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Center on Philanthropy and Civil Society  
The Graduate Center, The City University of New York

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## African American Philanthropy Literature Review

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*This review is designed to add to the existing bibliographic literature, incorporating current studies undertaken by research institutes working in the field, and integrating relevant market research. This review is a work-in-progress and will be updated periodically.*

This review has been funded by support from  
The Ford Foundation and the Coalition for New Philanthropy in New York\*

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\* Additional support was provided by the William Randolph Hearst Endowed Fund for graduate assistantships for women and minorities.

## African American Philanthropy Literature Review<sup>1</sup>

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<sup>1</sup> The Center would like to acknowledge the contributions of the following individuals in the compilation of this document: Denise Ingram, Felinda Mottino, Eugene Miller and Kristopher Burrell.

## Introduction

By expanding the concept of philanthropy beyond large cash donations, practitioners and researchers allow the philanthropic histories of traditionally marginalized groups such as African Americans to be included in the general discourse. In addition, as African Americans engage in these discussions, they begin to actively and tacitly reshape our perceptions of not only the black community, but also our definitions of philanthropy.

Historians have found it necessary to broaden their conception of philanthropy beyond the conventional foci on “the detachment of professionalism, the benefits of tax deduction, and giving through charitable institutions” (Durán 2001). Not only have the traditional models and motivations for philanthropy favored an Anglo-historical tradition, to the exclusion of the philanthropic efforts of other groups, but also these definitions have contributed to our understanding of philanthropy as institutional or an ambit for the elite.

However, if one looks at philanthropy as “voluntary action for public good” (Hall-Russell & Kasberg 1997:3) our definition of philanthropy might include “advice, experience, knowledge, food, material, money or any other time or talent—with other individuals, the local community or a cause” (Hall-Russell & Kasberg 1997:3). A more inclusive definition of philanthropy such as this one not only allows for a discussion of working and lower-class philanthropy, but also is more in line with how African Americans traditionally have participated in philanthropic activity.

African American giving is derived from a notion of family as an inclusive and permeable institution where giving and serving family, neighbors and needy strangers are seen as general obligations (Hall-Russell & Kasberg 1997). This sense of obligation to both family and community is foundational for what we now understand to be African American philanthropy.

### *The importance of understanding African American philanthropy*

Understanding the manifold ways in which African Americans have historically engaged in philanthropy is important for several reasons in contemporary America. African Americans are one of the largest minority groups in the United States. The Census Bureau projects that by 2050, 50 percent of the country will be non-white because of higher birthrates, larger families, and immigration (New Ventures in Philanthropy 2001). As America becomes increasingly ethnically and racially diverse, philanthropic organizations, and therefore researchers of philanthropy, need to reassess not only their thinking on philanthropy but also the roles of communities of color. Philanthropic organizations will need to effectively appeal to these communities to ensure their survival.

Contemporary researchers have begun to redefine philanthropic activities in order to encompass the work of African Americans. They have used two terms to describe philanthropy: self-help and benevolence. These terms are not mutually exclusive and are often used interchangeably in the literature; however, they are helpful in characterizing

the expectations of donors. In the case of blacks, both self-help philanthropy and benevolent philanthropy were rooted in the experience of oppression and resulted in racial uplift. Self-help philanthropy focuses on the *cooperative giving* of time and/or money in response to the needs of the individual, family, and immediate community. This type of philanthropy takes place within a peer group where there is reciprocal giving and receiving. Benevolent philanthropy focuses on *monetary donations from elite*, wealthy individuals that aid institution building and respond to the condition of the wider African American community. Because so much of the focus of African American philanthropy has historically been on racial uplift, which includes both the individual and the community, these types of philanthropy are deeply intertwined.

## History of African American Philanthropy

African American philanthropy has been philosophically rooted in a highly developed sense of obligation to “family,” created through historical isolation from the structures and resources of white society. This notion of familial giving does not mean that blacks lack a long tradition of formal fundraising within their own communities. Rather, African Americans have conceptualized the individual, family, and community as a fluid continuum, and African American philanthropy has reflected this view. Therefore, kinship giving as well as neighborhood giving has been a feature of African American philanthropy (Hall-Russell & Kasberg 1997:19). As a result, aid of money, time, or expertise to “family members” can include any number of people who might not be considered family in the conventional sense, such as friends, godparents, grandparents, and neighbors (Hall-Russell & Kasberg 1997; New Ventures in Philanthropy 2001).

