely biased against high-income states such as Massachusetts, and biased in favor of low-income states such as Mississippi. The index is sufficiently flawed that it is not a reliable indicator of giving relative to income, and is an inadequate and misleading measure to compare the generosity of the residents of different states.

To illustrate its shortcomings, the Generosity Index ranked the residents of Massachusetts 49th out of the 50 states in charitable giving in 2004. However, if the incomes and charitable contributions of everyone in the country remained unchanged, except that every resident of Massachusetts gave twice as much to charity, the ranking of Massachusetts would rise only to 23rd on the Generosity Index. Moreover, if the incomes and charitable contributions of everyone else in the country remained unchanged, except that every resident of Massachusetts gave 100 times as much to charity, the residents of Massachusetts would still be ranked no higher than position 23. In fact, the Generosity Index would rank the residents of Massachusetts in position 23 even if they gave 1,000 times as much or even 100,000 times as much as they contributed in 2002 (the base year for the 2004 index). A similar example based on data from the Generosity Index in 2002 shows that Massachusetts could not rise above rank 23 in that year as well. As long as Massachusetts is a high-income state, it can never attain rank 1 in the Generosity Index. The index is similarly biased against the residents of all relatively high-income states.

The mirror image also holds: the Generosity Index is biased in favor of low-income states. The 2004 Generosity Index ranks Mississippi first in charitable giving among the 50 states. Even if the residents of Mississippi had given nothing to charity, their ranking would not have fallen below position 26, assuming the incomes and charitable donations of the residents of all other states remained unchanged.

There are other problems with the Generosity Index: it does not take account of state level differences in tax burdens, cost of living, demographic characteristics, or religious vs. secular donations. These shortcomings tend to compound the intrinsic methodological bias against the residents of high-income states such as Massachusetts.

Massachusetts Residents: Are They Generous or Not?

Massachusetts residents have consistently ranked at or near the bottom of the national ranking for their charitable giving, according to the Generosity Index. Using data from 2000, the Index ranked Massachusetts residents at position 44; using figures from 2002, they were placed in position 49. However, a dramatically different portrait emerges when the giving patterns of the residents of each state are calculated by a method that eliminates the bias against high-income states. Using more comprehensive measures developed by the Center on Wealth and Philanthropy, researchers determined that the residents of Massachusetts placed at position 6 and position 11, respectively, in the same two years. This research—based on unbiased, scientific assessment—provides a more accurate portrait of the giving patterns of residents of each state.

Shortcomings in the Use of Internal Revenue Service Data

The Generosity Index is based on average values calculated from the Internal Revenue Service data. There are three major problems that come from using state comparative measures based on average values calculated from IRS data for tax filers.

First, average adjusted gross income is calculated for one group of people (all tax filers), while the average charitable contribution is calculated for another group (only for tax filers who itemize their returns). Since the two groups are not the same, analyses based on these averages are measuring the charitable donations of one group, not relative to their own income, but relative to the income of the larger group.

Second, the use of such averages across states is questionable because the proportion of itemizers in a state typically varies from less than 20% in some states, to more than 40% in others. It is not clear that the average contribution of the 21% of filers with itemized charita-

ble deductions in Mississippi is comparable to the average contribution of the 37% of filers with itemized charitable deductions in Massachusetts. For example, the high cost of taxes, housing costs, mortgage interest, and medical costs in Massachusetts may result in higher rates of itemization and perhaps lower average contributions in Massachusetts than in Mississippi. Another example is that Massachusetts' higher housing costs may take state residents more time to pay off, and as a result, more people might itemize their tax returns for longer periods of time, thereby inflating the number of itemizing households with higher incomes but less discretionary income available for charitable contributions.

Third, tax returns do not measure the total income of all the residents in each state; and itemized tax returns do not reflect the total charitable contributions of either all residents of the state or even all the tax filers. For example, the IRS data only captures the income of people who file tax returns, and it doesn't include the income of those who don't have to file tax returns. As a result, as noted above, the Generosity Index only reflects the charitable deductions of 21% of the filers in Mississippi, and 37% of the filers from Massachusetts. It is thus inappropriate to characterize all the residents of a state by measures and analyses that exclude significant numbers of residents of the state, exclude different proportions for different states, and exclude them for different economic reasons.

A New Way to Measure Generosity

The Center on Wealth and Philanthropy at Boston College has developed a different methodology for measuring charitable donations relative to income. This methodology is based on shares rather than averages. It measures the share of total charitable contributions donated by the residents in each state, relative to the share of income earned by the residents of the state.

The income can be expressed in several ways. One technique is to simply use the gross income. A second way is to use the gross income, net of taxes. A third approach is to use the gross income, net of taxes, and adjusted for state differences in cost of living.

One benefit of measuring generosity based on shares is that such measures capture both the contributions and

the income of all the residents of the state, rather than just those who filed and/or itemized their tax returns. Moreover, the measures contain no bias in favor of, or against, high-income or low-income states. Yet like the Generosity Index, this new approach can still gauge charitable contributions relative to the capacity of the residents of each state to contribute.

Although the concept of shares is easy to understand, it is not nearly as easy to measure. Nevertheless a measurement tool has been developed based on data from several sources. Charitable contributions for each state are divided into two components: (a) itemized contributions are still measured by the IRS itemized charitable contributions for each state, but (b) charitable contributions for non-itemizers are estimated by an extension of the current methodology used by *Giving USA*, the leading publication of comprehensive statistics on national giving, to estimate charitable contributions for non-itemizers nationally. Estimates of gross income for the residents of each state are taken from federal sources, primarily the Bureau of Census and Bureau of Labor Statistics.

Using the alternative measure, a dramatically different portrait of the generosity of Massachusetts residents emerges. Using data from 2000, the residents of Massachusetts place higher in the distribution of charitable contributions relative to income than they fared when measured by the Generosity Index based on gross income; higher still when the measurement is based on gross income net of taxes; and place at position 6, near the top of the national distribution, when the measurement is based on gross income net of taxes and adjusted for cost of living. In 2002, the alternative measure places the residents of Massachusetts at position 11, based on gross income net of taxes and adjusted for cost of living. This contrasts sharply with the rankings of the Generosity Index, which placed Massachusetts residents at positions 44 and 49 in charitable giving, respectively, for the same years.

Interpreting the New Measures

The alternative method for measuring generosity presented in this report is far from perfect. To begin with, the alternative methodology presented in this report is one of many that could have been developed. A different, but also largely accurate, methodology might have placed the residents of Massachusetts somewhat higher or somewhat lower than the measurements used here. Designating a specific rank conveys more certitude than a measure can, in fact, accurately achieve. At most, it is possible to provide broad categories of rankings that identify roughly where the residents of Massachusetts and those of any other state stand, relative to the residents of other states.

Secondly, although the Center on Wealth and Philanthropy has done its best to measure contributions, taxes, and cost of living accurately, the data are not perfectly precise; there is some degree of error and omission even in federal data sources. This variation is not believed to be large, but under certain circumstances, some variation could affect the detailed ranking of any given state by a few levels.

Third, although the new measures are based on the concept of charitable contributions relative to the capacity to give, they do not directly measure generosity as a personal attribute. Instead, they measure the level of charitable giving, which is one expression of generosity. People also may be generous in other ways, such as cash gifts to relatives or donations of goods or services. This report finds that there was a decline in the share of charitable contributions among Massachusetts residents relative to their income between 2000 and 2002. This is not thought to show that the intrinsic generosity of the residents of Massachusetts fell substantially in a two-year period, but rather that the expression of that generosity in the form of charitable giving did fall. What is true for the residents of Massachusetts holds for the residents of other states as well. Fluctuations from year to year reflect fluctuations in one expression of generosity, rather than the intrinsic generosity of the residents of each state.

Fourth, the new measures do not reflect the variation of contributions and the variation of income within each state. There are a number of very generous residents in every state and at every level of income. There

are also some ungenerous residents in every state and at every level of income. The new measures focus on the residents of each state as a group, and neglects the variations of giving and of income within the state. States that score high on these measures still have some residents that are not very generous; and states that are low on these measures still have some residents that are very generous. It is unfair, therefore, to use any single index, including any of these measures, to rank every resident of any given state as relatively generous or relatively tightfisted.

Fifth, there are many psychological, social, and economic factors that influence giving and that define capacity to give, which have yet to be measured. Examples include values and attitudes, frequency of attendance at religious services, health status, marital status, employment status, life cycle status, household composition, educational attainment, and wealth as well as income. The new method of measurement, like the Generosity Index, neglects all of these factors, which do affect charitable giving and which vary from state to state. Were they properly taken into account, it would generally affect each state's rank if states could be ranked at all. Since it neglects these factors, this measurement can at most describe very roughly the position of the residents of each state with respect to charitable giving relative to income.

An array of factors including the number of households, income, taxes, cost of living index, and charitable giving constitute a profile of giving in relation to income for each state. The tables include the Center on Wealth and Philanthropy's alternative measure of the share of giving relative to the share of income. In general, the state's share of total national charitable contributions follows roughly the same pattern as its share of their after-tax income. Adjusting for the cost of living modifies the shares of income in terms of purchasing power in several states, including Massachusetts. Many of the differences between states are small. As indicated in the above point, it is thought to be inappropriate to conclude from small differences that the residents of the affected states are more or less generous (especially when measured only by charitable giving) than each other.

The cost of living in Massachusetts is higher than in most other states. In particular, the analysis of components of cost of living by after-tax income shows a pattern of high cost of housing, education, and health care that affects middle and upper-middle income residents of Massachusetts more than their peers in most other states, and affects the levels of their charitable contributions accordingly.

Moreover, the residents of Massachusetts and other New England states donate lower than average proportions of their total charitable contributions to religion, and greater than average proportions to secular organizations. Residents of Southern states exhibit the reverse pattern: a lower cost of living, greater than average proportions of total contributions to religion, and smaller than average proportions to secular causes.

A New Approach to Promoting Philanthropy

The myth of a valid 'generosity index' that can be used to rank residents of each state on the basis of their charitable giving should be laid to rest. Not only is it methodologically flawed, but it is often used as justification for chiding people into greater charitable giving. Those who use the scolding model of fundraising approach donors, implicitly or explicitly, with some version of the following set of edicts that are cajoling, guilt-based, admonishing, or demanding:

- You are not giving the right amount,
- At the right time,
- To the right causes,
- In the right ways.

By extension, it is important that the new indices developed by the Center on Wealth and Philanthropy are not used in conjunction with the scolding model in the states and regions that would rank near the bottom in a narrow and too-literal interpretation of these indices.

Instead, a more emotionally persuasive and effective approach can be used as the basis of philanthropic growth. It is known that each state has segments of its population who contribute large amounts to charity, and segments who contribute small amounts. Rather than relying on a scolding model to change this dynamic, energy should be focused on developing and implementing practical programs to generate generosity.

The inclination model attends to the needs, motives, and predilections of donors, helping them use their financial resources to accomplish a socially positive outcome on behalf of themselves and others. Instead of imposing obligation, it elicits charitable giving by working with donors in an atmosphere of liberty and inspiration. Instead of stipulating a series of directives, the inclination model poses a series of questions:

- What is important to do as an act of caring for others?
- What can you do better through philanthropy than through government or commerce? and
- What enables you to identify with the fate of others, express gratitude for your own good fortune, and achieve deeper personal happiness, effectiveness and significance, for yourself and others, at the same time?

In the end, this research—based on an unbiased scientific assessment—will provide the philanthropic community with the information it needs to achieve a deeper, more nuanced understanding of individual charitable giving and of the patterns of giving that characterize a particular region. For organizations in the nonprofit sector, having access to accurate information and analysis like this can help them develop truly effective strategies for fundraising, as they weather challenging fiscal shifts and changing times. Individual donors can be encouraged to use their resources to make charitable gifts that are both effective and significant, benefiting the donor and the community alike.

II. Analysis

This report presents the results of the first year of work of the study, *Geography and Generosity: Boston and Beyond*. The work focused on an analysis of data for two specific years: 2000 and 2002. The year 2000 was chosen because, by happenstance, there exist many sources of data on charitable giving for that year. The year 2002 was chosen because the most recently released Generosity Index (for 2004) is based on data for 2002.

Table 1 summarizes charitable giving and income for the residents of Massachusetts in 2000 and 2002. In each category, it lists aggregate amounts and those amounts as a percentage or share of the corresponding national total.

The table indicates that Massachusetts contained about 2.56 million households in 2000, 2.4% of the total number of households in the country. These households contributed \$4.75 billion to charitable causes in 2000, or an average of \$1,852 per household. These contributions constituted 2.8% of all household charitable contributions in the country.

As a group, the residents of Massachusetts earned \$196.1 billion in gross income, including interest, dividends, rents, and capital gains in 2000. This gross household income was 2.9% of the national aggregate

of all household income in 2000, and averaged \$76,460 per household. If subtractions of the federal, state, and local income taxes, Federal Insurance Contributions Act, required retirement withholding, Medicare contributions, property taxes, and sales taxes are made, the residents of Massachusetts had remaining disposable income of \$131.2 billion in 2000.

The average after-tax income of Massachusetts residents in 2000 was \$51,148 or 2.7% of the corresponding after-tax income for the nation. If the after-tax income is adjusted for cost of living based on the Missouri Economic Research and Information Center (MERIC) cost of living index for states, the purchasing power of Massachusetts income is reduced to \$106.9 billion in aggregate in 2000. This is an average of \$41,659 per household, or 2.2% of the national aggregate after-tax income adjusted for cost of living.

In 2002, even though there were 68,000 more households in Massachusetts than in 2000, Massachusetts residents contributed \$770,000 less to charity. Nevertheless, they contributed nearly \$4 billion to charitable causes in this year.

The period between 2000 and 2002 was characterized by a declining stock market, recessionary growth in

TABLE 1
Charitable Contributions and Income of Massachusetts Households for 2000 and 2002

Characteristic	Year 2000 Amount	Year 2000 Share	Year 2002 Amount	Year 2002 Share
Number of Households (HH)	2.565 million	2.4%	2.633 million	2.4%
Aggregate Charitable Contributions	\$4.751 billion	2.8%	\$3.980 billion	2.3%
Average Contribution Per HH	\$1,852	-	\$1,512	-
Aggregate Gross Income	\$196.1 billion	2.9%	\$180.2 billion	2.7%
Average Gross Income Per HH	\$76,460	-	\$68,428	-
Aggregate After-Tax Income	\$131.2 billion	2.7%	\$127.3 billion	2.6%
Average After-Tax Income Per HH	\$51,148	-	\$48,361	-
Aggregate After-Tax Income Adjusted for Cost of Living	\$106.9 billion	2.2%	\$107.3 billion	2.2%
Average After-Tax Income Adjusted for Cost of Living Per HH	\$41,659	-	\$40,760	-

Source: Calculated at the Center on Wealth and Philanthropy at Boston College.

gross national product, and stagnating or declining income. Massachusetts residents saw their gross income fall by nearly \$16 billion, their after-tax income fall by nearly \$4 billion, and their after-tax income adjusted for cost of living remain nearly unchanged between 2000 and 2002; and these figures are not adjusted for inflation. The national totals were similarly affected, but in general by lesser amounts. Consequently the share of charitable contributions in Massachusetts fell from 2.8% to 2.3% of the national total, gross income fell from 2.9% to 2.7% of the national total, and after-tax income fell from 2.7% to 2.6% of the national total. After-tax income adjusted for cost of living remained at 2.2%.

In the year 2000, the national average charitable contribution was \$1,575 per household, and the total national charitable contributions as a percentage of national after-tax income was 3.5%. In Massachusetts, the average charitable contribution was \$1,852 per household, and aggregate state charitable contributions as a percentage of state after-tax income was 3.62%. As a group, the residents of Massachusetts appeared to have been above average in their charitable contributions for this year. For this same year, the Generosity Index indicated that, as a group, the charitable giving of the residents of Massachusetts relative to their income ranked near the bottom of the distribution of states, in position 44 out of 50.

By the year 2002, the national average charitable contribution had fallen to \$1,557 and the total national charitable contributions as a percentage of national after-tax income was still 3.5%. In Massachusetts, the average charitable contribution had fallen to \$1,512 per household, and aggregate state charitable contributions as a percentage of after-tax state income was 3.13%. The residents of Massachusetts gave slightly below average amounts to charity in 2002. The Generosity Index based on 2002 IRS data placed the residents of Massachusetts 49 out of 50 in charitable giving relative to their income.

Although charitable giving by Massachusetts residents fell substantially between 2000 and 2002, the Generosity Index ranked Massachusetts near the bottom of the distribution of states in both years and only 5 ranks lower in 2002 than it had been in 2000. As seen in the next section, the Generosity Index is methodologically seriously flawed.

The Generosity Index

The Catalogue for Philanthropy has calculated and published the Generosity Index annually since 1997. The Index ranks each state according to its average charitable deductions in relation to its average adjusted gross income as measured by IRS data for each state two years prior to the release of the Index. The 2002 Generosity Index is based on IRS data for calendar year 2000; the 2004 Generosity Index is based on IRS data for 2002; and the 2005 Index, based on IRS data for 2003, is expected to be published in November.

The objective of the index is to obtain a measure of charitable contributions for each state relative to the personal income of each state, using income as an indicator of the capacity for giving. The index, by this way of thinking, can serve as a benchmark to assess how the residents of each state fare against other states regarding their charitable giving relative to their income.

The mechanics used in calculating the Generosity Index are relatively simple. The calculations are based on data published by the IRS each year for federal income tax filers two years previously in each state. The first step consists of calculating the average adjusted gross income of all the filers in each state. The averages are then ordered by magnitude and assigned a rank from 1 for the highest average adjusted gross income, to 50 for the lowest adjusted gross income. This rank is referred to as the "Having Rank." The second step consists of calculating the average itemized charitable deduction for filers with an itemized charitable deduction. These averages are ordered by magnitude and assigned a "Giving Rank" from 1 for the highest average itemized charitable deduction, to 50 for the lowest. The third step consists of calculating a score for the "Ranks Relation" by subtracting each state's "Giving Rank" from its "Having Rank." These scores are then ordered in magnitude and assigned a new rank, from 1 for the highest score to 50 for the lowest score. States with identical scores are ranked alphabetically within the tied category. The ranking of these scores is called the "Generosity Index."

Table 2 presents the data for the 2002 Generosity Index as published by the Catalogue for Philanthropy on its web site.² The data for number of returns, adjusted

² www.catalogueforphilanthropy.org/cfp/db/generosity.php?year=2002

TABLE 2
2002 Generosity Index (for All 2000 Returns by State)