African Americans have acted philanthropically for many reasons. However, there is a general consensus among researchers that racial uplift has long been the overarching motivation for giving. Low socio-economic status and exclusion from white institutions compelled blacks to develop systems and institutions meant to alleviate their depressed conditions (Davis 1975; Palmer 1999; Pollard 1978). As a result they created means of empowerment by fundraising for, volunteering at, and donating to institutions where African Americans set their own terms rather than accept terms set by white-controlled institutions.

Historically, African Americans have created various groups and associations to deal with the problems facing local and larger black communities. Some of these have included churches, schools and literary clubs, mutual aid societies, fraternal organizations, and nationalist groups. Because of the complex obstacles hindering African American social, economic, and political advancement, these philanthropic institutions have served multiple—and often overlapping—purposes.

### *The Black Church*

The most significant institution in African American communities has been the church. Churches were the primary political, social, and philanthropic centers in African American communities during the eighteenth and nineteenth centuries. The earliest forms of formal giving to local organizations can be traced to African American churches

at the end of the eighteenth century. Black churches also provided social services for their congregants since “pre-emancipation America” provided little social services to blacks (Hall-Russell & Kasberg 1997; Carson 1990a, 1990b, & 1991; Winters 1999; Joseph 1995).

The black church has been central to African American philanthropy because of both the psychic comforts it provided and its ability to generate revenue. “From Slavery to the present, the black church has been an extremely versatile institution through which blacks could channel their philanthropic resources to respond to changing social and economic conditions that threatened the survival of the black community. There are at least two interrelated reasons why . . . the black church has been at the center of philanthropic activity within the black community: the indigenous control that blacks have had over the . . . church and the . . . church’s appeal to different socioeconomic strata within the black community” (Carson 1990b: 234). The church provided a place of safety where one could speak freely. Ministers were fairly independent of the local white economic structure since the congregation supplied his needs and the needs of the church. Furthermore, the symbolism of a church reduced external hostility and criticism of the minister’s sermons. Pastors were able to encourage charity in addition to Christian doctrine (Carson 1990b; Hall-Russell & Kasberg 1997). That appeal for charity manifested itself in high contribution levels to the church. In fact, according to Emmett Carson, the black church has been central to African American philanthropy “because its congregation provides a continuous source of funding” (Carson 1990a).

While the importance of the black church for philanthropic endeavors was not eclipsed during the nineteenth century, African Americans created other types of organizations, some with more specific purposes, to channel their resources—whether it was cash, time, labor, building materials, food, or whatever else they could—in order to address particular problems plaguing African Americans locally and/or nationally. However, it is important to note that African American self-help and benevolent associations often conceptualized their missions rather broadly and wound up combining mutual aid and social reform in ways that are difficult, and perhaps counterproductive, to try to separate.

This expansive way of thinking about philanthropy among African Americans during the nineteenth century can be seen in the strategies that different types of organizations followed in approaching racial elevation. For example, during the antebellum period we see black women’s abolitionist groups founding schools, educational societies also functioning as job agents, and newspapers advertising funding campaigns for schools. These are brief examples of African American philanthropy during the nineteenth century.

### *Antislavery Societies*

The scourge of American society during the first half of the nineteenth century was, of course, slavery. And the majority—though not all—of African American philanthropic activities were concerned in some way with eradicating slavery. Free, Northern, urban, African Americans were active in the abolitionist crusade. Women such as Mary Ann Shadd Cary, Sarah Remond, and Charlotte Forten, as well as many others not only joined

racially integrated abolitionist societies, but also formed their own all-black, all-female abolitionist groups when deemed necessary or prudent. Many African American women gave of whatever time, skills, and money they could for the purpose of “elevating the race.” These women had a broad vision of their activism. Abolition did not merely include the ending of slavery in the South, but also the creation of an egalitarian society (Yee, 1992).

Black men participated in the abolitionist movement also. Although Shirley Yee, in *Black Women Abolitionists*, makes the point that some black men opposed the women because of the perceived flouting of gender norms, there were many men who worked with the women in the abolition movement. African American men and women also cooperated with whites in order to further the abolition movement and increase the amount of philanthropic aid they could extend to their brothers and sisters in the South.

Northern blacks participated in the anti-slavery movement because they believed it was the only way to “elevate” the characters of enslaved southern blacks. But northern blacks were also concerned about the elevation of other northern blacks. As one editorial in *The Liberator* stated, “It has, I trust, been shown, that by good conduct and the acquisition of knowledge, [blacks] can overcome prejudice, and finally place themselves in all respects on a level with their white countrymen” (S.T.U. [author, as identified], February 1832). African American leaders believed that in order to be fully integrated and accepted into the larger society, blacks needed to cultivate their intellect and act piously. McCarthy (2003) explores the linkages between voluntary associations, the black church and issues of social justice centered around abolition.. Besides establishing and participating in formal abolitionist societies, African Americans behaved philanthropically by establishing various types of groups to promote racial elevation.

### *Educational Efforts*

The educational efforts of African Americans prior to the Civil War served ideological, strategic, and philanthropic purposes. Education was a central part of the racial elevation and upliftment strategy. There were very few public educational provisions (depending on location) for blacks for most of the nineteenth century. Therefore, they organized and provided education for themselves. As early as 1830 African Americans established literary societies in places such New York City, Philadelphia, Boston, and Pittsburgh (to name just a few) with the purpose of providing libraries and reading rooms as well as encouraging reading and spreading knowledge (Palmer 1999; Porter 1936). Some of these organizations included the Philomathean Society and the Phoenix Society in New York, the Philadelphia Female Association, and the African Education Society in Pittsburgh. These were dues-paying organizations that were often involved in community activities beyond elementary classroom education.

Most of the progress that blacks made educationally was at the primary, and to a lesser extent, secondary levels. This was a function of the fact that the majority of African Americans, both child and adult, were unable to read and did not possess basic skills in writing or arithmetic. This reality made primary schools a more pressing need in most

black communities. McCarthy (2003) explores the role of the black church in initiating a variety of educational ventures, a number of which attracted (municipal) support. Her work also presents scarce data on fundraising efforts, which given both the economic and political circumstances of blacks at the time were considerable. However, white opposition to black institutions of higher education made it difficult to find locations where the schools could be established (Bell 1969). Nevertheless, there were two black colleges founded prior to 1861. Lincoln University in Pennsylvania and Wilberforce University in Ohio were both founded during the 1850s.

After the Civil War many more black colleges were established in the South. Most of these schools, though they may have had “college” in their names, were actually elementary and secondary schools for decades before they offered any college-level courses. But the names of the schools pointed towards what the leaders and students hoped these institutions would one day become. Although prominent African Americans, such as Booker T. Washington, raised funds for black colleges in more traditional ways, seeking large cash donations from wealthy blacks and whites, the work of poor blacks in communities all over the South was indispensable in ensuring the survival of these schools. Local people provided money when they could (in reality an unbelievable amount considering the horrific poverty of post-emancipation blacks in much of the South), but more often African Americans gave of themselves, offering food for the students, their labor to construct academic and dormitory buildings, their homes to house white teachers who were shunned by local whites as “outside agitators,” and whatever else they could offer (Jones and Richardson 1990). The proliferation of black colleges after the Civil War is another testament to both the philanthropic spirit of those African Americans and the fact that a more inclusive definition highlights many institutions and activities not always associated with philanthropy.

#### *Mutual Aid Societies and Fraternal Organizations*

In addition to building schools, African Americans engaged in philanthropic endeavors through mutual aid societies and fraternal orders. As they gained affluence, blacks created “formal ‘free societies’ [mutual aid societies] in the 1700’s to aid not only in the feeding and clothing of slaves and former slaves, but to assist in education, moral and skill development” (Hall-Russell & Kasberg 1997). In fact, “the earliest recorded Black fundraising organization was established in Boston . . . Prince Hall, a native of Barbados, developed an order of Masons whose overall goal was mutual aid for Blacks” (Davis 1975:4). The Black Masons seem to have been the first large-scale fundraising organization coming out of the black community. But there were others such as the New York African Society for Mutual Relief (NYASMR), which was founded in 1808 and incorporated by the New York State legislature in 1810. The NYASMR “provided monetary benefits to members in cases of injury that prevented a member from working for an extended period and to the families of deceased members, provided the widow and/or abandoned children continued to exhibit ‘good moral character’” (Burrell 2003).<sup>2</sup>

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<sup>2</sup> This is taken from a paper, “Elevation, Emancipation, and Education: Black Educational Institutions in New York City during the 1830s,” that is being turned into a forthcoming article to be published by the Benjamin Hooks Institute.