State	Adjusted Gross Income (AGI) (Thousands)	Number of Returns	Avg. AGI Actual	"Having" Rank	Charitable Contributions (Thousands)	Number of Itemized Returns w/ Charitable Contributions	Percent of Itemized Returns	Avg. Itemized Charitable Contributions (Actual)	"Giving" Rank	Ranks Relation	Generosity Index
Mississippi	\$39,169,986	1,173,490	\$33,379	49	\$992,777	220,815	19%	\$4,496	6	43	1
Arkansas	\$39,706,308	1,118,468	\$35,501	45	\$972,444	226,955	20%	\$4,285	7	38	2
South Dakota	\$13,232,757	355,168	\$37,258	43	\$231,709	48,489	14%	\$4,779	5	38	3
Tennessee	\$103,065,689	2,567,239	\$40,147	37	\$2,376,171	488,615	19%	\$4,863	4	33	4
Louisiana	\$69,184,376	1,874,431	\$36,910	44	\$1,290,675	326,452	17%	\$3,954	13	31	5
Alabama	\$72,590,665	1,904,150	\$38,122	41	\$2,021,578	505,351	27%	\$4,000	11	30	6
Oklahoma	\$54,835,407	1,465,161	\$37,426	42	\$1,464,085	371,341	25%	\$3,943	14	28	7
Utah	\$40,270,370	941,941	\$42,753	27	\$1,994,649	340,250	36%	\$5,862	2	25	8
Nebraska	\$33,605,214	808,912	\$41,544	33	\$837,477	206,328	26%	\$4,059	9	24	9
South Carolina	\$69,543,225	1,802,441	\$38,583	39	\$1,863,301	499,736	28%	\$3,729	17	22	10
Idaho	\$22,571,641	559,316	\$40,356	35	\$607,742	165,413	30%	\$3,674	18	17	11
Texas	\$417,262,859	9,051,986	\$46,096	20	\$8,057,247	1,620,936	18%	\$4,971	3	17	12
Wyoming	\$11,020,031	235,165	\$46,861	16	\$335,352	36,915	16%	\$9,084	1	15	13
West Virginia	\$25,645,088	749,931	\$34,197	48	\$328,552	104,858	14%	\$3,133	33	15	14
North Dakota	\$10,734,751	302,805	\$35,451	46	\$154,574	48,730	16%	\$3,172	32	14	15
Florida	\$348,609,376	7,498,544	\$46,490	18	\$7,284,784	1,772,749	24%	\$4,109	8	10	16
Georgia	\$168,486,150	3,636,926	\$46,327	19	\$4,680,605	1,165,412	32%	\$4,016	10	9	17
North Carolina	\$156,022,380	3,636,450	\$42,905	26	\$4,080,142	1,115,886	31%	\$3,656	19	7	18
New Mexico	\$23,654,721	727,743	\$32,504	50	\$406,460	146,844	20%	\$2,768	44	6	19
Missouri	\$108,518,673	2,564,873	\$42,310	29	\$2,262,789	653,632	25%	\$3,462	24	5	20
Kansas	\$53,410,078	1,222,579	\$43,686	25	\$1,150,105	318,326	26%	\$3,613	21	4	21
Montana	\$14,523,091	424,238	\$34,233	47	\$281,955	108,114	25%	\$2,608	46	1	22
Indiana	\$119,553,756	2,837,446	\$42,134	31	\$2,360,846	715,167	25%	\$3,301	30	1	23
Kentucky	\$66,932,911	1,747,020	\$38,313	40	\$1,359,554	450,849	26%	\$3,016	40	0	24
Alaska	\$13,964,092	328,747	\$42,477	28	\$224,908	68,099	21%	\$3,303	29	-1	25
Iowa	\$54,015,960	1,351,126	\$39,978	38	\$1,004,537	354,833	26%	\$2,831	42	-4	26
California	\$864,644,512	14,866,950	\$58,159	4	\$19,705,344	4,936,368	33%	\$3,992	12	-8	27
Ohio	\$231,057,462	5,575,138	\$41,444	34	\$4,279,901	1,534,837	28%	\$2,789	43	-9	28
New York	\$474,336,728	8,577,496	\$55,300	5	\$11,764,589	2,997,943	35%	\$3,924	15	-10	29
Vermont	\$12,631,980	299,374	\$42,195	30	\$218,913	75,435	25%	\$2,902	41	-11	30
Pennsylvania	\$262,961,485	5,806,137	\$45,290	22	\$4,988,496	1,601,201	28%	\$3,115	34	-12	31
Maine	\$24,373,577	605,633	\$40,245	36	\$403,444	159,429	26%	\$2,531	49	-13	32
Washington	\$149,598,272	2,772,555	\$53,957	8	\$2,805,064	791,620	29%	\$3,543	22	-14	33
Connecticut	\$117,733,713	1,671,688	\$70,428	1	\$2,356,831	630,213	38%	\$3,740	16	-15	34
Hawaii	\$23,929,238	572,178	\$41,821	32	\$445,856	173,238	30%	\$2,574	47	-15	35
Illinois	\$302,994,176	5,786,972	\$52,358	10	\$5,896,843	1,737,530	30%	\$3,394	25	-15	36
Maryland	\$139,962,577	2,563,423	\$54,600	7	\$3,780,939	1,080,067	42%	\$3,501	23	-16	37
Virginia	\$171,060,148	3,338,199	\$51,243	11	\$3,820,362	1,137,412	34%	\$3,359	27	-16	38
Oregon	\$70,282,309	1,562,323	\$44,986	23	\$1,588,603	524,760	34%	\$3,027	39	-16	39
Nevada	\$48,858,407	953,895	\$51,220	12	\$942,285	281,639	30%	\$3,346	28	-16	40
Colorado	\$112,909,487	2,096,280	\$53,862	9	\$2,392,524	705,208	34%	\$3,393	26	-17	41
Delaware	\$18,646,960	378,169	\$49,309	14	\$399,200	124,232	33%	\$3,213	31	-17	42
Arizona	\$98,821,479	2,152,615	\$45,908	21	\$2,115,208	696,756	32%	\$3,036	38	-17	43
Massachusetts	\$202,426,170	3,109,575	\$65,098	2	\$3,965,265	1,096,285	35%	\$3,617	20	-18	44
Michigan	\$217,648,365	4,619,837	\$47,112	15	\$4,505,383	1,475,734	32%	\$3,053	37	-22	45
Minnesota	\$120,028,441	2,386,078	\$50,304	13	\$2,669,159	869,570	36%	\$3,070	36	-23	46
Wisconsin	\$116,346,242	2,596,868	\$44,803	24	\$2,152,322	839,008	32%	\$2,565	48	-24	47
New Jersey	\$253,293,576	4,067,441	\$62,273	3	\$4,918,897	1,590,491	39%	\$3,093	35	-32	48
Rhode Island	\$23,015,194	494,475	\$46,545	17	\$385,798	162,560	33%	\$2,373	50	-33	49
New Hampshire	\$34,469,347	629,189	\$54,784	6	\$495,702	183,604	29%	\$2,700	45	-39	5
United States	\$6,307,009,049	130,122,204	\$48,470	-	\$136,654,153	37,678,477	29%	\$3,627	-	-	-

Source: Catalogue for Philanthropy, based on IRS data for 2000.

gross income, charitable contributions (actually itemized charitable deductions), and number of itemized returns with charitable contributions (actually the number of returns with an itemized charitable deduction) are taken from the data for tax returns filed in 2000 from the state, as produced and published by the Statistics of Income Division of the IRS. The Generosity Index is calculated for each state as indicated in the preceding paragraph. Although the table contains a column for the number of itemized returns with a charitable deduction as a percentage of the total number of returns filed in each state, this information is not used in the calculation of the Generosity Index.

The table indicates that in 2002, Mississippi was ranked first among the 50 states on the Generosity Index; Massachusetts was ranked 44th; and New Hampshire was ranked 50th.

These rankings do not take into account regional variations in tax burdens, cost of living, church/temple/mosque membership, or demographic characteristics from one state to another. Adjustments for these kinds of factors do have an impact on disposable income and its allocation to charitable causes, as is shown in subsequent sections. It should be noted that the Generosity Index is based on adjusted gross income for tax filers, without regional variations in the cost of living or tax burden.

The Generosity Index is also calculated on the basis of tax returns, rather than the number of adult persons, families, or households. This is because the IRS data is presented only for tax returns. Nevertheless, this poses a problem: each tax return is counted equally with all other tax returns in the calculation of averages. Thus, for example, the tax returns of teenaged children filing for a refund of withholding from a summer job count equally with the tax returns of their parents, and would tend to lower the average adjusted gross income. To the extent that the proportions of such filers differ from state to state, they will lower averages by different amounts from one state to another, and muddy the "Having Rank."

A more important problem with the Generosity Index is that the average adjusted gross income is calculated for all tax filers, but the average charitable contribution is calculated only for tax filers who have claimed an itemized charitable deduction. These are different groups of people in each state. It is not clear from the

IRS data what the average adjusted gross income is for returns with an itemized charitable deduction. Thus the index does not compare the average adjusted gross income of all filers with an estimate of their charitable giving, nor does it compare the average adjusted gross income of just the filers who have an itemized charitable deduction with an estimate of their giving. Instead, there is a comparison of differently defined groups.

The IRS does publish its data for different classifications of adjusted gross income in each state. The Catalogue for Philanthropy calculates the Generosity Index for returns within categories. The categories are not adjusted for differences in regional cost of living and tax. The returns in any given category do not represent the same after-tax purchasing power from one state to another. In this sense, the returns within each category are not comparable.

In addition to this problem, within each adjusted gross income category there is the same type of disconnect between average adjusted gross income and average itemized charitable contribution. This disconnect is especially strong among filers with low adjusted gross income where few filers itemize their returns. But even among the highest category (\$200,000 or more), the proportion of filers with itemized charitable deductions varies from 60% in Wyoming to 96% in Minnesota, and the disconnect problem remains an issue even among states in the high-income category.

The difference among states in the proportion of returns with itemized charitable deductions poses another problem in interpreting the results and in applying those results to all the residents in a state. From Table 2 one can see that in 2000 these proportions varied from 14% each for South Dakota and West Virginia, to 42% for Maryland. In general, there is a trend for low-income states to have small proportions of itemized returns, and high-income states to have high proportions. The charitable contributions made by the non-itemizing filers in any state is not known, and the proportion of non-itemizing filers varies from state to state. Moreover, it isn't known if filers in states with high housing mortgage costs, high medical costs, and high tax burdens may be itemizing not so much to deduct their charitable contributions (which may be modest), as much as to deduct these other high-cost expenditures. To the extent that the charitable contributions of such filers are modest, they will lower the

TABLE 3
2004 Generosity Index (for All 2002 Returns by State)

State	Avg. Adjusted Gross Income (AGI) (Thousands)	Number of Returns	Avg. AGI Actual	"Having" Rank	Charitable Contributions (Thousands)	Number of Itemized Charitable Returns	Itemized Charitable Contribution (Actual)	"Giving" Rank	Ranks Relation	Percentage of Returns with ICDs	Generosity Index
Mississippi	\$39,276,788	1,163,632	\$33,754	50	\$1,080,565	240,993	\$4,484	5	45	20.7%	1
Arkansas	\$39,715,629	1,119,779	\$35,467	47	\$1,032,965	240,033	\$4,303	6	41	21.4%	2
Oklahoma	\$54,424,386	1,467,056	\$37,098	43	\$1,612,434	391,670	\$4,117	8	35	26.7%	3
Louisiana	\$69,727,266	1,879,337	\$37,102	42	\$1,420,335	360,480	\$3,940	10	32	19.2%	4
Alabama	\$72,426,176	1,882,572	\$38,472	38	\$2,190,609	529,601	\$4,136	7	31	28.1%	5
Tennessee	\$101,500,024	2,552,002	\$39,773	34	\$2,572,904	529,810	\$4,856	3	31	20.8%	6
South Dakota	\$12,779,534	355,903	\$35,907	44	\$202,398	54,026	\$3,746	14	30	15.2%	7
Utah	\$39,423,340	960,559	\$41,042	31	\$2,025,736	362,027	\$5,596	2	29	37.7%	8
South Carolina	\$68,445,936	1,795,379	\$38,123	40	\$2,051,163	535,617	\$3,830	12	28	29.8%	9
Idaho	\$21,442,787	569,742	\$37,636	41	\$597,676	176,870	\$3,379	20	21	31.0%	10
Wyoming	\$10,475,902	239,081	\$43,817	21	\$256,727	40,389	\$6,356	1	20	16.9%	11
Texas	\$401,751,780	9,225,845	\$43,546	23	\$8,333,066	1,835,627	\$4,540	4	19	19.9%	12
West Virginia	\$26,136,779	748,020	\$34,941	48	\$353,656	113,565	\$3,114	31	17	15.2%	13
Nebraska	\$31,906,769	803,528	\$39,708	35	\$759,636	222,048	\$3,421	19	16	27.6%	14
North Dakota	\$10,733,301	301,040	\$35,654	46	\$161,253	51,618	\$3,124	30	16	17.1%	15
North Carolina	\$152,403,787	3,637,647	\$41,896	27	\$4,311,715	1,204,607	\$3,579	15	12	33.1%	16
Kansas	\$51,521,243	1,221,254	\$42,187	25	\$1,194,460	340,765	\$3,505	18	7	27.9%	17
Florida	\$339,491,975	7,737,769	\$43,875	20	\$7,464,893	1,975,563	\$3,779	13	7	25.5%	18
Georgia	\$163,998,240	3,660,481	\$44,802	17	\$5,025,901	1,276,491	\$3,937	11	6	34.9%	19
Kentucky	\$66,574,767	1,742,319	\$38,210	39	\$1,470,536	478,716	\$3,072	33	6	27.5%	20
Montana	\$14,508,848	429,570	\$33,775	49	\$325,734	115,746	\$2,814	43	6	26.9%	21
Missouri	\$105,860,068	2,559,015	\$41,368	29	\$2,326,377	707,328	\$3,289	24	5	27.6%	22
New Mexico	\$28,889,078	804,851	\$35,894	45	\$535,699	184,601	\$2,902	40	5	22.9%	23
Alaska	\$14,315,881	335,663	\$42,650	24	\$241,169	71,667	\$3,365	21	3	21.4%	24
Indiana	\$117,164,165	2,819,025	\$41,562	28	\$2,427,814	766,316	\$3,168	29	-1	27.2%	25
New York	\$454,581,808	8,613,811	\$52,774	5	\$12,436,008	3,113,999	\$3,994	9	-4	36.2%	26
Iowa	\$52,588,982	1,326,994	\$39,630	36	\$1,064,719	381,979	\$2,787	44	-8	28.8%	27
Ohio	\$224,730,731	5,476,906	\$41,032	32	\$4,551,169	1,610,682	\$2,826	42	-10	29.4%	28
California	\$773,757,798	15,088,701	\$51,281	6	\$18,366,448	5,234,659	\$3,509	17	-11	34.7%	29
Maryland	\$139,952,530	2,589,664	\$54,043	4	\$4,116,078	1,152,864	\$3,570	16	-12	44.5%	30
Illinois	\$284,862,974	5,736,078	\$49,662	10	\$6,202,302	1,845,432	\$3,361	22	-12	32.2%	31
Maine	\$23,937,245	613,485	\$39,018	37	\$380,972	170,970	\$2,228	50	-13	27.9%	32
Delaware	\$18,547,348	384,072	\$48,291	13	\$424,940	130,774	\$3,249	27	-14	34.0%	33
Washington	\$136,898,218	2,792,618	\$49,021	11	\$2,760,209	839,834	\$3,287	25	-14	30.1%	34
Vermont	\$12,213,742	301,531	\$40,506	33	\$188,394	79,891	\$2,358	47	-14	26.5%	35
Oregon	\$66,243,037	1,572,789	\$42,118	26	\$1,596,034	556,615	\$2,867	41	-15	35.4%	36
Hawaii	\$24,160,873	584,605	\$41,329	30	\$491,150	176,830	\$2,778	45	-15	30.2%	37
Virginia	\$172,802,273	3,392,047	\$50,943	7	\$4,097,753	1,225,645	\$3,343	23	-16	36.1%	38
Arizona	\$97,085,990	2,220,325	\$43,726	22	\$2,253,139	767,174	\$2,937	38	-16	34.6%	39
Nevada	\$48,235,748	1,004,398	\$48,025	14	\$992,927	319,650	\$3,106	32	-18	31.8%	40
Pennsylvania	\$254,140,528	5,777,043	\$43,991	18	\$5,069,866	1,684,729	\$3,009	36	-18	29.2%	41
Michigan	\$205,569,466	4,555,320	\$45,127	16	\$4,649,230	1,539,839	\$3,019	35	-19	33.8%	42
Colorado	\$103,649,900	2,082,241	\$49,778	8	\$2,405,550	752,743	\$3,196	28	-20	36.2%	43
Connecticut	\$107,637,662	1,663,015	\$64,724	1	\$2,177,039	663,832	\$3,280	26	-25	39.9%	44
Minnesota	\$116,040,244	2,380,987	\$48,736	12	\$2,697,057	913,172	\$2,954	37	-25	38.4%	45
Wisconsin	\$113,637,876	2,584,251	\$43,973	19	\$2,168,776	881,990	\$2,459	46	-27	34.1%	46
New Jersey	\$240,924,251	4,072,512	\$59,159	2	\$5,083,211	1,682,022	\$3,022	34	-32	41.3%	47
Rhode Island	\$22,881,097	498,227	\$45,925	15	\$392,683	171,067	\$2,295	49	-34	34.3%	48
Massachusetts	\$174,588,374	3,075,666	\$56,764	3	\$3,345,883	1,142,584	\$2,928	39	-36	37.1%	49
New Hampshire	\$31,498,470	633,516	\$49,720	9	\$462,817	200,205	\$2,312	48	-39	31.6%	50
United States	\$5,956,061,614	129,031,871	\$46,160	-	\$138,349,775	40,045,355	\$3,455	-	-	31.0%	-

Source: Catalogue for Philanthropy, based on IRS data for 2002.

average charitable deduction in those states—muddying the meaning of average deductions from one state to another. In this way, the differences in the proportions of filers who itemize further cloud the meaning of average charitable deductions as an indicator of charitable giving by the residents in the state.

The most problematic issue with the Generosity Index is a serious methodological flaw in the calculation of the index. For one thing, the ranking of averages ignores much of the information contained within the averages, such as the degree of difference between any two states on income and charitable giving. More importantly, when the Generosity Index subtracts the giving rank from the having rank, it becomes impossible for high income states ever to be ranked much above the middle, or for low income states ever to be ranked much below the middle. This also means that the highest income state can never achieve a top ranking, and the lowest income state can never end up at the bottom of the index.

To see how this works, consider the Massachusetts row in Table 2. Its “Having Rank” is 2. The average itemized contribution in Massachusetts is \$3,617. Its “Giving Rank” is 20, its “Ranks Relation” score is -18, and its Generosity Index rank is 44.

Suppose incomes and giving remained constant in all states, except that everyone in Massachusetts gave three times as much, with the result that the itemized charitable deductions in Massachusetts increased to \$10,851. Now Massachusetts’ “Having Rank” would still be 2, but its “Giving Rank” would be 1, and its “Ranks Relation” score would also be 1. The “Ranks Relation” score of every state whose “Giving Rank” was above 20 would be reduced by 1 because its “Giving Rank” would be reduced by 1. When the new “Ranks Relation” score was itself ranked, the Generosity Index for Massachusetts would be 23, up from its original 44, but not number 1, even though everyone in Massachusetts had tripled their charitable donations.

Continuing with this example, suppose incomes and giving remained constant at their original level in all states, except that everyone in Massachusetts gave ten times as much, with the result that itemized charitable deductions in Massachusetts increased to \$36,170. Its “Having Rank” would still be 2, its “Giving Rank” would still be 1, and its Generosity Index would remain at 23. Even if the residents of Massachusetts

gave 100 or 1,000 times more, its Generosity Index would remain at 23 because its “Giving Rank” could never exceed 1. This example demonstrates the bias in the calculation of the Generosity Index against high-income states, such as Massachusetts.

Table 3 presents the data for the 2004 Generosity Index. It is analogous to Table 2, except the IRS data upon which it is based are for federal tax returns filed in 2002.

The issues and problems raised with the Generosity Index and its calculation are generic and hold with respect to both the 2002 and 2004 index. In a broad sense, the patterns of data in Table 3 are similar to those in Table 2. The exact value of the Generosity Index for any given state differs because the values of the data differ. However, once again Massachusetts ranks near the bottom of the distribution of states, having fallen to position 49. Once again the calculation of the index is biased against high-income states like Massachusetts. In this set of data, Massachusetts could again not rise above rank 23 in the Generosity Index, no matter how much its residents donated to charity.

Internal Revenue Service Data

Several of the issues that have been raised concerning the Generosity Index trace back to limitations in the Internal Revenue Service (IRS) data. Other studies based on this published data face similar limitations. One problem is that average adjusted gross income and average itemized charitable deductions refer to different groups, which is a characteristic of the IRS data. Another problem is that significantly different proportions of filers itemize in different states, which is also characteristic of the IRS data. The further problem that the data does not include all adults, families, and households in each state is the result of not everyone filing a tax return.

Most of these limitations make the interpretation of comparisons of means of adjusted gross income and of itemized charitable deductions more difficult. The means are somewhat ambiguous, because it is not certain that the denominators refer to comparable groups or, worse, it is known that they do not.

Total values are less ambiguous. Total adjusted gross income in each state is, in fact, the total adjusted gross income of everyone filing a federal income tax form

from that state. Total itemized charitable contributions are, in fact, total contributions for all filers that itemize in the state. With respect to itemized charitable contributions, however, the state differences in the proportions that itemize do pose a problem of comparability.

Alternative Methodology

The Center on Wealth and Philanthropy analysis of the limitations of both the Generosity Index and of the IRS data led to the development of a new approach to measuring giving relative to income—one based on state totals as shares of national totals. By estimating the total income and total charitable contributions for each state, it is possible to then calculate the share of total income in each state and the share of total contributions made by the residents in each state. A ratio of the share of contributions to the share of income indicates how the giving of all the residents in a state is related to their income.

The alternative methodology, like all other indices of giving, suffers shortcomings of one sort or another because no single measure can capture the complexity of giving and the psychological, social, and economic forces motivating it. Measuring giving relative to income is even more complex.

The alternative methodology, however, produces a measurement that does have some positive properties:

- It encompasses all the residents of each state;
- It is not biased with respect to high-income or low-income states; and
- It is comprehensive, since it is based on total incomes and total contributions within each state.

Income

There is no one universal concept of income. Rather, there are gray areas of what should be included or excluded from the definition of income. One of these gray areas involves employers' contributions to Social Security and other programs that benefit their employees. The Bureau of Economic Analysis includes these benefits in its definition of personal income, while the Bureau of Labor Statistics excludes them from its definition of money income.

This analysis uses only monetary income supplemented by capital gains as its definition of gross money income. This decision was made in order to approximate the amount of funds that could potentially be allocated to charity by individuals and households. Therefore, items like employers' contributions to retirement and health insurance programs were excluded from this definition of income.

In measuring this income by state for any given year, the Current Population Survey (CPS) total household income was used and summed up for all households in the state. The CPS includes wages and salaries, self-employment income, unemployment compensation, worker's compensation and disability, interest, dividends, rents, royalties, trusts, Social Security, retirement income, SSI, public assistance and welfare, veteran's benefits, survivor's income, income from financial assistance, educational stipends, and other miscellaneous sources of income. The CPS does not include income from realized net capital gains. Therefore, net realized capital gains from IRS returns were used to augment the CPS money income estimates for each state. It should be noted that net capital gains for persons not filing federal income tax returns have not been captured, but this is thought to be a small amount per state. The CPS does not include employers' contributions to programs that benefit their employees, imputed rents or other estimates of the value of use of assets, nor were they included in this measurement.

Table 4 contains information about the number of households in each state, their CPS money income, their net capital gains income, and their total gross income for calendar year 2000. The table indicates that in 2000 there were 108.29 million households nationally, with CPS money income of \$6.18 trillion, realized capital gains of \$582 billion, and gross income of \$6.77 trillion.

In 2000, there were 2.57 million households in Massachusetts with CPS money income of \$166 billion, realized capital gains of \$30 billion, and gross money income of \$196 billion. In terms of shares, Massachusetts had 2.4% of all households, 2.7% of CPS money income, 5.2% of realized capital gains, and 2.9% of gross household income.

As a group, Massachusetts residents had a disproportionately higher share of gross income than their share of households, which is characteristic of high-income

TABLE 4
Households and Gross Money Income by State, 2000 (2000 Dollars)

State	Households		CPS Money Income		IRS Capital Gains		Gross Money Income	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,733	1.6%	\$80,134	1.3%	\$4,221	0.7%	\$84,355	1.2%
Alaska	228	0.2%	\$14,802	0.2%	\$790	0.1%	\$15,592	0.2%
Arizona	1,928	1.8%	\$105,485	1.7%	\$8,413	1.4%	\$113,898	1.7%
Arkansas	1,079	1.0%	\$44,455	0.7%	\$2,339	0.4%	\$46,794	0.7%
California	11,941	11.0%	\$767,733	12.4%	\$111,831	19.2%	\$879,564	13.0%
Colorado	1,700	1.6%	\$106,049	1.7%	\$12,780	2.2%	\$118,830	1.8%
Connecticut	1,353	1.2%	\$91,279	1.5%	\$14,547	2.5%	\$105,827	1.6%
Delaware	301	0.3%	\$19,182	0.3%	\$1,320	0.2%	\$20,502	0.3%
District of Columbia	255	0.2%	\$15,838	0.3%	\$2,168	0.4%	\$18,006	0.3%
Florida	6,545	6.0%	\$343,683	5.6%	\$42,853	7.4%	\$386,536	5.7%
Georgia	3,090	2.9%	\$170,269	2.8%	\$12,651	2.2%	\$182,920	2.7%
Hawaii	408	0.4%	\$25,658	0.4%	\$1,741	0.3%	\$27,399	0.4%
Idaho	498	0.5%	\$25,191	0.4%	\$2,120	0.4%	\$27,311	0.4%
Illinois	4,698	4.3%	\$282,725	4.6%	\$29,189	5.0%	\$311,914	4.6%
Indiana	2,428	2.2%	\$131,122	2.1%	\$6,235	1.1%	\$137,357	2.0%
Iowa	1,164	1.1%	\$60,682	1.0%	\$3,126	0.5%	\$63,808	0.9%
Kansas	1,090	1.0%	\$57,559	0.9%	\$3,365	0.6%	\$60,925	0.9%
Kentucky	1,598	1.5%	\$78,440	1.3%	\$3,798	0.7%	\$82,238	1.2%
Louisiana	1,690	1.6%	\$72,703	1.2%	\$3,987	0.7%	\$76,690	1.1%
Maine	546	0.5%	\$25,884	0.4%	\$2,337	0.4%	\$28,220	0.4%
Maryland	2,086	1.9%	\$149,527	2.4%	\$11,294	1.9%	\$160,822	2.4%
Massachusetts	2,565	2.4%	\$165,771	2.7%	\$30,344	5.2%	\$196,114	2.9%
Michigan	3,849	3.6%	\$228,281	3.7%	\$13,270	2.3%	\$241,551	3.6%
Minnesota	1,952	1.8%	\$130,541	2.1%	\$9,403	1.6%	\$139,944	2.1%
Mississippi	1,099	1.0%	\$48,733	0.8%	\$1,966	0.3%	\$50,699	0.7%
Missouri	2,213	2.0%	\$125,376	2.0%	\$7,447	1.3%	\$132,823	2.0%
Montana	359	0.3%	\$15,724	0.3%	\$1,355	0.2%	\$17,079	0.3%
Nebraska	672	0.6%	\$36,368	0.6%	\$3,039	0.5%	\$39,407	0.6%
Nevada	760	0.7%	\$44,548	0.7%	\$6,730	1.2%	\$51,278	0.8%
New Hampshire	500	0.5%	\$33,324	0.5%	\$4,110	0.7%	\$37,433	0.6%
New Jersey	3,223	3.0%	\$221,650	3.6%	\$22,328	3.8%	\$243,978	3.6%
New Mexico	669	0.6%	\$28,899	0.5%	\$1,111	0.2%	\$30,010	0.4%
New York	7,308	6.7%	\$428,588	6.9%	\$51,219	8.8%	\$479,807	7.1%
North Carolina	3,166	2.9%	\$156,052	2.5%	\$10,236	1.8%	\$166,289	2.5%
North Dakota	265	0.2%	\$11,696	0.2%	\$663	0.1%	\$12,358	0.2%
Ohio	4,536	4.2%	\$246,935	4.0%	\$13,143	2.3%	\$260,078	3.8%
Oklahoma	1,363	1.3%	\$64,734	1.0%	\$3,123	0.5%	\$67,857	1.0%
Oregon	1,376	1.3%	\$79,127	1.3%	\$6,496	1.1%	\$85,624	1.3%
Pennsylvania	4,852	4.5%	\$273,485	4.4%	\$20,041	3.4%	\$293,527	4.3%
Rhode Island	427	0.4%	\$25,058	0.4%	\$2,098	0.4%	\$27,157	0.4%
South Carolina	1,577	1.5%	\$79,906	1.3%	\$4,182	0.7%	\$84,087	1.2%
South Dakota	303	0.3%	\$14,100	0.2%	\$1,170	0.2%	\$15,271	0.2%
Tennessee	2,270	2.1%	\$114,419	1.9%	\$6,907	1.2%	\$121,326	1.8%
Texas	7,530	7.0%	\$415,684	6.7%	\$35,288	6.1%	\$450,971	6.7%
Utah	731	0.7%	\$43,133	0.7%	\$2,959	0.5%	\$46,092	0.7%
Vermont	254	0.2%	\$13,697	0.2%	\$1,280	0.2%	\$14,977	0.2%
Virginia	2,741	2.5%	\$174,968	2.8%	\$12,783	2.2%	\$187,752	2.8%
Washington	2,330	2.2%	\$133,232	2.2%	\$16,212	2.8%	\$149,445	2.2%
West Virginia	744	0.7%	\$30,383	0.5%	\$1,071	0.2%	\$31,454	0.5%
Wisconsin	2,104	1.9%	\$122,652	2.0%	\$8,710	1.5%	\$131,362	1.9%
Wyoming	193	0.2%	\$9,302	0.2%	\$1,956	0.3%	\$11,257	0.2%
United States	108,290	100.0%	\$6,184,769	100.0%	\$581,746	100.0%	\$6,766,515	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the Current Population Survey and the IRS Statistics of Income

TABLE 5
Households and Gross Money Income by State, 2002 (2002 Dollars)

State	Households		CPS Money Income		IRS Capital Gains		Gross Money Income	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,814	1.6%	\$90,837	1.4%	\$2,027	0.9%	\$92,864	1.4%
Alaska	226	0.2%	\$14,598	0.2%	\$309	0.1%	\$14,907	0.2%
Arizona	2,081	1.9%	\$113,745	1.8%	\$3,604	1.6%	\$117,349	1.8%
Arkansas	1,110	1.0%	\$50,729	0.8%	\$1,293	0.6%	\$52,022	0.8%
California	12,665	11.4%	\$814,457	12.6%	\$32,896	14.8%	\$847,352	12.7%
Colorado	1,774	1.6%	\$109,890	1.7%	\$5,381	2.4%	\$115,271	1.7%
Connecticut	1,314	1.2%	\$91,533	1.4%	\$5,130	2.3%	\$96,662	1.5%
Delaware	317	0.3%	\$19,635	0.3%	\$492	0.2%	\$20,127	0.3%
District of Columbia	284	0.3%	\$18,185	0.3%	\$776	0.4%	\$18,961	0.3%
Florida	6,796	6.1%	\$360,996	5.6%	\$20,596	9.3%	\$381,592	5.7%
Georgia	3,298	3.0%	\$177,041	2.7%	\$5,790	2.6%	\$182,832	2.7%
Hawaii	421	0.4%	\$26,403	0.4%	\$725	0.3%	\$27,127	0.4%
Idaho	489	0.4%	\$24,473	0.4%	\$825	0.4%	\$25,299	0.4%
Illinois	4,878	4.4%	\$277,680	4.3%	\$11,638	5.3%	\$289,318	4.3%
Indiana	2,401	2.2%	\$130,585	2.0%	\$3,077	1.4%	\$133,661	2.0%
Iowa	1,199	1.1%	\$61,590	1.0%	\$1,362	0.6%	\$62,952	0.9%
Kansas	1,065	1.0%	\$59,513	0.9%	\$1,442	0.7%	\$60,955	0.9%
Kentucky	1,640	1.5%	\$83,100	1.3%	\$1,654	0.7%	\$84,755	1.3%
Louisiana	1,718	1.5%	\$80,029	1.2%	\$1,715	0.8%	\$81,744	1.2%
Maine	546	0.5%	\$26,773	0.4%	\$910	0.4%	\$27,683	0.4%
Maryland	2,087	1.9%	\$155,054	2.4%	\$3,735	1.7%	\$158,789	2.4%
Massachusetts	2,633	2.4%	\$171,611	2.7%	\$8,578	3.9%	\$180,189	2.7%
Michigan	3,947	3.5%	\$226,064	3.5%	\$4,506	2.0%	\$230,570	3.5%
Minnesota	2,001	1.8%	\$138,511	2.2%	\$3,609	1.6%	\$142,120	2.1%
Mississippi	1,082	1.0%	\$46,650	0.7%	\$958	0.4%	\$47,608	0.7%
Missouri	2,224	2.0%	\$126,604	2.0%	\$3,089	1.4%	\$129,693	1.9%
Montana	385	0.3%	\$16,619	0.3%	\$772	0.3%	\$17,391	0.3%
Nebraska	687	0.6%	\$36,915	0.6%	\$1,164	0.5%	\$38,079	0.6%
Nevada	798	0.7%	\$45,741	0.7%	\$3,541	1.6%	\$49,283	0.7%
New Hampshire	500	0.4%	\$34,734	0.5%	\$1,282	0.6%	\$36,016	0.5%
New Jersey	3,228	2.9%	\$233,793	3.6%	\$6,965	3.1%	\$240,758	3.6%
New Mexico	706	0.6%	\$33,080	0.5%	\$825	0.4%	\$33,905	0.5%
New York	7,490	6.7%	\$441,828	6.9%	\$20,259	9.1%	\$462,086	6.9%
North Carolina	3,305	3.0%	\$168,886	2.6%	\$4,477	2.0%	\$173,364	2.6%
North Dakota	269	0.2%	\$12,579	0.2%	\$284	0.1%	\$12,863	0.2%
Ohio	4,487	4.0%	\$252,483	3.9%	\$5,352	2.4%	\$257,835	3.9%
Oklahoma	1,415	1.3%	\$67,867	1.1%	\$1,369	0.6%	\$69,236	1.0%
Oregon	1,418	1.3%	\$75,974	1.2%	\$2,698	1.2%	\$78,672	1.2%
Pennsylvania	4,870	4.4%	\$289,350	4.5%	\$7,185	3.2%	\$296,534	4.5%
Rhode Island	431	0.4%	\$24,836	0.4%	\$697	0.3%	\$25,533	0.4%
South Carolina	1,560	1.4%	\$77,410	1.2%	\$1,911	0.9%	\$79,321	1.2%
South Dakota	299	0.3%	\$14,097	0.2%	\$561	0.3%	\$14,658	0.2%
Tennessee	2,319	2.1%	\$120,449	1.9%	\$3,454	1.6%	\$123,903	1.9%
Texas	7,842	7.0%	\$450,720	7.0%	\$13,893	6.3%	\$464,613	7.0%
Utah	726	0.7%	\$41,326	0.6%	\$1,288	0.6%	\$42,614	0.6%
Vermont	264	0.2%	\$14,231	0.2%	\$549	0.2%	\$14,781	0.2%
Virginia	2,804	2.5%	\$180,015	2.8%	\$5,760	2.6%	\$185,775	2.8%
Washington	2,428	2.2%	\$146,883	2.3%	\$5,902	2.7%	\$152,785	2.3%
West Virginia	727	0.7%	\$29,985	0.5%	\$449	0.2%	\$30,434	0.5%
Wisconsin	2,207	2.0%	\$123,948	1.9%	\$3,914	1.8%	\$127,862	1.9%
Wyoming	204	0.2%	\$9,916	0.2%	\$987	0.4%	\$10,903	0.2%
United States	111,382	100.0%	\$6,439,951	100.0%	\$221,655	100.0%	\$6,661,605	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the Current Population Survey and the IRS Statistics of Income

states. They had a disproportionately higher share of CPS money income, but nearly twice as large a share of realized capital gains.

Within the New England states, Connecticut, Massachusetts, and New Hampshire all shared the distinction of having a greater share of gross household income than their share of households. Rhode Island, Maine, and Vermont did not.

The contents of **Table 5** are analogous to those of Table 4, except they pertain to calendar year 2002. Table 5 indicates that in 2002 there were 111.38 million households nationally with CPS money income of \$6.44 trillion, realized capital gains of \$222 billion, and gross income of \$6.66 trillion. It is noted that in the midst of this period of economic downturn and recessionary growth, CPS money income grew larger from its amount in 2000, but capital gain income dropped substantially, with the result that gross household income fell slightly lower.

In 2002, there were 2.63 million households in Massachusetts with CPS money income of \$172 billion, realized capital gains of \$8.6 billion, and gross money income of \$180 billion. In terms of shares, Massachusetts had 2.4% of all households, 2.7% of CPS money income, 3.9% of realized capital gains, and 2.7% of gross household income. It is noted that the gross household income fell for Massachusetts residents from its 2000 level primarily due to a very large drop in realized capital gains. It not only lost capital gain income, but its share of a decreased national total capital gain income also declined.

All the New England states had downturns in their gross household incomes between 2000 and 2002, although only Massachusetts, Connecticut, and New Hampshire residents suffered a downturn in their share of income between 2000 and 2002, due to disproportionate reductions in capital gains income in those states.

Taxes and Medicare Payments

There are a variety of taxes and payments to social programs that are paid by individuals. When calculating the total taxes paid by state, this analysis started with taxes and payments that are usually withheld from wage and salary income: federal income tax, state income tax, individual payments to FICA, individual

mandatory retirement payments from government employees, and individual Medicare contributions. In addition to these taxes, estimates were also made for residential property taxes and sales taxes. For all these taxes, only payments made by individuals were included, not payments made by businesses or employers.

In measuring taxes, calculations have been based on aggregated data drawn from federal sources. Federal income tax was drawn from the IRS Statistics of Income Division. State and local income taxes and sales tax revenues were drawn from the Governments Division of the Census Bureau. Social Security and Medicare revenues were taken from earnings and employment data published by the Social Security Administration. Property taxes were calculated based on data from the Current Population Survey conducted jointly by the Bureau of the Census and the Bureau of Labor Statistics, and sales taxes were estimated based on data from both the Governments Division of the Bureau of the Census and the Current Population Survey.

Since the data from the Social Security Administration combined revenues received from both employees and employers for both Social Security and Medicare, and since both employers and employees paid an equal rate, estimates were made of the employees' contribution as half the total amounts reported for each state.

Property taxes were estimated, based on the amount reported in the CPS, adjusted by a correction factor. Within each state, the correction factor reflected the proportion by which respondents in the CPS had under- or over-reported the combination of federal income tax, state income tax, FICA payments, and federal retirement program contributions, as compared with the amount of these revenues reported by government sources.

The Census of Governments reports the total sales tax revenues collected within each state, but the amount of this total paid by individuals was not separately identified. The total property tax revenues collected within each state are provided. This analysis calculates the proportion of estimated property taxes paid by individuals as a percentage of total property tax revenues received by each state, and used this fraction applied to total sales tax revenues as an estimate of sales taxes paid by individuals. An investigation of various other

state sources of information concerning their sales tax revenues was made, but it was found that the information was inconsistent among the states. Consequently, the Center on Wealth and Philanthropy used its initial estimate for sales taxes.

Table 6 presents data concerning taxes paid by residents in each state in calendar year 2000 by type of tax. The last column of the table indicates that the residents of Massachusetts paid nearly \$65 billion in all taxes and Medicare payments; this constituted 33.1% of their gross income. Although the residents of Massachusetts constituted 2.4% of all households, their taxes constituted 3.4% of all taxes nationally. Moreover, with the exception of sales taxes, the residents of Massachusetts paid a disproportionately large share of each type of tax.

Table 7 presents data similar to Table 6, but for 2002. The last column of this table indicates that the residents of Massachusetts paid \$53 billion in all taxes and Medicare payments in 2002; this constituted 29.3% of their gross income. Most of the decline in taxes came from reduced federal and state income taxes from 2000 to 2002. Regardless of the reduction in taxes, the 2.4% of households in Massachusetts still paid a disproportionately large 3.1% of all such taxes paid nationally. In addition, in 2002 the residents of Massachusetts continued to pay disproportionately large shares of each type of tax except for sales taxes.

In both 2000 and 2002, the out-of-pocket and out-of-paycheck tax burden on the residents of Massachusetts as a percentage of their gross income was among the highest five states in the nation.

Three Measures of Income

In this report, three concepts and corresponding measures of aggregate household income are presented: gross household income, gross household income after taxes, and gross household income after taxes expressed in terms of purchasing power (that is, adjusted for cost of living).

In the prior two sections, gross income and total tax data for each state for 2000 and for 2002 were given. In this section, calculations are made for the other two measures of income for states: household income after taxes, and household income after taxes adjusted for cost of living.

Table 8 presents the data for the calculation of after-tax household income in 2000. Gross household income in column 4 of Table 8 is replicated from Table 4. Total taxes in column 6 of Table 8 is replicated from Table 6. Column 8 of Table 8 merely subtracts total taxes from gross household income to arrive at after-tax household income. The final column of this table lists the tax burden in terms of total taxes as a percentage of gross household income.

Table 8 shows that in 2000, Massachusetts' tax burden was nearly a third of its gross income. After taxes, the income of Massachusetts residents fell from \$196 billion gross income before taxes, to \$131 billion after-tax income. Their share of national household income fell from 2.9% for gross income, to 2.7% for after-tax income, but this was still disproportionately larger than their 2.4% share of households. Even after taxes, the residents of Massachusetts enjoyed a disproportionately large amount of after-tax income, as compared with their share of households in 2000.

Table 9 corresponds to Table 8, except that it pertains to 2002. It indicates that the tax burden for Massachusetts residents fell to about 29% of their lower gross income in 2002. This was mainly due to lower federal and state income tax revenues, and to the progressive nature of the federal and state income tax codes. In Massachusetts, gross household income before taxes was \$180 billion, and \$127 billion after taxes. Its share of national income before taxes was 2.7%, and after taxes it was 2.6%, both figures still disproportionately higher than its 2.4% share of households.

Although the residents of Massachusetts paid a disproportionately high amount of taxes, its residents as a group retained a disproportionately high share of total income both before and after taxes, both in 2000, a year culminating a period of high economic growth, and in 2002, a year of economic distress.