Women also formed benevolent associations. The notion of republican motherhood made the role of women as educators significant to the future of the young nation. Women, as the argument went, needed to be educated because they would be the ones at home training the young boys how to be good Republicans, thus making certain the future prosperity of the country. Although black women were not necessarily supposed to be included within the possible definition of a good Republican mother, black women used the concept both upholding and subverting it simultaneously. The traditional role of women as caretakers of children allowed black women to enter civil society as children's advocates in a way that was not so overtly political as to rouse the ire of black and white men, while still providing vital philanthropic aid. These efforts included educational drives and campaigns for improved social services (Carson 1990a).

Mutual aid societies also helped beyond the black community. The services provided through African American philanthropy did not only assist blacks. It went where the community thought it was most needed. The Free African Society, for example, provided aid to a stricken white community during the Yellow Fever epidemic in 1793 (Quarles 1979).

As the nineteenth century wore on and African American women and men continued to press for change through civil society, they established more and more organizations to deal with the myriad problems facing the race. Regardless of the primary philanthropic focus of an African American mutual aid society, the aim of these organizations was and still is the uplift of the race (Carson 1993; Winters 1999; Hall-Russell & Kasberg 1997; Davis 1975). The black women's club movement of the late nineteenth and early twentieth centuries and the formation of black fraternities and sororities in the first two decades of the twentieth century exemplify this aim.

Affluent blacks formed fraternities and sororities as they began to enter colleges and universities in larger numbers at the beginning of the twentieth century. These groups worked from agendas that reflected their class interests. Even though elite blacks have historically felt themselves separated from mainstream blacks by class, education, and appearance, they still identified themselves as African Americans, their sense of self carved out of the second-class status to which blacks have been relegated in comparison to whites, regardless of their accumulation of cultural and economic capital.

*Fraternities and sororities are an example of the intersection of self-help and benevolence.* They focused on community aid. Community aid was both a social and a civil commitment. The social commitment included mutual support and a social network on college campuses for young black students; they were an extension of other elite black institutions such as the Jack and Jill clubs and cotillions (Graham 1999). Jack and Jill clubs were groups for the children of elite African American families in which they were able to make important social connections among other wealthy black families.

Fraternal organizations engaged in both self-help philanthropy and benevolent philanthropy (Graham 1999). Eight of the nine black Greek-lettered fraternities and

sororities were founded in the first three decades of the twentieth century; Alpha Phi Alpha Service Fraternity was the first in 1906. Today, unlike the majority of other fraternities and sororities, all African American Greek clubs (except one) are service organizations whose members tend to demonstrate a strong commitment to community involvement through their fraternity/sorority after graduation (Hall-Russell & Kasberg 1997).

The black women's clubs of the same period provided social services to people within their community. In 1896 these disparate clubs organized as the "National Association of Colored Women"; the "Movement for Social Betterment" grew out of this association (Pollard 1978). Black women attempted to work cooperatively with white women when possible, as in the example of the Women's Christian Temperance Union (WCTU) in North Carolina the 1890s. The partnership, however, was short-lived (Gilmore 1996).

Most of the women who were active in promoting racial uplift were elite blacks, in large part because middle class women had the time and resources to engage in clubs and related activities. Many became teachers and nurses, also working other jobs that enabled them to contribute to the cause (Palmer 1999:13). These middle class African American women considered themselves to be of the "better classes" and adopted Victorian values. Black "club women" modeled themselves to be the embodiment of piety, dignity, virtue, motherhood and womanhood in order to accomplish their goals of racial uplift and social equality. African American women had to be political without being perceived as threatening to the white social structure or alienating to black men. Black women needed black male allies because in times of crisis, such as with white WCTU women, black women experienced time and again that racial bonds were stronger than the bonds of womanhood (Gilmore 1996).

Black women organized because they saw problems facing African Americans that they believed they could help ameliorate. Emmett Carson maintains that black women also began to organize because of their resentment towards mainstream culture for characterizing them as ignorant and immoral—an argument that white women would later use to exclude black women from the suffragist movement (1990a). But black women's clubs also filled a political and philanthropic void vacated by African American men. After black males were disenfranchised, black women became the diplomats to the white community, and as black men were squeezed out of the political sphere in the South, black women enlarged their presence (Gilmore 1996).