After-tax household income adjusted for cost of living is the third concept and measure of income considered in this analysis. To adjust for cost of living, the measurement uses the state level cost of living index calculated by the Missouri Economic Research and Information Center (MERIC). The MERIC index is simply the average value of the ACCRA indices for participating metropolitan areas within each state in a given year. Although ACCRA is no longer an acronym, it formerly stood for the American Chamber of

TABLE 6

Households, Taxes & Medicare Payments by State, 2000 (2000 Dollars)

State	Households		Federal Income Tax		State/Local Income Tax		Soc. Sec. & Req. Retirement		Property Taxes		Sales Taxes		Medicare Payments		Total Taxes	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,733	1.6%	\$9,930	1.0%	\$2,169	1.0%	\$3,601	1.3%	\$578	0.4%	\$1,979	1.1%	\$852	1.2%	\$19,108	1.0%
Alaska	228	0.2%	\$2,173	0.2%	\$0	0.0%	\$654	0.2%	\$256	0.2%	\$95	0.1%	\$157	0.2%	\$2,335	0.2%
Arizona	1,928	1.8%	\$14,735	1.5%	\$2,377	1.1%	\$4,380	1.6%	\$1,031	0.7%	\$1,602	0.9%	\$1,121	1.6%	\$25,246	1.3%
Arkansas	1,079	1.0%	\$5,374	0.5%	\$1,515	0.7%	\$1,843	0.7%	\$391	0.3%	\$1,193	0.7%	\$453	0.6%	\$10,770	0.6%
California	11,941	11.0%	\$152,735	15.1%	\$41,753	18.9%	\$33,722	12.4%	\$14,802	10.1%	\$22,397	12.7%	\$9,315	13.0%	\$274,724	14.5%
Colorado	1,700	1.6%	\$19,005	1.9%	\$3,845	1.7%	\$4,515	1.7%	\$2,025	1.4%	\$2,667	1.5%	\$1,268	1.8%	\$33,325	1.8%
Connecticut	1,353	1.2%	\$23,436	2.3%	\$3,868	1.7%	\$4,053	1.5%	\$4,172	2.9%	\$3,900	2.2%	\$1,330	1.9%	\$40,760	2.1%
Delaware	301	0.3%	\$2,881	0.3%	\$709	0.3%	\$863	0.3%	\$269	0.2%	\$209	0.1%	\$225	0.3%	\$5,155	0.3%
District of Columbia	255	0.2%	\$2,962	0.3%	\$2,181	1.0%	\$737	0.3%	\$210	0.1%	\$303	0.2%	\$222	0.3%	\$6,616	0.3%
Florida	6,545	6.0%	\$58,498	5.8%	\$0	0.0%	\$12,410	4.6%	\$9,145	6.3%	\$14,442	8.2%	\$3,435	4.8%	\$97,930	5.2%
Georgia	3,090	2.9%	\$25,703	2.5%	\$6,654	3.0%	\$7,624	2.8%	\$2,526	1.7%	\$3,959	2.2%	\$2,066	2.9%	\$48,532	2.6%
Hawaii	408	0.4%	\$3,281	0.3%	\$0,080	0.5%	\$1,084	0.4%	\$132	0.1%	\$469	0.3%	\$269	0.4%	\$6,315	0.3%
Idaho	498	0.5%	\$3,092	0.3%	\$941	0.4%	\$1,060	0.4%	\$238	0.2%	\$293	0.2%	\$237	0.3%	\$5,862	0.3%
Illinois	4,698	4.3%	\$51,184	5.1%	\$8,281	3.8%	\$13,487	5.0%	\$9,573	6.5%	\$8,824	5.0%	\$3,468	4.9%	\$94,917	5.0%
Indiana	2,428	2.2%	\$17,112	1.7%	\$4,296	1.9%	\$5,707	2.1%	\$2,079	1.4%	\$1,915	1.1%	\$1,419	2.0%	\$32,227	1.7%
Iowa	1,164	1.1%	\$7,316	0.7%	\$1,939	0.9%	\$2,647	1.0%	\$997	0.7%	\$1,035	0.6%	\$631	0.9%	\$14,564	0.8%
Kansas	1,090	1.0%	\$7,876	0.8%	\$1,943	0.9%	\$2,573	0.9%	\$934	0.6%	\$1,240	0.7%	\$652	0.9%	\$15,218	0.8%
Kentucky	1,598	1.5%	\$9,074	0.9%	\$3,440	1.6%	\$3,474	1.3%	\$598	0.4%	\$1,281	0.7%	\$795	1.1%	\$18,663	1.0%
Louisiana	1,690	1.6%	\$9,754	1.0%	\$1,601	0.7%	\$3,347	1.2%	\$1,742	1.2%	\$6,227	3.5%	\$810	1.1%	\$23,480	1.2%
Maine	546	0.5%	\$3,347	0.3%	\$1,106	0.5%	\$1,104	0.4%	\$763	0.5%	\$571	0.3%	\$264	0.4%	\$7,156	0.4%
Maryland	2,086	1.9%	\$21,712	2.1%	\$7,103	3.2%	\$6,006	2.2%	\$2,805	1.9%	\$2,695	1.5%	\$1,608	2.3%	\$41,928	2.2%
Massachusetts	2,565	2.4%	\$37,627	3.7%	\$9,439	4.3%	\$7,519	2.8%	\$4,884	3.3%	\$2,295	1.9%	\$2,162	3.0%	\$64,925	3.4%
Michigan	3,849	3.6%	\$32,841	3.2%	\$8,475	3.8%	\$10,069	3.7%	\$5,810	4.0%	\$6,059	3.4%	\$2,625	3.7%	\$65,879	3.5%
Minnesota	1,952	1.8%	\$18,419	1.8%	\$5,751	2.6%	\$5,679	2.1%	\$2,377	1.6%	\$3,076	1.7%	\$1,411	2.0%	\$36,712	1.9%
Mississippi	1,099	1.0%	\$4,960	0.5%	\$780	0.4%	\$2,133	0.8%	\$293	0.2%	\$642	0.4%	\$458	0.6%	\$9,265	0.5%
Missouri	2,213	2.0%	\$15,952	1.6%	\$3,949	1.8%	\$4,954	1.8%	\$1,202	0.8%	\$2,059	1.2%	\$1,257	1.8%	\$29,274	1.5%
Montana	359	0.3%	\$1,909	0.2%	\$535	0.2%	\$724	0.3%	\$356	0.2%	\$135	0.1%	\$158	0.2%	\$3,818	0.2%

TABLE 6 (continued)

Households, Taxes & Medicare Payments by State, 2000 (2000 Dollars)

State	Households		Federal Income Tax		State/Local Income Tax		Soc. Sec. & Req. Retirement		Property Taxes		Sales Taxes		Medicare Payments		Total Taxes	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Nebraska	672	0.6%	\$4,803	0.5%	\$1,223	0.6%	\$1,574	0.6%	\$679	0.5%	\$741	0.4%	\$380	0.5%	\$9,400	0.5%
Nevada	760	0.7%	\$8,085	0.8%	\$0	0.0%	\$1,647	0.6%	\$967	0.7%	\$2,412	1.4%	\$476	0.7%	\$13,586	0.7%
New Hampshire	500	0.5%	\$5,913	0.6%	\$65	0.0%	\$1,438	0.5%	\$1,182	0.8%	\$324	0.2%	\$384	0.5%	\$9,306	0.5%
New Jersey	3,223	3.0%	\$45,778	4.5%	\$7,715	3.5%	\$10,398	3.8%	\$10,599	7.3%	\$6,037	3.4%	\$3,050	4.3%	\$83,576	4.4%
New Mexico	669	0.6%	\$2,852	0.3%	\$917	0.4%	\$1,481	0.5%	\$246	0.2%	\$964	0.5%	\$309	0.4%	\$6,770	0.4%
New York	7,308	6.7%	\$83,851	8.3%	\$30,570	13.8%	\$19,917	7.3%	\$17,223	11.8%	\$15,353	8.7%	\$5,700	8.0%	\$172,615	9.1%
North Carolina	3,166	2.9%	\$22,240	2.2%	\$7,445	3.4%	\$7,762	2.9%	\$2,353	1.6%	\$3,677	2.1%	\$1,879	2.6%	\$45,357	2.4%
North Dakota	265	0.2%	\$1,448	0.1%	\$199	0.1%	\$514	0.2%	\$307	0.2%	\$415	0.2%	\$122	0.2%	\$3,006	0.2%
Ohio	4,536	4.2%	\$32,915	3.3%	\$11,695	5.3%	\$11,246	4.1%	\$5,404	3.7%	\$3,861	3.3%	\$2,676	3.7%	\$69,796	3.7%
Oklahoma	1,363	1.3%	\$7,548	0.7%	\$2,220	1.0%	\$2,746	1.0%	\$555	0.4%	\$1,378	0.8%	\$632	0.9%	\$15,078	0.8%
Oregon	1,376	1.3%	\$10,230	1.0%	\$4,447	2.0%	\$3,395	1.3%	\$1,624	1.1%	\$531	0.3%	\$811	1.1%	\$21,038	1.1%
Pennsylvania	4,852	4.5%	\$40,804	4.0%	\$9,486	4.3%	\$11,958	4.4%	\$8,154	5.6%	\$8,778	5.0%	\$3,027	4.2%	\$82,208	4.3%
Rhode Island	427	0.4%	\$3,452	0.3%	\$867	0.4%	\$1,120	0.4%	\$650	0.4%	\$480	0.3%	\$270	0.4%	\$6,839	0.4%
South Carolina	1,577	1.5%	\$9,239	0.9%	\$2,479	1.1%	\$3,584	1.3%	\$985	0.7%	\$1,279	0.7%	\$813	1.1%	\$18,380	1.0%
South Dakota	303	0.3%	\$1,269	0.1%	\$0	0.0%	\$635	0.2%	\$382	0.3%	\$528	0.3%	\$145	0.2%	\$2,960	0.2%
Tennessee	2,270	2.1%	\$15,431	1.5%	\$182	0.1%	\$4,873	1.8%	\$1,175	0.8%	\$2,978	1.7%	\$1,254	1.8%	\$25,892	1.4%
Texas	7,530	7.0%	\$70,568	7.0%	\$0	0.0%	\$18,362	6.8%	\$11,697	8.0%	\$15,689	8.9%	\$4,874	6.8%	\$121,190	6.4%
Utah	731	0.7%	\$5,194	0.5%	\$1,695	0.8%	\$1,753	0.6%	\$709	0.5%	\$1,323	0.8%	\$445	0.6%	\$11,119	0.6%
Vermont	254	0.2%	\$1,810	0.2%	\$446	0.2%	\$571	0.2%	\$352	0.2%	\$218	0.1%	\$139	0.2%	\$3,535	0.2%
Virginia	2,741	2.5%	\$26,995	2.7%	\$7,268	3.3%	\$7,323	2.7%	\$3,061	2.1%	\$3,053	1.7%	\$1,988	2.8%	\$49,689	2.6%
Washington	2,330	2.2%	\$26,154	2.6%	\$0	0.0%	\$6,210	2.3%	\$3,493	2.4%	\$7,301	4.1%	\$1,646	2.3%	\$44,802	2.4%
West Virginia	744	0.7%	\$3,279	0.3%	\$1,017	0.5%	\$1,297	0.5%	\$344	0.2%	\$740	0.4%	\$299	0.4%	\$6,975	0.4%
Wisconsin	2,104	1.9%	\$16,523	1.6%	\$5,556	2.5%	\$5,227	1.9%	\$3,696	2.5%	\$3,464	2.0%	\$1,349	1.9%	\$35,815	1.9%
Wyoming	193	0.2%	\$1,897	0.2%	\$0	0.0%	\$445	0.2%	\$138	0.1%	\$157	0.1%	\$110	0.2%	\$2,747	0.1%
United States	108,290	100.0%	\$1,011,166	100.0%	\$221,320	100.0%	\$271,445	100.0%	\$146,165	100.0%	\$176,245	100.0%	\$71,444	100.0%	\$1,897,784	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the Current Population Survey, IRS Statistics of Income, Bureau Census of Governments and Social Security Administration.

TABLE 7

Households, Taxes & Medicare Payments by State, 2002 (2002 Dollars)

State	Households		Federal Income Tax		State/Local Income Tax		Soc. Sec. & Req. Retirement		Property Taxes		Sales Taxes		Medicare Payments		Total Taxes	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,814	1.6%	\$8,749	1.0%	\$2,157	1.1%	\$3,800	1.3%	\$519	0.4%	\$1,691	1.0%	\$883	1.2%	\$17,800	1.0%
Alaska	226	0.2%	\$2,017	0.2%	\$0	0.0%	\$731	0.3%	\$295	0.2%	\$111	0.1%	\$175	0.2%	\$3,329	0.2%
Arizona	2,081	1.9%	\$12,412	1.5%	\$1,904	0.9%	\$4,732	1.6%	\$1,016	0.7%	\$1,691	1.0%	\$1,162	1.6%	\$22,917	1.3%
Arkansas	1,110	1.0%	\$4,664	0.6%	\$1,560	0.8%	\$1,966	0.7%	\$356	0.2%	\$1,183	0.7%	\$484	0.7%	\$10,213	0.6%
California	12,665	11.4%	\$112,228	13.5%	\$33,315	16.6%	\$36,555	12.7%	\$14,429	9.9%	\$19,828	12.1%	\$9,457	12.9%	\$225,813	13.2%
Colorado	1,774	1.6%	\$14,596	1.7%	\$3,422	1.7%	\$4,786	1.7%	\$2,091	1.4%	\$2,664	1.6%	\$1,264	1.7%	\$28,822	1.7%
Connecticut	1,314	1.2%	\$19,123	2.3%	\$3,581	1.8%	\$4,328	1.5%	\$4,047	2.8%	\$3,049	1.9%	\$1,337	1.8%	\$35,465	2.1%
Delaware	317	0.3%	\$2,538	0.3%	\$752	0.4%	\$918	0.3%	\$249	0.2%	\$203	0.1%	\$230	0.3%	\$4,892	0.3%
District of Columbia	284	0.3%	\$2,561	0.3%	\$1,898	0.9%	\$807	0.3%	\$200	0.1%	\$233	0.1%	\$232	0.3%	\$5,931	0.3%
Florida	6,796	6.1%	\$50,416	6.0%	\$0	0.0%	\$13,542	4.7%	\$9,421	6.5%	\$13,716	8.4%	\$3,635	5.0%	\$90,731	5.3%
Georgia	3,298	3.0%	\$21,519	2.6%	\$6,417	3.2%	\$8,054	2.8%	\$2,890	2.0%	\$4,090	2.5%	\$2,116	2.9%	\$45,085	2.6%
Hawaii	421	0.4%	\$2,927	0.4%	\$1,060	0.5%	\$1,211	0.4%	\$152	0.1%	\$556	0.3%	\$305	0.4%	\$6,212	0.4%
Idaho	489	0.4%	\$2,439	0.3%	\$1,178	0.6%	\$1,136	0.4%	\$263	0.2%	\$312	0.2%	\$254	0.3%	\$5,582	0.3%
Illinois	4,878	4.4%	\$42,121	5.0%	\$7,450	3.7%	\$13,805	4.8%	\$8,822	6.1%	\$7,712	4.7%	\$3,456	4.7%	\$83,366	4.9%
Indiana	2,401	2.2%	\$14,612	1.8%	\$4,175	2.1%	\$5,907	2.1%	\$1,898	1.3%	\$1,754	1.1%	\$1,452	2.0%	\$29,798	1.7%
Iowa	1,199	1.1%	\$6,192	0.7%	\$1,858	0.9%	\$2,771	1.0%	\$1,105	0.8%	\$1,108	0.7%	\$647	0.9%	\$13,680	0.8%
Kansas	1,065	1.0%	\$6,540	0.8%	\$1,851	0.9%	\$2,707	0.9%	\$1,027	0.7%	\$1,248	0.8%	\$655	0.9%	\$14,029	0.8%
Kentucky	1,640	1.5%	\$7,890	0.9%	\$3,531	1.8%	\$3,731	1.3%	\$713	0.5%	\$1,422	0.9%	\$836	1.1%	\$18,123	1.1%
Louisiana	1,718	1.5%	\$8,737	1.0%	\$1,873	0.9%	\$3,580	1.2%	\$1,547	1.1%	\$5,540	3.4%	\$870	1.2%	\$22,148	1.3%
Maine	546	0.5%	\$2,870	0.3%	\$1,090	0.5%	\$1,198	0.4%	\$668	0.5%	\$434	0.3%	\$286	0.4%	\$6,547	0.4%
Maryland	2,087	1.9%	\$19,421	2.3%	\$7,702	3.8%	\$6,695	2.3%	\$2,922	2.0%	\$2,685	1.6%	\$1,754	2.4%	\$41,179	2.4%
Massachusetts	2,633	2.4%	\$27,500	3.3%	\$7,675	3.8%	\$8,065	2.8%	\$4,633	3.2%	\$2,849	1.7%	\$2,120	2.9%	\$52,843	3.1%
Michigan	3,947	3.5%	\$26,770	3.2%	\$7,181	3.6%	\$10,496	3.6%	\$5,780	4.0%	\$6,042	3.7%	\$2,588	3.5%	\$58,856	3.5%
Minnesota	2,001	1.8%	\$15,687	1.9%	\$5,492	2.7%	\$5,959	2.1%	\$2,211	1.5%	\$2,509	1.5%	\$1,459	2.0%	\$33,318	2.0%
Mississippi	1,082	1.0%	\$4,365	0.5%	\$898	0.4%	\$2,205	0.8%	\$293	0.2%	\$579	0.4%	\$475	0.6%	\$8,814	0.5%
Missouri	2,224	2.0%	\$13,495	1.6%	\$3,914	1.9%	\$5,208	1.8%	\$1,183	0.8%	\$1,842	1.1%	\$1,279	1.7%	\$26,921	1.6%
Montana	385	0.3%	\$1,678	0.2%	\$521	0.3%	\$781	0.3%	\$369	0.3%	\$162	0.1%	\$168	0.2%	\$3,680	0.2%

TABLE 7 (continued)

Households, Taxes & Medicare Payments by State, 2000 (2000 Dollars)

State	Households		Federal Income Tax		State/Local Income Tax		Soc. Sec. & Req. Retirement		Property Taxes		Sales Taxes		Medicare Payments		Total Taxes	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Nebraska	687	0.6%	\$3,946	0.5%	\$1,162	0.6%	\$1,678	0.6%	\$706	0.5%	\$734	0.4%	\$398	0.5%	\$8,624	0.5%
Nevada	798	0.7%	\$7,059	0.8%	\$0	0.0%	\$1,806	0.6%	\$1,092	0.7%	\$2,463	1.5%	\$506	0.7%	\$12,926	0.8%
New Hampshire	500	0.4%	\$4,546	0.5%	\$67	0.0%	\$1,538	0.5%	\$1,034	0.7%	\$289	0.2%	\$398	0.5%	\$7,873	0.5%
New Jersey	3,228	2.9%	\$38,400	4.6%	\$6,771	3.4%	\$11,041	3.8%	\$9,746	6.7%	\$5,346	3.3%	\$3,072	4.2%	\$74,375	4.4%
New Mexico	706	0.6%	\$3,376	0.4%	\$965	0.5%	\$1,568	0.5%	\$328	0.2%	\$1,006	0.6%	\$337	0.5%	\$7,580	0.4%
New York	7,490	6.7%	\$72,615	8.7%	\$27,466	13.7%	\$20,451	7.1%	\$18,058	12.4%	\$15,140	9.3%	\$5,832	7.9%	\$159,562	9.4%
North Carolina	3,305	3.0%	\$18,664	2.2%	\$7,305	3.6%	\$8,044	2.8%	\$1,807	1.2%	\$2,616	1.6%	\$1,895	2.6%	\$40,330	2.4%
North Dakota	269	0.2%	\$1,281	0.2%	\$200	0.1%	\$549	0.2%	\$279	0.2%	\$361	0.2%	\$127	0.2%	\$2,797	0.2%
Ohio	4,487	4.0%	\$28,198	3.4%	\$11,971	6.0%	\$11,667	4.1%	\$5,311	3.6%	\$5,372	3.3%	\$2,762	3.8%	\$65,282	3.8%
Oklahoma	1,415	1.3%	\$6,560	0.8%	\$2,307	1.1%	\$2,935	1.0%	\$606	0.4%	\$1,410	0.9%	\$662	0.9%	\$14,480	0.8%
Oregon	1,418	1.3%	\$8,051	1.0%	\$3,983	2.0%	\$3,538	1.2%	\$1,940	1.3%	\$549	0.3%	\$806	1.1%	\$18,867	1.1%
Pennsylvania	4,870	4.4%	\$34,406	4.1%	\$8,482	4.7%	\$12,832	4.5%	\$7,357	5.1%	\$7,613	4.7%	\$3,177	4.3%	\$74,866	4.4%
Rhode Island	431	0.4%	\$3,065	0.4%	\$835	0.4%	\$1,241	0.4%	\$664	0.5%	\$529	0.3%	\$289	0.4%	\$6,625	0.4%
South Carolina	1,560	1.4%	\$7,906	0.9%	\$1,561	0.8%	\$3,754	1.3%	\$1,068	0.7%	\$1,181	0.7%	\$845	1.2%	\$16,314	1.0%
South Dakota	299	0.3%	\$1,700	0.2%	\$0	0.0%	\$667	0.2%	\$492	0.3%	\$685	0.4%	\$150	0.2%	\$3,694	0.2%
Tennessee	2,319	2.1%	\$13,508	1.6%	\$146	0.1%	\$5,123	1.8%	\$1,362	0.9%	\$2,942	1.8%	\$1,327	1.8%	\$24,408	1.4%
Texas	7,842	7.0%	\$58,097	7.0%	\$0	0.0%	\$19,693	6.8%	\$12,613	8.7%	\$14,732	9.0%	\$4,957	6.8%	\$110,091	6.5%
Utah	726	0.7%	\$4,338	0.5%	\$1,584	0.8%	\$1,855	0.6%	\$735	0.5%	\$1,355	0.8%	\$471	0.6%	\$10,337	0.6%
Vermont	264	0.2%	\$1,551	0.2%	\$424	0.2%	\$623	0.2%	\$440	0.3%	\$306	0.2%	\$150	0.2%	\$3,494	0.2%
Virginia	2,804	2.5%	\$24,156	2.9%	\$6,433	3.2%	\$8,046	2.8%	\$3,407	2.3%	\$3,321	2.0%	\$2,133	2.9%	\$47,496	2.8%
Washington	2,428	2.2%	\$19,899	2.4%	\$0	0.0%	\$6,327	2.2%	\$2,769	1.9%	\$5,726	3.5%	\$1,646	2.2%	\$36,367	2.1%
West Virginia	727	0.7%	\$2,960	0.4%	\$1,051	0.5%	\$1,380	0.5%	\$428	0.3%	\$939	0.6%	\$318	0.4%	\$7,076	0.4%
Wisconsin	2,207	2.0%	\$14,290	1.7%	\$4,788	2.4%	\$5,432	1.9%	\$4,109	2.8%	\$3,621	2.2%	\$1,410	1.9%	\$33,650	2.0%
Wyoming	204	0.2%	\$1,531	0.2%	\$0	0.0%	\$496	0.2%	\$165	0.1%	\$165	0.1%	\$112	0.2%	\$2,469	0.1%
United States	111,382	100.0%	\$834,171	100.0%	\$200,953	100.0%	\$287,961	100.0%	\$145,616	100.0%	\$163,614	100.0%	\$73,361	100.0%	\$1,705,675	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the Current Population Survey, IRS Statistics of Income, Bureau Census of Governments and Social Security Administration

TABLE 8
Households, After-Tax Income & Tax Burden by State, 2000 (2000 Dollars)

State	Households		Gross Money Income		Total Taxes		After-Tax Income		Average After-Tax HH Income	Tax Burden (Taxes as % of Gross Income)
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share		
Alabama	1,733	1.6%	\$84,355	1.2%	\$19,108	1.0%	\$65,247	1.3%	\$37,654	22.7%
Alaska	228	0.2%	\$15,592	0.2%	\$3,335	0.2%	\$12,256	0.3%	\$53,646	21.4%
Arizona	1,928	1.8%	\$113,898	1.7%	\$25,246	1.3%	\$88,652	1.8%	\$45,991	22.2%
Arkansas	1,079	1.0%	\$46,794	0.7%	\$10,770	0.6%	\$36,024	0.7%	\$33,381	23.0%
California	11,941	11.0%	\$879,564	13.0%	\$274,724	14.5%	\$604,840	12.4%	\$50,654	31.2%
Colorado	1,700	1.6%	\$118,830	1.8%	\$33,325	1.8%	\$85,505	1.8%	\$50,297	28.0%
Connecticut	1,353	1.2%	\$105,827	1.6%	\$40,760	2.1%	\$65,067	1.3%	\$48,108	38.5%
Delaware	301	0.3%	\$20,502	0.3%	\$5,155	0.3%	\$15,347	0.3%	\$50,958	25.1%
District of Columbia	255	0.2%	\$18,006	0.3%	\$6,616	0.3%	\$11,390	0.2%	\$44,598	36.7%
Florida	6,545	6.0%	\$386,536	5.7%	\$97,930	5.2%	\$288,606	5.9%	\$44,095	25.3%
Georgia	3,090	2.9%	\$182,920	2.7%	\$48,532	2.6%	\$134,388	2.8%	\$43,484	26.5%
Hawaii	408	0.4%	\$27,399	0.4%	\$6,315	0.3%	\$21,084	0.4%	\$51,707	23.0%
Idaho	498	0.5%	\$27,311	0.4%	\$5,862	0.3%	\$21,449	0.4%	\$43,042	21.5%
Illinois	4,698	4.3%	\$311,914	4.6%	\$94,917	5.0%	\$216,997	4.5%	\$46,185	30.4%
Indiana	2,428	2.2%	\$137,357	2.0%	\$32,527	1.7%	\$104,830	2.2%	\$43,178	23.7%
Iowa	1,164	1.1%	\$63,808	0.9%	\$14,564	0.8%	\$49,244	1.0%	\$42,313	22.8%
Kansas	1,090	1.0%	\$60,925	0.9%	\$15,218	0.8%	\$45,707	0.9%	\$41,921	25.0%
Kentucky	1,598	1.5%	\$82,238	1.2%	\$18,663	1.0%	\$63,576	1.3%	\$39,783	22.7%
Louisiana	1,690	1.6%	\$76,690	1.1%	\$23,480	1.2%	\$53,210	1.1%	\$31,489	30.6%
Maine	546	0.5%	\$28,220	0.4%	\$7,156	0.4%	\$21,065	0.4%	\$38,607	25.4%
Maryland	2,086	1.9%	\$160,822	2.4%	\$41,928	2.2%	\$118,893	2.4%	\$56,995	26.1%
Massachusetts	2,565	2.4%	\$196,114	2.9%	\$64,925	3.4%	\$131,189	2.7%	\$51,148	33.1%
Michigan	3,849	3.6%	\$241,551	3.6%	\$65,879	3.5%	\$175,672	3.6%	\$45,641	27.3%
Minnesota	1,952	1.8%	\$139,944	2.1%	\$36,712	1.9%	\$103,232	2.1%	\$52,884	26.2%
Mississippi	1,099	1.0%	\$50,699	0.7%	\$9,265	0.5%	\$41,434	0.9%	\$37,705	18.3%
Missouri	2,213	2.0%	\$132,823	2.0%	\$29,374	1.5%	\$103,449	2.1%	\$46,749	22.1%
Montana	359	0.3%	\$17,079	0.3%	\$3,818	0.2%	\$13,261	0.3%	\$36,927	22.4%
Nebraska	672	0.6%	\$39,407	0.6%	\$9,400	0.5%	\$30,007	0.6%	\$44,657	23.9%
Nevada	760	0.7%	\$51,278	0.8%	\$13,586	0.7%	\$37,692	0.8%	\$49,598	26.5%
New Hampshire	500	0.5%	\$37,433	0.6%	\$9,306	0.5%	\$28,127	0.6%	\$56,259	24.9%
New Jersey	3,223	3.0%	\$243,978	3.6%	\$83,576	4.4%	\$160,403	3.3%	\$49,772	34.3%
New Mexico	669	0.6%	\$30,010	0.4%	\$6,770	0.4%	\$23,240	0.5%	\$34,717	22.6%
New York	7,308	6.7%	\$479,807	7.1%	\$172,615	9.1%	\$307,192	6.3%	\$42,035	36.0%
North Carolina	3,166	2.9%	\$166,289	2.5%	\$45,357	2.4%	\$120,932	2.5%	\$38,201	27.3%
North Dakota	265	0.2%	\$12,358	0.2%	\$3,006	0.2%	\$9,352	0.2%	\$35,315	24.3%
Ohio	4,536	4.2%	\$260,078	3.8%	\$69,796	3.7%	\$190,282	3.9%	\$41,945	26.8%
Oklahoma	1,363	1.3%	\$67,857	1.0%	\$15,078	0.8%	\$52,778	1.1%	\$38,730	22.2%
Oregon	1,376	1.3%	\$85,624	1.3%	\$21,038	1.1%	\$64,585	1.3%	\$46,927	24.6%
Pennsylvania	4,852	4.5%	\$293,527	4.3%	\$82,208	4.3%	\$211,319	4.3%	\$43,555	28.0%
Rhode Island	427	0.4%	\$27,157	0.4%	\$6,839	0.4%	\$20,317	0.4%	\$47,594	25.2%
South Carolina	1,577	1.5%	\$84,087	1.2%	\$18,380	1.0%	\$65,707	1.3%	\$41,668	21.9%
South Dakota	303	0.3%	\$15,271	0.2%	\$2,960	0.2%	\$12,311	0.3%	\$40,625	19.4%
Tennessee	2,270	2.1%	\$121,326	1.8%	\$25,892	1.4%	\$95,433	2.0%	\$42,043	21.3%
Texas	7,530	7.0%	\$450,971	6.7%	\$121,190	6.4%	\$329,782	6.8%	\$43,796	26.9%
Utah	731	0.7%	\$46,092	0.7%	\$11,119	0.6%	\$34,974	0.7%	\$47,829	24.1%
Vermont	254	0.2%	\$14,977	0.2%	\$3,535	0.2%	\$11,442	0.2%	\$45,054	23.6%
Virginia	2,741	2.5%	\$187,752	2.8%	\$49,689	2.6%	\$138,063	2.8%	\$50,378	26.5%
Washington	2,330	2.2%	\$149,445	2.2%	\$44,802	2.4%	\$104,643	2.1%	\$44,906	30.0%
West Virginia	744	0.7%	\$31,454	0.5%	\$6,975	0.4%	\$24,478	0.5%	\$32,919	22.2%
Wisconsin	2,104	1.9%	\$131,362	1.9%	\$35,815	1.9%	\$95,548	2.0%	\$45,403	27.3%
Wyoming	193	0.2%	\$11,257	0.2%	\$2,747	0.1%	\$8,510	0.2%	\$44,041	24.4%
United States	108,290	100.0%	\$6,766,515	100.0%	\$1,897,784	100.0%	\$4,868,731	100.0%	\$44,960	28.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 4 and 6 of this report.

TABLE 9
Households, After-Tax Income & Tax Burden by State, 2002 (2002 Dollars)

State	Households		Gross Money Income		Total Taxes		After-Tax Income		Average After-Tax HH Income	Tax Burden (Taxes as % of Gross Income)
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share		
Alabama	1,814	1.6%	\$92,864	1.4%	\$17,800	1.0%	\$75,064	1.5%	\$41,386	19.2%
Alaska	226	0.2%	\$14,907	0.2%	\$3,329	0.2%	\$11,578	0.2%	\$51,165	22.3%
Arizona	2,081	1.9%	\$117,349	1.8%	\$22,917	1.3%	\$94,432	1.9%	\$45,382	19.5%
Arkansas	1,110	1.0%	\$52,022	0.8%	\$10,213	0.6%	\$41,809	0.8%	\$37,675	19.6%
California	12,665	11.4%	\$847,352	12.7%	\$225,813	13.2%	\$621,539	12.5%	\$49,077	26.6%
Colorado	1,774	1.6%	\$115,271	1.7%	\$28,822	1.7%	\$86,448	1.7%	\$48,733	25.0%
Connecticut	1,314	1.2%	\$96,662	1.5%	\$35,465	2.1%	\$61,197	1.2%	\$46,577	36.7%
Delaware	317	0.3%	\$20,127	0.3%	\$4,892	0.3%	\$15,235	0.3%	\$48,086	24.3%
District of Columbia	284	0.3%	\$18,961	0.3%	\$5,931	0.3%	\$13,030	0.3%	\$45,850	31.3%
Florida	6,796	6.1%	\$381,592	5.7%	\$90,731	5.3%	\$290,861	5.9%	\$42,796	23.8%
Georgia	3,298	3.0%	\$182,832	2.7%	\$45,085	2.6%	\$137,746	2.8%	\$41,768	24.7%
Hawaii	421	0.4%	\$27,127	0.4%	\$6,212	0.4%	\$20,916	0.4%	\$49,625	22.9%
Idaho	489	0.4%	\$25,299	0.4%	\$5,582	0.3%	\$19,716	0.4%	\$40,327	22.1%
Illinois	4,878	4.4%	\$289,318	4.3%	\$83,366	4.9%	\$205,953	4.2%	\$42,217	28.8%
Indiana	2,401	2.2%	\$133,661	2.0%	\$29,798	1.7%	\$103,864	2.1%	\$43,254	22.3%
Iowa	1,199	1.1%	\$62,952	0.9%	\$13,680	0.8%	\$49,271	1.0%	\$41,098	21.7%
Kansas	1,065	1.0%	\$60,955	0.9%	\$14,029	0.8%	\$46,926	0.9%	\$44,051	23.0%
Kentucky	1,640	1.5%	\$84,755	1.3%	\$18,123	1.1%	\$66,632	1.3%	\$40,618	21.4%
Louisiana	1,718	1.5%	\$81,744	1.2%	\$22,148	1.3%	\$59,596	1.2%	\$34,681	27.1%
Maine	546	0.5%	\$27,683	0.4%	\$6,547	0.4%	\$21,136	0.4%	\$38,732	23.6%
Maryland	2,087	1.9%	\$158,789	2.4%	\$41,179	2.4%	\$117,610	2.4%	\$56,363	25.9%
Massachusetts	2,633	2.4%	\$180,189	2.7%	\$52,843	3.1%	\$127,346	2.6%	\$48,361	29.3%
Michigan	3,947	3.5%	\$230,570	3.5%	\$58,856	3.5%	\$171,714	3.5%	\$43,501	25.5%
Minnesota	2,001	1.8%	\$142,120	2.1%	\$33,318	2.0%	\$108,802	2.2%	\$54,363	23.4%
Mississippi	1,082	1.0%	\$47,608	0.7%	\$8,814	0.5%	\$38,794	0.8%	\$35,857	18.5%
Missouri	2,224	2.0%	\$129,693	1.9%	\$26,921	1.6%	\$102,772	2.1%	\$46,200	20.8%
Montana	385	0.3%	\$17,391	0.3%	\$3,680	0.2%	\$13,711	0.3%	\$35,631	21.2%
Nebraska	687	0.6%	\$38,079	0.6%	\$8,624	0.5%	\$29,455	0.6%	\$42,876	22.6%
Nevada	798	0.7%	\$49,283	0.7%	\$12,926	0.8%	\$36,357	0.7%	\$45,532	26.2%
New Hampshire	500	0.4%	\$36,016	0.5%	\$7,873	0.5%	\$28,143	0.6%	\$56,277	21.9%
New Jersey	3,228	2.9%	\$240,758	3.6%	\$74,375	4.4%	\$166,383	3.4%	\$51,539	30.9%
New Mexico	706	0.6%	\$33,905	0.5%	\$7,580	0.4%	\$26,325	0.5%	\$37,296	22.4%
New York	7,490	6.7%	\$462,086	6.9%	\$159,562	9.4%	\$302,524	6.1%	\$40,392	34.5%
North Carolina	3,305	3.0%	\$173,364	2.6%	\$40,330	2.4%	\$133,034	2.7%	\$40,252	23.3%
North Dakota	269	0.2%	\$12,863	0.2%	\$2,797	0.2%	\$10,066	0.2%	\$37,369	21.7%
Ohio	4,487	4.0%	\$257,835	3.9%	\$65,282	3.8%	\$192,553	3.9%	\$42,910	25.3%
Oklahoma	1,415	1.3%	\$69,236	1.0%	\$14,480	0.8%	\$54,755	1.1%	\$38,707	20.9%
Oregon	1,418	1.3%	\$78,672	1.2%	\$18,867	1.1%	\$59,805	1.2%	\$42,181	24.0%
Pennsylvania	4,870	4.4%	\$296,534	4.5%	\$74,866	4.4%	\$221,668	4.5%	\$45,520	25.2%
Rhode Island	431	0.4%	\$25,533	0.4%	\$6,625	0.4%	\$18,908	0.4%	\$43,820	25.9%
South Carolina	1,560	1.4%	\$79,321	1.2%	\$16,314	1.0%	\$63,007	1.3%	\$40,401	20.6%
South Dakota	299	0.3%	\$14,658	0.2%	\$3,694	0.2%	\$10,964	0.2%	\$36,678	25.2%
Tennessee	2,319	2.1%	\$123,903	1.9%	\$24,408	1.4%	\$99,496	2.0%	\$42,910	19.7%
Texas	7,842	7.0%	\$464,613	7.0%	\$110,091	6.5%	\$354,522	7.2%	\$45,207	23.7%
Utah	726	0.7%	\$42,614	0.6%	\$10,337	0.6%	\$32,277	0.7%	\$44,429	24.3%
Vermont	264	0.2%	\$14,781	0.2%	\$3,494	0.2%	\$11,286	0.2%	\$42,773	23.6%
Virginia	2,804	2.5%	\$185,775	2.8%	\$47,496	2.8%	\$138,279	2.8%	\$49,311	25.6%
Washington	2,428	2.2%	\$152,785	2.3%	\$36,367	2.1%	\$116,419	2.3%	\$47,957	23.8%
West Virginia	727	0.7%	\$30,434	0.5%	\$7,076	0.4%	\$23,358	0.5%	\$32,114	23.2%
Wisconsin	2,207	2.0%	\$127,862	1.9%	\$33,650	2.0%	\$94,212	1.9%	\$42,681	26.3%
Wyoming	204	0.2%	\$10,903	0.2%	\$2,469	0.1%	\$8,434	0.2%	\$41,388	22.6%
United States	111,382	100.0%	\$6,661,605	100.0%	\$1,705,675	100.0%	\$4,955,930	100.0%	\$44,495	25.6%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 5 and 7 of this report.

Commerce Research Association. The ACCRA index for participating metropolitan areas is referenced on the Bureau of Labor Statistics Web page for cost of living.

ACCRA indices are calculated quarterly to compare cost of living differences across metropolitan areas at one point in time. They are not designed to measure inflation. On the other hand the Consumer Price Index for metropolitan areas is designed to measure inflation within a metropolitan area, and not to compare cost of living between areas. Specifically, the Consumer Price Index is the same in all metropolitan areas in its base year, even though the cost of living was not constant across metropolitan areas at that time.

The ACCRA indices are geared to the cost of living of families headed by middle and upper managers and professionals. The 2001 Survey of Consumer Finances, sponsored by the Board of Governors of the Federal Reserve, indicates that on a national basis households whose head or spouse were managers or professionals (or were retired but had held such positions prior to retirement) contributed a majority (57%) of all charitable contributions in 2000. So the index is based on a subgroup that makes most of the charitable contributions.

The ACCRA index measures cost of living, and is not confounded with tax burdens or with charitable contributions because it does not include charitable contributions or take into account differences in tax burdens. Since the MERIC index is based on the ACCRA index, it similarly is independent of charitable giving and of tax burden. Since this analysis wants to adjust income after taxes, the MERIC index is appropriate. It is noted in passing, however, that the MERIC index could be improved were it based on population-based weighted averages of the ACCRA indices for the metropolitan areas within each state, and these calculations will be undertaken in the second year of the study.

To calculate the after-tax household income adjusted for cost of living in each state, the after-tax household income for each state was first divided by the decimal form of the MERIC cost of living index for the state. That result was then multiplied by a constant so that the national total after-tax income was the same before and after dividing by the index (the respective totals after the division were within 2% of the totals before the division, but adjusting for regional cost of living should leave the totals unchanged). The decimal form

of the index is just the state value of the index divided by 100 (the national average of the index in any given time period).

Table 10 presents the data used to adjust after-tax income for state differences in cost of living in 2000 (and **Table 11** in 2002). The table indicates that the cost of living in Massachusetts was higher than most other states in both 2000 and 2002. In fact, the cost of living is also higher than average in each of the New England states in both 2000 and 2002. However the cost of living in Massachusetts was roughly comparable to Connecticut in both 2000 and 2002 and both these states had higher costs of living than the other four New England states in these years. The MERIC index indicates that Massachusetts is high on all components (groceries, housing, utilities, transportation, health care, and miscellaneous) of the index, but especially on housing and health care.

Table 10 indicates that after-tax income was \$131 billion prior to adjustment for cost of living in 2000, but had purchasing power of only \$107 billion after adjusting for cost of living. Its share of national after-tax income fell from 2.7% before adjustment, to 2.2% after adjustment. The 2.4% of households in Massachusetts had less than their proportional amount of income after adjusting for cost of living in 2000.

Table 11 presents analogous information to Table 10, but for 2002. It indicates that after-tax income in Massachusetts was \$127 billion prior to adjustment for cost of living in 2002, but again had purchasing power of only \$107 billion after adjusting for cost of living. The state's share of national after-tax income fell from 2.6% to 2.2% after adjustment. Once again, the 2.4% of households in Massachusetts had less than their proportional amount of income after adjusting for cost of living in 2002.

For both 2000 and 2002, after adjustment for taxes and cost of living, the share of income of Massachusetts residents fell below their share of households. Residents of Massachusetts have to struggle to maintain a reasonable standard of living even before they contribute to charitable causes. Even the well-to-do citizens of the state have to pay a larger tax burden and spend more to maintain their standard of living in Massachusetts than they would were they living in most southern states.

TABLE 10

Households & After-Tax Income Adjusted for Cost of Living by State, 2000 (2000 Dollars)

State	Households		After-Tax Income		MERIC Index	After-Tax Income Adjusted for Cost of Living	
	Number (Thousands)	Share	Amount (Millions)	Share		Amount (Millions)	Share
Alabama	1,733	1.6%	\$65,247	1.3%	94.5	\$71,768	1.5%
Alaska	228	0.2%	\$12,256	0.3%	125.3	\$10,171	0.2%
Arizona	1,928	1.8%	\$88,652	1.8%	103.6	\$88,994	1.8%
Arkansas	1,079	1.0%	\$36,024	0.7%	91.1	\$41,106	0.8%
California	11,941	11.0%	\$604,840	12.4%	115.5	\$544,540	11.2%
Colorado	1,700	1.6%	\$85,505	1.8%	104.1	\$85,393	1.8%
Connecticut	1,353	1.2%	\$65,067	1.3%	122.6	\$55,202	1.1%
Delaware	301	0.3%	\$15,347	0.3%	108.3	\$14,738	0.3%
District of Columbia	255	0.2%	\$11,390	0.2%	112.9	\$10,489	0.2%
Florida	6,545	6.0%	\$288,606	5.9%	100.7	\$298,020	6.1%
Georgia	3,090	2.9%	\$134,388	2.8%	96.4	\$144,907	3.0%
Hawaii	408	0.4%	\$21,084	0.4%	134.3	\$16,319	0.3%
Idaho	498	0.5%	\$21,449	0.4%	97.9	\$22,774	0.5%
Illinois	4,698	4.3%	\$216,997	4.5%	101.0	\$223,437	4.6%
Indiana	2,428	2.2%	\$104,830	2.2%	95.5	\$114,186	2.3%
Iowa	1,164	1.1%	\$49,244	1.0%	96.9	\$52,812	1.1%
Kansas	1,090	1.0%	\$45,707	0.9%	97.1	\$48,929	1.0%
Kentucky	1,598	1.5%	\$63,576	1.3%	94.8	\$69,710	1.4%
Louisiana	1,690	1.6%	\$53,210	1.1%	98.2	\$56,310	1.2%
Maine	546	0.5%	\$21,065	0.4%	104.9	\$20,871	0.4%
Maryland	2,086	1.9%	\$118,893	2.4%	97.2	\$127,239	2.6%
Massachusetts	2,565	2.4%	\$131,189	2.7%	127.7	\$106,852	2.2%
Michigan	3,849	3.6%	\$175,672	3.6%	104.5	\$174,864	3.6%
Minnesota	1,952	1.8%	\$103,232	2.1%	103.9	\$103,319	2.1%
Mississippi	1,099	1.0%	\$41,434	0.9%	93.8	\$45,911	0.9%
Missouri	2,213	2.0%	\$103,449	2.1%	93.6	\$114,873	2.4%
Montana	359	0.3%	\$13,261	0.3%	101.3	\$13,613	0.3%
Nebraska	672	0.6%	\$30,007	0.6%	95.5	\$32,677	0.7%
Nevada	760	0.7%	\$37,692	0.8%	108.4	\$36,143	0.7%
New Hampshire	500	0.5%	\$28,127	0.6%	104.9	\$27,869	0.6%
New Jersey	3,223	3.0%	\$160,403	3.3%	139.0	\$119,978	2.5%
New Mexico	669	0.6%	\$23,240	0.5%	100.8	\$23,968	0.5%
New York	7,308	6.7%	\$307,192	6.3%	117.4	\$272,165	5.6%
North Carolina	3,166	2.9%	\$120,932	2.5%	99.9	\$125,864	2.6%
North Dakota	265	0.2%	\$9,352	0.2%	95.9	\$10,143	0.2%
Ohio	4,536	4.2%	\$190,282	3.9%	98.8	\$200,263	4.1%
Oklahoma	1,363	1.3%	\$52,778	1.1%	92.2	\$59,522	1.2%
Oregon	1,376	1.3%	\$64,585	1.3%	105.7	\$63,558	1.3%
Pennsylvania	4,852	4.5%	\$211,319	4.3%	103.8	\$211,593	4.3%
Rhode Island	427	0.4%	\$20,317	0.4%	122.6	\$17,237	0.4%
South Carolina	1,577	1.5%	\$65,707	1.3%	99.2	\$68,878	1.4%
South Dakota	303	0.3%	\$12,311	0.3%	98.8	\$12,952	0.3%
Tennessee	2,270	2.1%	\$95,433	2.0%	93.5	\$106,080	2.2%
Texas	7,530	7.0%	\$329,782	6.8%	93.3	\$367,396	7.5%
Utah	731	0.7%	\$34,974	0.7%	97.6	\$37,253	0.8%
Vermont	254	0.2%	\$11,442	0.2%	108.0	\$11,014	0.2%
Virginia	2,741	2.5%	\$138,063	2.8%	98.9	\$145,176	3.0%
Washington	2,330	2.2%	\$104,643	2.1%	102.5	\$106,117	2.2%
West Virginia	744	0.7%	\$24,478	0.5%	94.8	\$26,860	0.6%
Wisconsin	2,104	1.9%	\$95,548	2.0%	99.5	\$99,870	2.1%
Wyoming	193	0.2%	\$8,510	0.2%	100.5	\$8,808	0.2%
United States	108,290	100.0%	\$4,868,731	100.0%		\$4,868,731	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Table 8 and the Missouri Economic Research and Information Center.

TABLE 11

Households & After-Tax Income Adjusted for Cost of Living by State, 2002 (2002 Dollars)

State	Households		After-Tax Income		MERIC Index	After-Tax Income Adjusted for Cost of Living	
	Number (Thousands)	Share	Amount (Millions)	Share		Amount (Millions)	Share
Alabama	1,814	1.6%	\$75,064	1.5%	93.5	\$84,649	1.7%
Alaska	226	0.2%	\$11,578	0.2%	128.6	\$9,493	0.2%
Arizona	2,081	1.9%	\$94,432	1.9%	103.1	\$96,575	1.9%
Arkansas	1,110	1.0%	\$41,809	0.8%	87.2	\$50,554	1.0%
California	12,665	11.4%	\$621,539	12.5%	146.1	\$448,560	9.1%
Colorado	1,774	1.6%	\$86,448	1.7%	102.1	\$89,276	1.8%
Connecticut	1,314	1.2%	\$61,197	1.2%	129.2	\$49,943	1.0%
Delaware	317	0.3%	\$15,235	0.3%	100.9	\$15,921	0.3%
District of Columbia	284	0.3%	\$13,030	0.3%	134.1	\$10,245	0.2%
Florida	6,796	6.1%	\$290,861	5.9%	100	\$306,682	6.2%
Georgia	3,298	3.0%	\$137,746	2.8%	92.1	\$157,697	3.2%
Hawaii	421	0.4%	\$20,916	0.4%	168.1	\$13,119	0.3%
Idaho	489	0.4%	\$19,716	0.4%	94.3	\$22,045	0.4%
Illinois	4,878	4.4%	\$205,953	4.2%	100.5	\$216,074	4.4%
Indiana	2,401	2.2%	\$103,864	2.1%	93.3	\$117,378	2.4%
Iowa	1,199	1.1%	\$49,271	1.0%	94.3	\$55,092	1.1%
Kansas	1,065	1.0%	\$46,926	0.9%	92.4	\$53,548	1.1%
Kentucky	1,640	1.5%	\$66,632	1.3%	92.3	\$76,117	1.5%
Louisiana	1,718	1.5%	\$59,596	1.2%	95.3	\$65,937	1.3%
Maine	546	0.5%	\$21,136	0.4%	116.8	\$19,080	0.4%
Maryland	2,087	1.9%	\$117,610	2.4%	137.8	\$89,990	1.8%
Massachusetts	2,633	2.4%	\$127,346	2.6%	125.1	\$107,333	2.2%
Michigan	3,947	3.5%	\$171,714	3.5%	96.8	\$187,039	3.8%
Minnesota	2,001	1.8%	\$108,802	2.2%	103.3	\$111,055	2.2%
Mississippi	1,082	1.0%	\$38,794	0.8%	92	\$44,460	0.9%
Missouri	2,224	2.0%	\$102,772	2.1%	92.7	\$116,896	2.4%
Montana	385	0.3%	\$13,711	0.3%	98.6	\$14,662	0.3%
Nebraska	687	0.6%	\$29,455	0.6%	93.9	\$33,074	0.7%
Nevada	798	0.7%	\$36,357	0.7%	105.6	\$36,301	0.7%
New Hampshire	500	0.4%	\$28,143	0.6%	116.8	\$25,406	0.5%
New Jersey	3,228	2.9%	\$166,383	3.4%	132.6	\$132,302	2.7%
New Mexico	706	0.6%	\$26,325	0.5%	101.9	\$27,240	0.5%
New York	7,490	6.7%	\$302,524	6.1%	119.3	\$267,376	5.4%
North Carolina	3,305	3.0%	\$133,034	2.7%	95.9	\$146,267	3.0%
North Dakota	269	0.2%	\$10,066	0.2%	93.1	\$11,400	0.2%
Ohio	4,487	4.0%	\$192,553	3.9%	95.4	\$212,816	4.3%
Oklahoma	1,415	1.3%	\$54,755	1.1%	89.2	\$64,724	1.3%
Oregon	1,418	1.3%	\$59,805	1.2%	109.4	\$57,640	1.2%
Pennsylvania	4,870	4.4%	\$221,668	4.5%	100.3	\$233,026	4.7%
Rhode Island	431	0.4%	\$18,908	0.4%	128.1	\$15,563	0.3%
South Carolina	1,560	1.4%	\$63,007	1.3%	96.3	\$68,987	1.4%
South Dakota	299	0.3%	\$10,964	0.2%	96	\$12,042	0.2%
Tennessee	2,319	2.1%	\$99,496	2.0%	89.6	\$117,084	2.4%
Texas	7,842	7.0%	\$354,522	7.2%	90.1	\$414,878	8.4%
Utah	726	0.7%	\$32,277	0.7%	90.3	\$37,689	0.8%
Vermont	264	0.2%	\$11,286	0.2%	116.8	\$10,189	0.2%
Virginia	2,804	2.5%	\$138,279	2.8%	99.9	\$145,947	2.9%
Washington	2,428	2.2%	\$116,419	2.3%	103.3	\$118,830	2.4%
West Virginia	727	0.7%	\$23,358	0.5%	91.4	\$26,946	0.5%
Wisconsin	2,207	2.0%	\$94,212	1.9%	97.4	\$101,988	2.1%
Wyoming	204	0.2%	\$8,434	0.2%	101.1	\$8,796	0.2%
United States	111,382	100.0%	\$4,955,930	100.0%		\$4,955,930	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Table 9 and the Missouri Economic Research and Information Center.

Comparison of Measures

Table 12 compares the three income measures for each state in 2000, and **Table 13** those for 2002. These tables copy the incomes and the shares of their respective national totals from the prior tables in which they were calculated.

Tables 12 and 13 indicate that the share of after-tax household income of the most populous northeastern states, including Massachusetts and Connecticut, is smaller than their share of gross household income because these states have relatively large tax burdens. In contrast, the share of after-tax income of most southern states, including Florida and Texas, is larger than their share of gross income because they have relatively small tax burdens. Moreover, the cost of living is higher in all states in the northeast as compared with the south. Consequently, the share of after-tax income adjusted for cost of living is relatively higher in northeastern states than is their share of after-tax income. The reverse is true among southern states. Their share of after-tax income adjusted for cost of living is relatively smaller than their share of after-tax income. Thus, this analysis finds that the tax burden and the cost of living do affect aggregate income in expected ways that are reflected in their respective shares of income on each of the three measures presented for each state.

Charitable Contributions

There are no data sources for total charitable contributions made by all the residents of each state. Therefore, the Center on Wealth and Philanthropy constructed its own estimates, based on federal income tax data from the IRS and on data from the Center on Philanthropy Panel Study (COPPS) module from the Panel Study of Income Dynamics (PSID), conducted since 1977 by the Survey Research Center at the University of Michigan. In each state, the total amounts of charitable deductions from filers who itemized their returns were used, and estimates of the charitable contributions for households that did not itemize were based primarily on COPPS data.

The Statistics of Income Division of the IRS publishes the aggregate amount of charitable deductions for those who itemize their tax returns in each state. These itemized deductions capture most large charitable

deductions, except for large contributions that are above the itemization cap. This methodology used the total amounts of charitable deductions for itemized tax returns as one component in its estimate of household charitable contributions in each state.

The second component of the estimate for this analysis consists of charitable contributions for households that do not file an itemized tax return. To estimate this amount in each state, the Center on Wealth and Philanthropy adapted a procedure it developed and periodically uses to estimate the national amount contributed to charity by households that do not file an itemized tax return. The Center on Wealth and Philanthropy provides these estimates to *Giving USA*, published by AAFRC Trust and housed at the Center on Philanthropy at Indiana University.

In its national methodology, the Center on Wealth and Philanthropy first estimates the average charitable contribution for the subset of households that do not file an itemized federal income tax return, based on the COPPS data. Nationally, this average is projected to an estimate of the total charitable contributions for non-itemizing households by multiplying the average contribution, times the number of non-itemizing households as estimated from the Current Population Survey and the IRS data for the year in question.

For state estimates, the COPPS data does not have a sufficiently large sample to provide estimates for each state. Therefore the averages are estimated within each census division (New England being one division) and the division estimates are adjusted for variations in household income and marital status in each state within the division. This provided an estimate of the average charitable contribution per household within each state. Based on the CPS and IRS data, estimates were made of the number of households in each state that filed an itemized return and the number that did not file an itemized return (which includes households that filed no return at all). The estimate of the average contribution made by each non-itemizing household in each state was multiplied by the estimate of the number of non-itemizing households in each state to develop an estimate of the aggregate charitable contributions made by all non-itemizing households within the state.

The total charitable contributions in each state was estimated as the sum of the itemized charitable deduc-

TABLE 12
**Households, Gross Money Income, After-Tax Income and After-Tax Income
 Adjusted for Cost of Living, by State, 2000 (2000 Dollars)**

State	Households		Gross Money Income		After-Tax Income		After-Tax Income Adjusted for Cost of Living	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,733	1.6%	\$84,355	1.2%	\$65,247	1.3%	\$71,768	1.5%
Alaska	228	0.2%	\$15,592	0.2%	\$12,256	0.3%	\$10,171	0.2%
Arizona	1,928	1.8%	\$113,898	1.7%	\$88,652	1.8%	\$88,994	1.8%
Arkansas	1,079	1.0%	\$46,794	0.7%	\$36,024	0.7%	\$41,106	0.8%
California	11,941	11.0%	\$879,564	13.0%	\$604,840	12.4%	\$544,540	11.2%
Colorado	1,700	1.6%	\$118,830	1.8%	\$85,505	1.8%	\$85,393	1.8%
Connecticut	1,353	1.2%	\$105,827	1.6%	\$65,067	1.3%	\$55,202	1.1%
Delaware	301	0.3%	\$20,502	0.3%	\$15,347	0.3%	\$14,738	0.3%
District of Columbia	255	0.2%	\$18,006	0.3%	\$11,390	0.2%	\$10,489	0.2%
Florida	6,545	6.0%	\$386,536	5.7%	\$288,606	5.9%	\$298,020	6.1%
Georgia	3,090	2.9%	\$182,920	2.7%	\$134,388	2.8%	\$144,907	3.0%
Hawaii	408	0.4%	\$27,399	0.4%	\$21,084	0.4%	\$16,319	0.3%
Idaho	498	0.5%	\$27,311	0.4%	\$21,449	0.4%	\$22,774	0.5%
Illinois	4,698	4.3%	\$311,914	4.6%	\$216,997	4.5%	\$223,437	4.6%
Indiana	2,428	2.2%	\$137,357	2.0%	\$104,830	2.2%	\$114,186	2.3%
Iowa	1,164	1.1%	\$63,808	0.9%	\$49,244	1.0%	\$52,812	1.1%
Kansas	1,090	1.0%	\$60,925	0.9%	\$45,707	0.9%	\$48,929	1.0%
Kentucky	1,598	1.5%	\$82,238	1.2%	\$63,576	1.3%	\$69,710	1.4%
Louisiana	1,690	1.6%	\$76,690	1.1%	\$53,210	1.1%	\$56,310	1.2%
Maine	546	0.5%	\$28,220	0.4%	\$21,065	0.4%	\$20,871	0.4%
Maryland	2,086	1.9%	\$160,822	2.4%	\$118,893	2.4%	\$127,239	2.6%
Massachusetts	2,565	2.4%	\$196,114	2.9%	\$131,189	2.7%	\$106,852	2.2%
Michigan	3,849	3.6%	\$241,551	3.6%	\$175,672	3.6%	\$174,864	3.6%
Minnesota	1,952	1.8%	\$139,944	2.1%	\$103,232	2.1%	\$103,319	2.1%
Mississippi	1,099	1.0%	\$50,699	0.7%	\$41,434	0.9%	\$45,911	0.9%
Missouri	2,213	2.0%	\$132,823	2.0%	\$103,449	2.1%	\$114,873	2.4%
Montana	359	0.3%	\$17,079	0.3%	\$13,261	0.3%	\$13,613	0.3%
Nebraska	672	0.6%	\$39,407	0.6%	\$30,007	0.6%	\$32,677	0.7%
Nevada	760	0.7%	\$51,278	0.8%	\$37,692	0.8%	\$36,143	0.7%
New Hampshire	500	0.5%	\$37,433	0.6%	\$28,127	0.6%	\$27,869	0.6%
New Jersey	3,223	3.0%	\$243,978	3.6%	\$160,403	3.3%	\$119,978	2.5%
New Mexico	669	0.6%	\$30,010	0.4%	\$23,240	0.5%	\$23,968	0.5%
New York	7,308	6.7%	\$479,807	7.1%	\$307,192	6.3%	\$272,165	5.6%
North Carolina	3,166	2.9%	\$166,289	2.5%	\$120,932	2.5%	\$125,864	2.6%
North Dakota	265	0.2%	\$12,358	0.2%	\$9,352	0.2%	\$10,143	0.2%
Ohio	4,536	4.2%	\$260,078	3.8%	\$190,282	3.9%	\$200,263	4.1%
Oklahoma	1,363	1.3%	\$67,857	1.0%	\$52,778	1.1%	\$59,522	1.2%
Oregon	1,376	1.3%	\$85,624	1.3%	\$64,585	1.3%	\$63,558	1.3%
Pennsylvania	4,852	4.5%	\$293,527	4.3%	\$211,319	4.3%	\$211,593	4.3%
Rhode Island	427	0.4%	\$27,157	0.4%	\$20,317	0.4%	\$17,237	0.4%
South Carolina	1,577	1.5%	\$84,087	1.2%	\$65,707	1.3%	\$68,878	1.4%
South Dakota	303	0.3%	\$15,271	0.2%	\$12,311	0.3%	\$12,952	0.3%
Tennessee	2,270	2.1%	\$121,326	1.8%	\$95,433	2.0%	\$106,080	2.2%
Texas	7,530	7.0%	\$450,971	6.7%	\$329,782	6.8%	\$367,396	7.5%
Utah	731	0.7%	\$46,092	0.7%	\$34,974	0.7%	\$37,253	0.8%
Vermont	254	0.2%	\$14,977	0.2%	\$11,442	0.2%	\$11,014	0.2%
Virginia	2,741	2.5%	\$187,752	2.8%	\$138,063	2.8%	\$145,176	3.0%
Washington	2,330	2.2%	\$149,445	2.2%	\$104,643	2.1%	\$106,117	2.2%
West Virginia	744	0.7%	\$31,454	0.5%	\$24,478	0.5%	\$26,860	0.6%
Wisconsin	2,104	1.9%	\$131,362	1.9%	\$95,548	2.0%	\$99,870	2.1%
Wyoming	193	0.2%	\$11,257	0.2%	\$8,510	0.2%	\$8,808	0.2%
United States	108,290	100.0%	\$6,766,515	100.0%	\$4,868,731	100.0%	\$4,868,731	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 6, 8 and 10 of this report.

TABLE 13
**Households, Gross Money Income, After-Tax Income and After-Tax Income
 Adjusted for Cost of Living, by State, 2002 (2002 Dollars)**

State	Households		Gross Money Income		After-Tax Income		After-Tax Income Adjusted for Cost of Living	
	Number (Thousands)	Share	Amount (Millions)	Share	Amount (Millions)	Share	Amount (Millions)	Share
Alabama	1,814	1.6%	\$92,864	1.4%	\$75,064	1.5%	\$84,649	1.7%
Alaska	226	0.2%	\$14,907	0.2%	\$11,578	0.2%	\$9,493	0.2%
Arizona	2,081	1.9%	\$117,349	1.8%	\$94,432	1.9%	\$96,575	1.9%
Arkansas	1,110	1.0%	\$52,022	0.8%	\$41,809	0.8%	\$50,554	1.0%
California	12,665	11.4%	\$847,352	12.7%	\$621,539	12.5%	\$448,560	9.1%
Colorado	1,774	1.6%	\$115,271	1.7%	\$86,448	1.7%	\$89,276	1.8%
Connecticut	1,314	1.2%	\$96,662	1.5%	\$61,197	1.2%	\$49,943	1.0%
Delaware	317	0.3%	\$20,127	0.3%	\$15,235	0.3%	\$15,921	0.3%
District of Columbia	284	0.3%	\$18,961	0.3%	\$13,030	0.3%	\$10,245	0.2%
Florida	6,796	6.1%	\$381,592	5.7%	\$290,861	5.9%	\$306,682	6.2%
Georgia	3,298	3.0%	\$182,832	2.7%	\$137,746	2.8%	\$157,697	3.2%
Hawaii	421	0.4%	\$27,127	0.4%	\$20,916	0.4%	\$13,119	0.3%
Idaho	489	0.4%	\$25,299	0.4%	\$19,716	0.4%	\$22,045	0.4%
Illinois	4,878	4.4%	\$289,318	4.3%	\$205,953	4.2%	\$216,074	4.4%
Indiana	2,401	2.2%	\$133,661	2.0%	\$103,864	2.1%	\$117,378	2.4%
Iowa	1,199	1.1%	\$62,952	0.9%	\$49,271	1.0%	\$55,092	1.1%
Kansas	1,065	1.0%	\$60,955	0.9%	\$46,926	0.9%	\$53,548	1.1%
Kentucky	1,640	1.5%	\$84,755	1.3%	\$66,632	1.3%	\$76,117	1.5%
Louisiana	1,718	1.5%	\$81,744	1.2%	\$59,596	1.2%	\$65,937	1.3%
Maine	546	0.5%	\$27,683	0.4%	\$21,136	0.4%	\$19,080	0.4%
Maryland	2,087	1.9%	\$158,789	2.4%	\$117,610	2.4%	\$89,990	1.8%
Massachusetts	2,633	2.4%	\$180,189	2.7%	\$127,346	2.6%	\$107,333	2.2%
Michigan	3,947	3.5%	\$230,570	3.5%	\$171,714	3.5%	\$187,039	3.8%
Minnesota	2,001	1.8%	\$142,120	2.1%	\$108,802	2.2%	\$111,055	2.2%
Mississippi	1,082	1.0%	\$47,608	0.7%	\$38,794	0.8%	\$44,460	0.9%
Missouri	2,224	2.0%	\$129,693	1.9%	\$102,772	2.1%	\$116,896	2.4%
Montana	385	0.3%	\$17,391	0.3%	\$13,711	0.3%	\$14,662	0.3%
Nebraska	687	0.6%	\$38,079	0.6%	\$29,455	0.6%	\$33,074	0.7%
Nevada	798	0.7%	\$49,283	0.7%	\$36,357	0.7%	\$36,301	0.7%
New Hampshire	500	0.4%	\$36,016	0.5%	\$28,143	0.6%	\$25,406	0.5%
New Jersey	3,228	2.9%	\$240,758	3.6%	\$166,383	3.4%	\$132,302	2.7%
New Mexico	706	0.6%	\$33,905	0.5%	\$26,325	0.5%	\$27,240	0.5%
New York	7,490	6.7%	\$462,086	6.9%	\$302,524	6.1%	\$267,376	5.4%
North Carolina	3,305	3.0%	\$173,364	2.6%	\$133,034	2.7%	\$146,267	3.0%
North Dakota	269	0.2%	\$12,863	0.2%	\$10,066	0.2%	\$11,400	0.2%
Ohio	4,487	4.0%	\$257,835	3.9%	\$192,553	3.9%	\$212,816	4.3%
Oklahoma	1,415	1.3%	\$69,236	1.0%	\$54,755	1.1%	\$64,724	1.3%
Oregon	1,418	1.3%	\$78,672	1.2%	\$59,805	1.2%	\$57,640	1.2%
Pennsylvania	4,870	4.4%	\$296,534	4.5%	\$221,668	4.5%	\$233,026	4.7%
Rhode Island	431	0.4%	\$25,533	0.4%	\$18,908	0.4%	\$15,563	0.3%
South Carolina	1,560	1.4%	\$79,321	1.2%	\$63,007	1.3%	\$68,987	1.4%
South Dakota	299	0.3%	\$14,658	0.2%	\$10,964	0.2%	\$12,042	0.2%
Tennessee	2,319	2.1%	\$123,903	1.9%	\$99,496	2.0%	\$117,084	2.4%
Texas	7,842	7.0%	\$464,613	7.0%	\$354,522	7.2%	\$414,878	8.4%
Utah	726	0.7%	\$42,614	0.6%	\$32,277	0.7%	\$37,689	0.8%
Vermont	264	0.2%	\$14,781	0.2%	\$11,286	0.2%	\$10,189	0.2%
Virginia	2,804	2.5%	\$185,775	2.8%	\$138,279	2.8%	\$145,947	2.9%
Washington	2,428	2.2%	\$152,785	2.3%	\$116,419	2.3%	\$118,830	2.4%
West Virginia	727	0.7%	\$30,434	0.5%	\$23,358	0.5%	\$26,946	0.5%
Wisconsin	2,207	2.0%	\$127,862	1.9%	\$94,212	1.9%	\$101,988	2.1%
Wyoming	204	0.2%	\$10,903	0.2%	\$8,434	0.2%	\$8,796	0.2%
United States	111,382	100.0%	\$6,661,605	100.0%	\$4,955,930	100.0%	\$4,955,930	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 7, 9 and 11 of this report.

tions reported by the IRS for that state and the estimate of the charitable contributions made by households that did not file an itemized return from that state.

In 2000, the sum of the state estimates for charitable contributions was \$171 billion; the *Giving USA* national estimate was \$175 billion. The corresponding estimates for 2002 are \$173 billion and \$175 billion, respectively. It is noted that the major discrepancy between the two numbers traces to the fact that the sum of the itemized charitable deductions from IRS data for states in both 2000 and 2002 are lower than the corresponding national IRS total for the same years by approximately \$3 billion and \$2 billion, respectively. This underreporting is because returns filed from abroad, from deployed military, and from certain government personnel are not included in the state data, but are included in the national data.

Tables 14 and **15** present data concerning charitable contributions by state for 2000 and 2002 respectively. These tables indicate that the total charitable contributions made by the residents of Massachusetts amounted to \$4.8 billion (an average of \$1,852 per household) in 2000, and \$4.0 billion (an average of \$1,512 per household) in 2002. In 2000, the contributions of the residents of Massachusetts amounted to 2.8% of all charitable contributions made in the nation. In 2002, this share had fallen to 2.3% of all charitable contributions.

In 2000, the residents of Massachusetts gave proportionately more than their share of households, their share of after-tax income, and their share of after-tax income adjusted for the cost of living. Their charitable contributions were indeed abundant compared to their income after taxes, and even more so after adjustment for cost of living. In 2002, the residents of Massachusetts gave slightly less than their share of households, their share of gross household income, and even their share of after-tax income. However their share of giving was slightly higher than their share of after-tax income adjusted for cost of living.

As noted in the earlier section on income, capital gains income fell dramatically in Massachusetts between 2000 and 2002. On a national basis, charitable contributions correlate more highly with unearned income (the sum of interest, dividends, rents, royalties, and capital gains), than with wage and salary income.¹ One can speculate that the reduction in charitable contributions

from the residents of Massachusetts between 2000 and 2002 may be in part due to larger than average reductions in unearned income in Massachusetts (the highest in the nation). However, other large states (e.g., California) also suffered large declines in capital gains income, but did not experience a large decline in charitable donations. Therefore, it cannot be said with any certainty that the decline in unearned income among Massachusetts residents affected their charitable giving.

Alternative Measures of Giving

In prior sections, estimates were presented of each state's share of households, their share of income (relative to three concepts of income), and their share of charitable contributions. This report also examined the Generosity Index and found it methodologically wanting. In this section, a set of alternative measures that estimates the charitable giving of the residents of each state relative to measures of the income of those residents is presented.

The conceptual foundation of this alternative measure is that a household's charitable contributions are divided into two basic categories: relatively modest contributions that are made periodically throughout the year (as, for example, religious contributions), and contributions, usually larger, that are made on a less periodic basis (usually only once) during the year. It is believed that the amount each household contributes in the usually larger second category is influenced more by the household tax burden and by their expenditures to maintain their standard of living, than are the amounts the household contributes in the first category. It is not quite this simple, but the second type of contribution can almost be characterized as donations from financial resources that remain after the household has paid its taxes and made those expenditures necessary to maintain its standard of living.

Empirically it is not known how much of each household's charitable contributions fell into each of the above categories; nor is it known what the distribution of charitable contributions is, nor what the distribution of household income is by state. It is possible, however, to develop measures of giving relative to income for the group of all residents in each state. For each state the values of these measures will vary, depending on the concept of income used in calculating the measure.

¹ The correlation of charitable contributions with unearned income is .272 and with wage and salary income is .183 based on the 2001 SCF.

TABLE 14
Households and Charitable Contributions by State, 2000 (2000 Dollars)

State	Households		Number of Itemizing HHs (Thousands)	Item. Char. Deductions (Millions)	Number of Non-Item. HHs (Thousands)	Non-Item. Char. Contributions (Millions)	Total Charitable Contributions (Millions)	Mean Charitable Contribution Per Household	Share of Total Charitable Contributions
	Number (Thousands)	Share							
Alabama	1,733	1.6%	541	\$2,022	1,192	\$718	\$2,739	\$1,581	1.6%
Alaska	228	0.2%	79	\$225	149	\$43	\$268	\$1,172	0.2%
Arizona	1,928	1.8%	767	\$2,115	1,160	\$560	\$2,676	\$1,388	1.6%
Arkansas	1,079	1.0%	260	\$972	819	\$507	\$1,480	\$1,371	0.9%
California	11,941	11.0%	5,412	\$19,705	6,529	\$2,277	\$21,983	\$1,841	12.9%
Colorado	1,700	1.6%	801	\$2,393	899	\$458	\$2,851	\$1,677	1.7%
Connecticut	1,353	1.2%	668	\$2,357	684	\$413	\$2,770	\$2,048	1.6%
Delaware	301	0.3%	133	\$399	168	\$115	\$515	\$1,708	0.3%
District of Columbia	255	0.2%	104	\$582	151	\$97	\$679	\$2,658	0.4%
Florida	6,545	6.0%	1,994	\$7,285	4,551	\$2,388	\$9,673	\$1,478	5.7%
Georgia	3,090	2.9%	1,276	\$4,681	1,815	\$1,146	\$5,826	\$1,885	3.4%
Hawaii	408	0.4%	188	\$446	220	\$77	\$522	\$1,281	0.3%
Idaho	498	0.5%	194	\$608	304	\$150	\$758	\$1,521	0.4%
Illinois	4,698	4.3%	1,902	\$5,897	2,796	\$1,296	\$7,193	\$1,531	4.2%
Indiana	2,428	2.2%	838	\$2,361	1,590	\$685	\$3,045	\$1,254	1.8%
Iowa	1,164	1.1%	398	\$1,005	766	\$319	\$1,323	\$1,137	0.8%
Kansas	1,090	1.0%	356	\$1,150	735	\$296	\$1,446	\$1,327	0.8%
Kentucky	1,598	1.5%	514	\$1,360	1,084	\$678	\$2,037	\$1,275	1.2%
Louisiana	1,690	1.6%	364	\$1,291	1,326	\$802	\$2,092	\$1,238	1.2%
Maine	546	0.5%	180	\$403	366	\$160	\$564	\$1,034	0.3%
Maryland	2,086	1.9%	1,154	\$3,781	932	\$826	\$4,607	\$2,209	2.7%
Massachusetts	2,565	2.4%	1,167	\$3,965	1,398	\$786	\$4,751	\$1,852	2.8%
Michigan	3,849	3.6%	1,607	\$4,505	2,242	\$1,065	\$5,570	\$1,447	3.3%
Minnesota	1,952	1.8%	933	\$2,669	1,019	\$520	\$3,190	\$1,634	1.9%
Mississippi	1,099	1.0%	246	\$993	853	\$455	\$1,448	\$1,318	0.8%
Missouri	2,213	2.0%	744	\$2,263	1,469	\$591	\$2,853	\$1,289	1.7%
Montana	359	0.3%	126	\$282	233	\$116	\$398	\$1,108	0.2%
Nebraska	672	0.6%	225	\$837	447	\$181	\$1,019	\$1,516	0.6%
Nevada	760	0.7%	318	\$942	442	\$210	\$1,152	\$1,516	0.7%
New Hampshire	500	0.5%	205	\$496	295	\$151	\$647	\$1,294	0.4%
New Jersey	3,223	3.0%	1,664	\$4,919	1,558	\$959	\$5,878	\$1,824	3.4%
New Mexico	669	0.6%	173	\$406	497	\$209	\$616	\$920	0.4%
New York	7,308	6.7%	3,131	\$11,765	4,177	\$2,111	\$13,876	\$1,899	8.1%
North Carolina	3,166	2.9%	1,234	\$4,080	1,931	\$1,156	\$5,236	\$1,654	3.1%
North Dakota	265	0.2%	55	\$155	210	\$72	\$226	\$855	0.1%
Ohio	4,536	4.2%	1,803	\$4,280	2,734	\$1,275	\$5,555	\$1,224	3.3%
Oklahoma	1,363	1.3%	409	\$1,464	954	\$651	\$2,116	\$1,552	1.2%
Oregon	1,376	1.3%	615	\$1,589	761	\$260	\$1,849	\$1,343	1.1%
Pennsylvania	4,852	4.5%	1,735	\$4,988	3,117	\$1,382	\$6,371	\$1,313	3.7%
Rhode Island	427	0.4%	172	\$386	255	\$130	\$515	\$1,208	0.3%
South Carolina	1,577	1.5%	546	\$1,863	1,030	\$581	\$2,444	\$1,550	1.4%
South Dakota	303	0.3%	56	\$232	247	\$83	\$315	\$1,038	0.2%
Tennessee	2,270	2.1%	550	\$2,376	1,720	\$938	\$3,314	\$1,460	1.9%
Texas	7,530	7.0%	1,868	\$8,057	5,662	\$3,745	\$11,803	\$1,567	6.9%
Utah	731	0.7%	367	\$1,995	364	\$201	\$2,196	\$3,003	1.3%
Vermont	254	0.2%	90	\$219	164	\$75	\$294	\$1,158	0.2%
Virginia	2,741	2.5%	1,245	\$3,820	1,495	\$1,057	\$4,877	\$1,780	2.9%
Washington	2,330	2.2%	909	\$2,805	1,421	\$446	\$3,251	\$1,395	1.9%
West Virginia	744	0.7%	128	\$329	616	\$263	\$592	\$796	0.3%
Wisconsin	2,104	1.9%	941	\$2,152	1,164	\$590	\$2,742	\$1,303	1.6%
Wyoming	193	0.2%	45	\$335	148	\$58	\$394	\$2,037	0.2%
United States	108,290	100.0%	41,428	\$136,204	66,862	\$34,331	\$170,535	\$1,575	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the IRS Statistics of Income, the Center on Philanthropy Panel Study from the Panel Study of Income Dynamics and the Current Population Survey.

TABLE 15
Households and Charitable Contributions by State, 2002 (2002 Dollars)

State	Households		Number of Itemizing HHs (Thousands)	Item. Char. Deductions (Millions)	Number of Non-Item. HHs (Thousands)	Non-Item. Char. Contributions (Millions)	Total Charitable Contributions (Millions)	Mean Charitable Contribution Per Household	Share of Total Charitable Contributions
	Number (Thousands)	Share							
Alabama	1,814	1.6%	569	\$2,191	1,245	\$563	\$2,754	\$1,518	1.6%
Alaska	226	0.2%	84	\$241	142	\$68	\$309	\$1,364	0.2%
Arizona	2,081	1.9%	845	\$2,253	1,236	\$671	\$2,925	\$1,405	1.7%
Arkansas	1,110	1.0%	275	\$1,033	835	\$446	\$1,479	\$1,333	0.9%
California	12,665	11.4%	5,744	\$18,366	6,921	\$3,625	\$21,991	\$1,736	12.7%
Colorado	1,774	1.6%	858	\$2,406	916	\$529	\$2,935	\$1,654	1.7%
Connecticut	1,314	1.2%	706	\$2,177	608	\$321	\$2,498	\$1,901	1.4%
Delaware	317	0.3%	141	\$425	176	\$118	\$543	\$1,713	0.3%
District of Columbia	284	0.3%	110	\$528	175	\$98	\$626	\$2,203	0.4%
Florida	6,796	6.1%	2,237	\$7,465	4,559	\$2,452	\$9,916	\$1,459	5.7%
Georgia	3,298	3.0%	1,392	\$5,026	1,906	\$1,196	\$6,222	\$1,887	3.6%
Hawaii	421	0.4%	192	\$491	230	\$120	\$611	\$1,450	0.4%
Idaho	489	0.4%	205	\$598	284	\$164	\$761	\$1,557	0.4%
Illinois	4,878	4.4%	2,024	\$6,202	2,854	\$1,160	\$7,362	\$1,509	4.2%
Indiana	2,401	2.2%	894	\$2,428	1,507	\$589	\$3,017	\$1,257	1.7%
Iowa	1,199	1.1%	429	\$1,065	770	\$348	\$1,412	\$1,178	0.8%
Kansas	1,065	1.0%	381	\$1,194	684	\$306	\$1,501	\$1,409	0.9%
Kentucky	1,640	1.5%	544	\$1,471	1,096	\$524	\$1,994	\$1,216	1.1%
Louisiana	1,718	1.5%	404	\$1,420	1,315	\$662	\$2,082	\$1,212	1.2%
Maine	546	0.5%	193	\$381	353	\$118	\$499	\$915	0.3%
Maryland	2,087	1.9%	1,230	\$4,116	857	\$819	\$4,935	\$2,365	2.8%
Massachusetts	2,633	2.4%	1,214	\$3,346	1,419	\$634	\$3,980	\$1,512	2.3%
Michigan	3,947	3.5%	1,681	\$4,649	2,267	\$929	\$5,578	\$1,413	3.2%
Minnesota	2,001	1.8%	982	\$2,697	1,019	\$571	\$3,268	\$1,633	1.9%
Mississippi	1,082	1.0%	268	\$1,081	814	\$329	\$1,410	\$1,303	0.8%
Missouri	2,224	2.0%	803	\$2,326	1,421	\$640	\$2,966	\$1,333	1.7%
Montana	385	0.3%	135	\$326	250	\$123	\$448	\$1,165	0.3%
Nebraska	687	0.6%	243	\$760	444	\$198	\$957	\$1,394	0.6%
Nevada	798	0.7%	359	\$993	440	\$246	\$1,239	\$1,552	0.7%
New Hampshire	500	0.4%	224	\$463	276	\$121	\$584	\$1,167	0.3%
New Jersey	3,228	2.9%	1,768	\$5,083	1,460	\$967	\$6,050	\$1,874	3.5%
New Mexico	706	0.6%	216	\$536	490	\$220	\$756	\$1,071	0.4%
New York	7,490	6.7%	3,262	\$12,436	4,228	\$2,250	\$14,686	\$1,961	8.5%
North Carolina	3,305	3.0%	1,329	\$4,312	1,976	\$1,187	\$5,499	\$1,664	3.2%
North Dakota	269	0.2%	59	\$161	211	\$78	\$240	\$889	0.1%
Ohio	4,487	4.0%	1,882	\$4,551	2,605	\$1,069	\$5,620	\$1,252	3.2%
Oklahoma	1,415	1.3%	432	\$1,612	982	\$570	\$2,183	\$1,543	1.3%
Oregon	1,418	1.3%	648	\$1,596	770	\$399	\$1,995	\$1,407	1.2%
Pennsylvania	4,870	4.4%	1,831	\$5,070	3,039	\$1,468	\$6,537	\$1,342	3.8%
Rhode Island	431	0.4%	181	\$393	251	\$100	\$492	\$1,141	0.3%
South Carolina	1,560	1.4%	585	\$2,051	974	\$562	\$2,613	\$1,676	1.5%
South Dakota	299	0.3%	63	\$202	236	\$87	\$290	\$969	0.2%
Tennessee	2,319	2.1%	595	\$2,573	1,723	\$738	\$3,311	\$1,428	1.9%
Texas	7,842	7.0%	2,131	\$8,333	5,711	\$3,284	\$11,617	\$1,481	6.7%
Utah	726	0.7%	389	\$2,026	338	\$245	\$2,271	\$3,125	1.3%
Vermont	264	0.2%	95	\$188	169	\$59	\$248	\$938	0.1%
Virginia	2,804	2.5%	1,345	\$4,098	1,459	\$1,077	\$5,174	\$1,845	3.0%
Washington	2,428	2.2%	963	\$2,760	1,465	\$691	\$3,452	\$1,422	2.0%
West Virginia	727	0.7%	138	\$354	589	\$256	\$609	\$838	0.4%
Wisconsin	2,207	2.0%	990	\$2,169	1,217	\$527	\$2,696	\$1,221	1.6%
Wyoming	204	0.2%	49	\$257	154	\$64	\$320	\$1,573	0.2%
United States	111,382	100.0%	44,315	\$138,878	67,066	\$34,585	\$173,463	\$1,557	100.0%

Source: Calculated at the Center on Wealth and Philanthropy based on data from the IRS Statistics of Income, the Center on Philanthropy Panel Study from the Panel Study of Income Dynamics and the Current Population Survey.

The specific measures used in this analysis are based on the share of contributions relative to the share of income. More specifically, this is a calculation of the ratio of the share of contributions, divided by the share of income for each of the three measures of income previously calculated for each state. This ratio applies to the total charitable giving by all the residents of each state, relative to their income, income after taxes, and income after taxes adjusted for cost of living. A ratio of less than 1 indicates that the share of charitable giving by the residents of the given state was less than their share of income; a ratio greater than 1 indicates that the share of charitable giving by the residents of the given state was greater than their share of income.

Categories of Index Values

Because the purpose for developing the new measures is not to create a new or even better index that lists winners and losers, a new 50 state index is not presented. Rather, this analysis has provided only a coarse, 5-category ranking of the amounts of giving relative to income, with 1 being for states whose residents have given the most relative to income, and 5 being for states whose residents have given least. Empirically, the study has categorized index values of 1.40 or higher as category 1, 1.10 to 1.39 as category 2, .90 to 1.09 as category 3, .60 through .89 as category 4, and below .60 as category 5.

Table 16 presents these alternative measures for each state and their corresponding categories for 2000. The table indicates that the residents of Massachusetts contributed less than their share of gross income in 2000. However, they contributed more than their share of income after taxes, and their giving was even greater compared to their share of income after taxes and adjusted for cost of living. In contrast, Mississippi gave more than their share of gross income in 2000, but gave less than their share of income after taxes, and less than their share of income after taxes adjusted for cost of living.

Thus in 2000, the residents of Massachusetts would be placed in the middle category on the first and second measure in Table 16, and in category 2 (relatively generous) after adjusting for the cost of living. There are only four states in category 1, and five states in

category 2 in 2000. **Based on the value of the measure, Massachusetts is 2nd from the top of category 2, which places it 6th from the top of all states. This placement stands in contrast with the state's position on the Generosity Index, which categorized the residents of Massachusetts 44th out of 50 in this same year. In comparison, Mississippi would be placed in category 2 (relatively generous) on the first measure, but falls to category 3 after adjusting for taxes and cost of living in Table 16. It would be the 26th from the top of all states³ after adjusting for taxes and cost of living. The Generosity Index places Mississippi 1st out of the 50 states for this year.**

Table 17 corresponds to Table 16, except it refers to 2002. This table indicates that the residents of Massachusetts contributed less than their share of gross income and less than their share of gross income after taxes in 2002; however their share of giving was greater than their share of after-tax income when adjusted for cost of living. In contrast, the residents of Mississippi contributed more than their share of gross income, but less than their share of income after adjusting for taxes and cost of living.

In 2002, charitable contributions declined among residents of Massachusetts. Their giving fell to category 4, based on gross income and even gross income after taxes. However, their giving fell into category 3 when their after-tax income was adjusted for the cost of living. **In 2002, the Center on Wealth and Philanthropy measure places Massachusetts 3rd from the top of category 3, which is 11th from the top of all states. The Generosity Index places the residents of Massachusetts in position 49 in this year. Although Mississippi was also in category 3 after adjusting for taxes and cost of living, it is 24th⁴ from the top of all states on the new measure in 2002. However, the Generosity Index again ranked the Mississippi residents in position 1 for this year.**

After adjusting for cost of living, giving by residents of Connecticut fell into category 1, giving by residents of Massachusetts fell into category 2, and giving by residents of the other New England states fell into category 3 in 2000. In 2002, after adjusting for cost of living, giving by the residents of Connecticut still fell into category 1, giving by the residents of Massachu-

³ Although the Center on Wealth and Philanthropy's measure places Massachusetts 6th and Mississippi 26th after adjusting for taxes and cost of living, other reasonable indices could place both states either somewhat higher or somewhat lower with respect to other states.

⁴ See previous footnote.

TABLE 16
Three Measures of Giving Relative to Income by State, 2000

State	Share of HHS	Share of Charitable Contributions	Share of Gross Income	Measure 1		Share of After-Tax Income	Measure 2		Share of After-Tax Income Adjusted for Cost of Living	Measure 3	
	Value	Category	Value	Category	Value	Category	Value	Category	Value	Category	
Alabama	1.6%	1.6%	1.2%	1.29	2	1.3%	1.20	2	1.5%	1.09	3
Alaska	0.2%	0.2%	0.2%	0.68	4	0.3%	0.62	4	0.2%	0.75	4
Arizona	1.8%	1.6%	1.7%	0.93	3	1.8%	0.86	4	1.8%	0.86	4
Arkansas	1.0%	0.9%	0.7%	1.25	2	0.7%	1.17	2	0.8%	1.03	3
California	11.0%	12.9%	13.0%	0.99	3	12.4%	1.04	3	11.2%	1.15	2
Colorado	1.6%	1.7%	1.8%	0.95	3	1.8%	0.95	3	1.8%	0.95	3
Connecticut	1.2%	1.6%	1.6%	1.04	3	1.3%	1.22	2	1.1%	1.43	1
Delaware	0.3%	0.3%	0.3%	1.00	3	0.3%	0.96	3	0.3%	1.00	3
District of Columbia	0.2%	0.4%	0.3%	1.50	1	0.2%	1.70	1	0.2%	1.85	1
Florida	6.0%	5.7%	5.7%	0.99	3	5.9%	0.96	3	6.1%	0.93	3
Georgia	2.9%	3.4%	2.7%	1.26	2	2.8%	1.24	2	3.0%	1.15	2
Hawaii	0.4%	0.3%	0.4%	0.76	4	0.4%	0.71	4	0.3%	0.91	3
Idaho	0.5%	0.4%	0.4%	1.10	2	0.4%	1.01	3	0.5%	0.95	3
Illinois	4.3%	4.2%	4.6%	0.92	3	4.5%	0.95	3	4.6%	0.92	3
Indiana	2.2%	1.8%	2.0%	0.88	4	2.2%	0.83	4	2.3%	0.76	4
Iowa	1.1%	0.8%	0.9%	0.82	4	1.0%	0.77	4	1.1%	0.72	4
Kansas	1.0%	0.8%	0.9%	0.94	3	0.9%	0.90	3	1.0%	0.84	4
Kentucky	1.5%	1.2%	1.2%	0.98	3	1.3%	0.91	3	1.4%	0.83	4
Louisiana	1.6%	1.2%	1.1%	1.08	3	1.1%	1.12	2	1.2%	1.06	3
Maine	0.5%	0.3%	0.4%	0.79	4	0.4%	0.76	4	0.4%	0.77	4
Maryland	1.9%	2.7%	2.4%	1.14	2	2.4%	1.11	2	2.6%	1.03	3
Massachusetts	2.4%	2.8%	2.9%	0.96	3	2.7%	1.03	3	2.2%	1.27	2
Michigan	3.6%	3.3%	3.6%	0.91	3	3.6%	0.91	3	3.6%	0.91	3
Minnesota	1.8%	1.9%	2.1%	0.90	3	2.1%	0.88	4	2.1%	0.88	4
Mississippi	1.0%	0.8%	0.7%	1.13	2	0.9%	1.00	3	0.9%	0.90	3
Missouri	2.0%	1.7%	2.0%	0.85	4	2.1%	0.79	4	2.4%	0.71	4
Montana	0.3%	0.2%	0.3%	0.92	3	0.3%	0.86	4	0.3%	0.83	4
Nebraska	0.6%	0.6%	0.6%	1.03	3	0.6%	0.97	3	0.7%	0.89	4
Nevada	0.7%	0.7%	0.8%	0.89	4	0.8%	0.87	4	0.7%	0.91	3
New Hampshire	0.5%	0.4%	0.6%	0.69	4	0.6%	0.66	4	0.6%	0.66	4
New Jersey	3.0%	3.4%	3.6%	0.96	3	3.3%	1.05	3	2.5%	1.40	1
New Mexico	0.6%	0.4%	0.4%	0.81	4	0.5%	0.76	4	0.5%	0.73	4
New York	6.7%	8.1%	7.1%	1.15	2	6.3%	1.29	2	5.6%	1.46	1
North Carolina	2.9%	3.1%	2.5%	1.25	2	2.5%	1.24	2	2.6%	1.19	2
North Dakota	0.2%	0.1%	0.2%	0.73	4	0.2%	0.69	4	0.2%	0.64	4
Ohio	4.2%	3.3%	3.8%	0.85	4	3.9%	0.83	4	4.1%	0.79	4
Oklahoma	1.3%	1.2%	1.0%	1.24	2	1.1%	1.14	2	1.2%	1.01	3
Oregon	1.3%	1.1%	1.3%	0.86	4	1.3%	0.82	4	1.3%	0.83	4
Pennsylvania	4.5%	3.7%	4.3%	0.86	4	4.3%	0.86	4	4.3%	0.86	4
Rhode Island	0.4%	0.3%	0.4%	0.75	4	0.4%	0.72	4	0.4%	0.85	4
South Carolina	1.5%	1.4%	1.2%	1.15	2	1.3%	1.06	3	1.4%	1.01	3
South Dakota	0.3%	0.2%	0.2%	0.82	4	0.3%	0.73	4	0.3%	0.69	4
Tennessee	2.1%	1.9%	1.8%	1.08	3	2.0%	0.99	3	2.2%	0.89	4
Texas	7.0%	6.9%	6.7%	1.04	3	6.8%	1.02	3	7.5%	0.92	3
Utah	0.7%	1.3%	0.7%	1.89	1	0.7%	1.79	1	0.8%	1.68	1
Vermont	0.2%	0.2%	0.2%	0.78	4	0.2%	0.73	4	0.2%	0.76	4
Virginia	2.5%	2.9%	2.8%	1.03	3	2.8%	1.01	3	3.0%	0.96	3
Washington	2.2%	1.9%	2.2%	0.86	4	2.1%	0.89	4	2.2%	0.87	4
West Virginia	0.7%	0.3%	0.5%	0.75	4	0.5%	0.69	4	0.6%	0.63	4
Wisconsin	1.9%	1.6%	1.9%	0.83	4	2.0%	0.82	4	2.1%	0.78	4
Wyoming	0.2%	0.2%	0.2%	1.39	2	0.2%	1.32	2	0.2%	1.28	2
United States	100.0%	100.0%	100.0%	1.00		100.0%	1.00		100.0%	1.00	

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 12 and 14 of this report.

TABLE 17
Three Measures of Giving Relative to Income by State, 2002

State	Share of HHS	Share of Charitable Contributions	Share of Gross Income	Measure 1		Share of After-Tax Income	Measure 2		Share of After-Tax Income Adjusted for Cost of Living	Measure 3	
	Value	Category	Value	Category	Value	Category	Value	Category	Value	Category	
Alabama	1.6%	1.6%	1.4%	1.14	2	1.5%	1.05	3	1.7%	0.93	3
Alaska	0.2%	0.2%	0.2%	0.80	4	0.2%	0.76	4	0.2%	0.93	3
Arizona	1.9%	1.7%	1.8%	0.96	3	1.9%	0.88	3	1.9%	0.87	4
Arkansas	1.0%	0.9%	0.8%	1.09	3	0.8%	1.01	3	1.0%	0.84	4
California	11.4%	12.7%	12.7%	1.00	3	12.5%	1.01	3	9.1%	1.40	1
Colorado	1.6%	1.7%	1.7%	0.98	3	1.7%	0.97	3	1.8%	0.94	3
Connecticut	1.2%	1.4%	1.5%	0.99	3	1.2%	1.17	2	1.0%	1.43	1
Delaware	0.3%	0.3%	0.3%	1.04	3	0.3%	1.02	3	0.3%	0.97	3
District of Columbia	0.3%	0.4%	0.3%	1.27	2	0.3%	1.37	2	0.2%	1.75	1
Florida	6.1%	5.7%	5.7%	1.00	3	5.9%	0.97	3	6.2%	0.92	3
Georgia	3.0%	3.6%	2.7%	1.31	2	2.8%	1.29	2	3.2%	1.13	2
Hawaii	0.4%	0.4%	0.4%	0.87	4	0.4%	0.83	4	0.3%	1.33	2
Idaho	0.4%	0.4%	0.4%	1.16	2	0.4%	1.10	2	0.4%	0.99	3
Illinois	4.4%	4.2%	4.3%	0.98	3	4.2%	1.02	3	4.4%	0.97	3
Indiana	2.2%	1.7%	2.0%	0.87	4	2.1%	0.83	4	2.4%	0.73	4
Iowa	1.1%	0.8%	0.9%	0.86	4	1.0%	0.82	4	1.1%	0.73	4
Kansas	1.0%	0.9%	0.9%	0.95	3	0.9%	0.91	3	1.1%	0.80	4
Kentucky	1.5%	1.1%	1.3%	0.90	3	1.3%	0.86	4	1.5%	0.75	4
Louisiana	1.5%	1.2%	1.2%	0.98	3	1.2%	1.00	3	1.3%	0.90	3
Maine	0.5%	0.3%	0.4%	0.69	4	0.4%	0.68	4	0.4%	0.75	4
Maryland	1.9%	2.8%	2.4%	1.19	2	2.4%	1.20	2	1.8%	1.57	1
Massachusetts	2.4%	2.3%	2.7%	0.85	4	2.6%	0.89	4	2.2%	1.06	3
Michigan	3.5%	3.2%	3.5%	0.93	3	3.5%	0.93	3	3.8%	0.85	4
Minnesota	1.8%	1.9%	2.1%	0.88	4	2.2%	0.86	4	2.2%	0.84	4
Mississippi	1.0%	0.8%	0.7%	1.14	2	0.8%	1.04	3	0.9%	0.91	3
Missouri	2.0%	1.7%	1.9%	0.88	4	2.1%	0.82	4	2.4%	0.72	4
Montana	0.3%	0.3%	0.3%	0.99	3	0.3%	0.93	3	0.3%	0.87	4
Nebraska	0.6%	0.6%	0.6%	0.97	3	0.6%	0.93	3	0.7%	0.83	4
Nevada	0.7%	0.7%	0.7%	0.97	3	0.7%	0.97	3	0.7%	0.98	3
New Hampshire	0.4%	0.3%	0.5%	0.62	4	0.6%	0.59	5	0.5%	0.66	4
New Jersey	2.9%	3.5%	3.6%	0.97	3	3.4%	1.04	3	2.7%	1.31	2
New Mexico	0.6%	0.4%	0.5%	0.86	4	0.5%	0.82	4	0.5%	0.79	4
New York	6.7%	8.5%	6.9%	1.22	2	6.1%	1.39	2	5.4%	1.57	1
North Carolina	3.0%	3.2%	2.6%	1.22	2	2.7%	1.18	2	3.0%	1.07	3
North Dakota	0.2%	0.1%	0.2%	0.72	4	0.2%	0.68	4	0.2%	0.60	4
Ohio	4.0%	3.2%	3.9%	0.84	4	3.9%	0.83	4	4.3%	0.75	4
Oklahoma	1.3%	1.3%	1.0%	1.21	2	1.1%	1.14	2	1.3%	0.96	3
Oregon	1.3%	1.2%	1.2%	0.97	3	1.2%	0.95	3	1.2%	0.99	3
Pennsylvania	4.4%	3.8%	4.5%	0.85	4	4.5%	0.84	4	4.7%	0.80	4
Rhode Island	0.4%	0.3%	0.4%	0.74	4	0.4%	0.74	4	0.3%	0.90	3
South Carolina	1.4%	1.5%	1.2%	1.27	2	1.3%	1.18	2	1.4%	1.08	3
South Dakota	0.3%	0.2%	0.2%	0.76	4	0.2%	0.75	4	0.2%	0.69	4
Tennessee	2.1%	1.9%	1.9%	1.03	3	2.0%	0.95	3	2.4%	0.81	4
Texas	7.0%	6.7%	7.0%	0.96	3	7.2%	0.94	3	8.4%	0.80	4
Utah	0.7%	1.3%	0.6%	2.05	1	0.7%	2.01	1	0.8%	1.72	1
Vermont	0.2%	0.1%	0.2%	0.64	4	0.2%	0.63	4	0.2%	0.69	4
Virginia	2.5%	3.0%	2.8%	1.07	3	2.8%	1.07	3	2.9%	1.01	3
Washington	2.2%	2.0%	2.3%	0.87	4	2.3%	0.85	4	2.4%	0.83	4
West Virginia	0.7%	0.4%	0.5%	0.77	4	0.5%	0.75	4	0.5%	0.65	4
Wisconsin	2.0%	1.6%	1.9%	0.81	4	1.9%	0.82	4	2.1%	0.76	4
Wyoming	0.2%	0.2%	0.2%	1.13	2	0.2%	1.09	3	0.2%	1.04	3
United States	100.0%	100.0%	100.0%	1.00		100.0%	1.00		100.0%	1.00	

Source: Calculated at the Center on Wealth and Philanthropy based on data from Tables 13 and 15 of this report.

setts fell into category 3, and giving by the residents of the other New England states fell into category 4.

Interpreting the New Measurements

The alternative measures used in this analysis, like most aggregate measures, pertain to the residents in each state as a group. These measures assess the total giving of each group, relative to the income of the group. What is true of the group as a whole is not necessarily valid for each of the members of the group, or even for the majority of the group's members. Several conclusions can nevertheless be drawn from the analysis presented in this report:

- The assessment of giving relative to income depends on the concept and measure of income used in the analysis;
- Both tax burden and cost of living make a difference in the assessment of giving relative to income;
- A state's giving relative to income is not necessarily stable over time; and
- The residents of Massachusetts are more charitable than the Generosity Index has ranked them.

Nevertheless, there are many factors affecting individual giving that constitute any measure of the performance of the group, but that do not take into account the different dynamics that motivate giving among the members of the group. The Center on Wealth and Philanthropy will deepen its examination of these factors in the second year of its research. However, it is fair to say that all macro level measures of giving relative to income, including these new measures, will continue to be subject to this inadequacy. That is one reason that these measurements should not be used to rank the residents of one state as more or less generous, relative to the residents of another state. At most, one can only very roughly characterize the giving of the residents of a state as relatively high, moderate, or low, relative to a given concept and measure of income.

On a national basis, this analysis has determined that the higher a household's income, the greater the percentage of their income they give to charity, and these percentages increase as the high income household's wealth increases. This finding contradicts widespread perception to the contrary. As yet, there is no analysis of the distribution of financial

resources or wealth in the categorization of the residents of each state.

Surveys have consistently found that the frequency of attendance at religious services is strongly correlated with the amount of charitable giving—both religious giving and secular giving. Macro analysis does not take account of such micro level behavior.

In the second year of this study, the Center on Wealth and Philanthropy will look at the giving behavior of households with a methodology that takes into account a broader array of determinants of charitable giving. This will permit a better understanding of the dynamics that affect giving in Massachusetts, in other New England states, and in states beyond New England. One preliminary finding—which involves religious and secular giving—is presented as the final piece of this report.

Religious and Secular Giving

Although a primary focus of the second year of this study, the Center on Wealth and Philanthropy has started to examine the household-level data from the 2001 Consumer Expenditure Survey conducted by the Bureau of Labor Statistics. This survey asks detailed information about expenditures over 4 quarters of the year for approximately 7,500 households. In recent years, the survey has added questions concerning cash contributions to religion and to secular causes to the quarterly expenditure survey. A brief descriptive analysis based on this micro-level data is presented here. Two cautionary notes must be made before presenting the analysis: (1) the sample is not sufficiently large to support estimates for some states without identifying respondents in the process (and consequently the Bureau of Labor Statistics does not code these states in the public use file), and (2) as in most national surveys, households with very high amounts of income and wealth are underrepresented in the sample, and these households make a disproportionately large amount of charitable contributions, especially to secular causes.

Table 18 presents the average cash (as opposed to in-kind or asset) contributions to religious and to secular organizations for selected states. The selected states are those identified by the Bureau of Labor Statistics in the 2001 Consumer Expenditure Survey. Nationally, aver-

TABLE 18
Cash Contributions to Religious and Secular Causes

Census Region	State	Number of Consumer Units (Thousands)	Average Total Cash Contributions	Average Contributions to Religion	Average Contributions to Secular Causes
Northeast	Connecticut	1,351	\$557	\$333	\$224
	Massachusetts	2,915	\$445	\$173	\$272
	New Hampshire	400	\$246	\$155	\$90
	New Jersey	3,013	\$798	\$533	\$265
	New York	6,867	\$530	\$358	\$171
	Pennsylvania	4,516	\$561	\$443	\$117
	Vermont	618	\$538	\$332	\$207
	Other States	1,088	\$436	\$206	\$230
Northeast Total		20,767	\$555	\$362	\$193
Midwest	Illinois	4,103	\$781	\$546	\$235
	Indiana	1,539	\$728	\$582	\$146
	Kansas	270	\$939	\$701	\$238
	Michigan	2,858	\$883	\$694	\$189
	Minnesota	1,241	\$797	\$502	\$294
	Missouri	1,285	\$1,206	\$738	\$468
	Nebraska	948	\$827	\$652	\$174
	Ohio	4,040	\$763	\$563	\$200
	Wisconsin	2,415	\$602	\$446	\$156
	Other States	6,914	\$596	\$493	\$103
	Midwest Total	25,613	\$745	\$557	\$188
South	Alabama	1,899	\$1,842	\$1,729	\$113
	Delaware	141	\$474	\$340	\$134
	District of Columbia	277	\$273	\$164	\$109
	Florida	6,158	\$483	\$367	\$117
	Georgia	2,637	\$570	\$499	\$71
	Kentucky	999	\$218	\$177	\$42
	Louisiana	1,790	\$563	\$389	\$174
	Maryland	1,717	\$552	\$381	\$171
	North Carolina	1,052	\$556	\$394	\$162
	Oklahoma	740	\$925	\$734	\$191
	South Carolina	1,457	\$1,243	\$1,036	\$207
	Tennessee	528	\$672	\$542	\$130
	Texas	7,709	\$874	\$726	\$148
	Virginia	2,501	\$749	\$511	\$238
	Other States	9,973	\$627	\$546	\$81
	South Total	39,579	\$723	\$595	\$127
West	Alaska	108	\$1,074	\$681	\$393
	Arizona	1,955	\$477	\$359	\$118
	California	10,354	\$658	\$375	\$283
	Colorado	1,274	\$687	\$512	\$175
	Hawaii	278	\$528	\$266	\$262
	Idaho	1,257	\$732	\$636	\$95
	Nevada	1,332	\$303	\$195	\$108
	Oregon	907	\$778	\$576	\$202
	Utah	1,176	\$2,632	\$2,545	\$88
	Washington	1,694	\$553	\$369	\$184
	Other States	4,045	\$477	\$349	\$127
West Total		24,380	\$692	\$492	\$200
Grand Total		110,339	\$689	\$519	\$170

Source: Calculated at the Center on Wealth and Philanthropy based on the 2001 Consumer Expenditure Survey conducted by the Bureau of Labor Statistics.

age annual cash contributions to religion were \$519, and to secular causes were \$170 per consumer unit (household) in 2000. This is a ratio of 3:1. The pattern in Massachusetts was just the reverse: Massachusetts households contributed \$173 on average to religion, but \$272 to secular charitable causes—a ratio of almost 2:3.

In general, residents in northeastern states tended to give larger fractions and larger amounts of their cash contributions to secular charitable causes than did residents of southern states. With some exceptions, the residents in northeastern states also tended to give smaller fractions and smaller amounts of their cash contributions to religion.

It is hypothesized that religious giving tends to be low among residents of northeastern states, and especially residents of Massachusetts, because they less frequently attend church services than residents of other states. They may also belong to a specific church, mosque, or synagogue less frequently, even though surveys of religious affiliation indicate that there are only modest differences between northeastern residents (including residents of Massachusetts) on religious affiliation as compared with the national pattern. During the second year of the study, attendance at religious services by residents of the Northeast (especially of Massachusetts), and residents of other states will be studied in more detail.

If the distribution of cash contributions between religious and secular causes from the 2001 Consumer Expenditure Survey is indicative of total contributions (including assets and contributions from wealth holders), the secular giving of residents of Massachusetts would be extremely high relative to residents of other states. The Center on Wealth and Philanthropy will be investigating this and other issues in more detail in the second year and second report of this study. There is not yet sufficient evidence to conclude that the charitable giving in Massachusetts is mostly concentrated among secular causes.

Conclusion

The initial purpose of this research has been to examine the validity of the widespread perception that Massachusetts residents lack generosity. While an analysis of Massachusetts' generosity, using a more accurate and valid index, clearly demonstrates a higher ranking than was previously believed, this new research still necessarily ranks some states and regions at the bottom of the index. Nonetheless, the point of this research is not to create new "winners and losers," even with indices that are more valid.

In the end, the most significant implications of this analysis may be to encourage all parties to depart from efforts to measure and compare generosity in an invidious manner, and instead, to identify the factors and implement the practices that generate generosity in all locations throughout the country.

The current and anticipated research findings provide us with deep insights into the motivations and practices that determine individual charitable giving, and hold profound consequences for fundraising and community philanthropic development. By identifying the factors that are associated with the presence or absence of generosity in a region, and clarifying which groups are relatively more or less engaged than others, this research can be used to suggest strategies for advancing individual giving to make a difference in a community, far beyond simply chastising or lauding it for its statistical ranking. For example, those seeking to encourage philanthropy in the Boston metro area, the Commonwealth, and/or the region will be able to find out what is valid or invalid about the current perceptions of charitable reluctance, to identify the factors that create the current patterns, and to introduce programs that work in and around a complex and segmented reality, rather than in and around conjecture about a universal state of affairs.

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