### *Nationalist Movements and the Civil Rights Movement*

Black women were political actors before 1920, but it has been black men who have traditionally been the ones involved in electoral politics, discussions over the suffrage, and other political/nationalist(ic) movements. Black nationalist movements of the twentieth century have been concerned with racial uplift and have been organized by and

for African Americans. Therefore, they can be considered a form of African American philanthropy and are discussed here briefly.

Even though organized nationalistic movements happened in the twentieth century, their ideological roots occurred earlier. In 1829, for instance, David Walker issued his Appeal in which he “urged blacks to assume control over their own destinies and create their own institutions.” The basic reasoning for creating separate institutions for blacks was the presumption that blacks could never get fair or equal consideration in institutions created for whites.

The two major black nationalist movements of the twentieth century—the Garvey Movement and the Black Muslim Movement—also operated with these principles. Both promoted self-help and self-sufficiency. Marcus Garvey proposed creating a “‘nation’ for blacks that transcended boundaries” (Palmer 1999:15). He advocated that the way to truly emancipate blacks was through economic self-sufficiency. Many of the Garveyites’ philanthropic and social ventures, such as the Universal Negro Improvement Association, were not actualized, but they did pave the way for conceptualizing a world in which blacks would be economically self-sufficient.

The Nation of Islam also promoted economic autonomy. Growing to include major cities all over the country, the Nation of Islam established schools, businesses, and services such as housing wherever they went. In addition to their message of economic independence, their appeal was the promotion of a black theology (Palmer 1999).

Part of the legacy of the nationalist movements was the concept of equality and the recognition that blacks needed to have the freedom to become economically self-sufficient. However, black nationalists believed that this equal footing and economic independence was only attainable outside of American culture and society. The modern civil rights movement of the 1950s and 1960s operated on the philosophy that social and political equality, and economic self-sufficiency could be—and necessarily had to be—achieved within an American social context. Participants in the civil rights movement sought to claim the rights of full citizenship for all Americans.

The movement was propelled through major contributions of time and funds by a large portion of the black community. The more elite members of the black community, while not always approving of the activities of “mainstream” blacks (the non-affluent majority), saw it as their duty to the race to contribute money and fundraise for the movement. Working-class blacks gave of whatever money they could spare, but were more apt to give of their time and their bodies for the movement. Through nonviolent protests of various types, from sit-ins to marches to boycotts, African Americans did a philanthropic service to the nation by working to ensure that all Americans were treated equally in the view of the law (Graham 1999).

Led by Dr. Martin Luther King, Jr., Roy Wilkins, Bayard Rustin, Fannie Lou Hamer, Malcolm X, and numerous other individuals and organizations, the movement achieved significant legislative victories, making blacks and whites equal under the law. The civil

rights movement also paved a way for a larger percentage of blacks to move into positions of political and economic influence (Winters 1999). As a result of the civil rights movement African Americans have become more affluent, gained political power, particularly in the urban centers, and in certain respects, developed a stronger sense of community. These developments significantly contributed to the evolution of African American philanthropy.

## History of the Scholarship on African American Philanthropy

The history of African American philanthropy during the eighteenth and nineteenth centuries will continue to be enriched, as more information is uncovered about blacks in those periods in different areas of the country. However, since much of the literature that pre-dates the twentieth century does not use the term “philanthropy,” one must recognize terms such as “self-help”, “uplift”, “betterment”, and “helping out” as terms referring to philanthropy. The stories of African American philanthropy are most richly told through biographies and histories of places and institutions. This tradition of story telling is found throughout African American culture; in the past, the present, and probably the future, this type of documentation of African American philanthropy will continue.

The first known scholarly piece that recognized Negro/Black/African American philanthropy as a separate measurable entity was an 1898 study by W. E. B. Du Bois. He documented the findings of an investigation on Negro American efforts to better themselves. It was published by Atlanta University to be presented at the Third Conference for the Study of Negro Problems held at the University in May of that year. The study looked at the “organized lives of Negroes. The report examine[d] 236 organizations charting the activities of these organizations, as well as their finances to get a good measure of their return to the community.”

From the period after the Du Bois piece was written to the mid-twentieth century, other scholarly works emerged but were mostly case studies unlike the more encompassing Du Bois study. An example of this kind of work can be found in Dorothy B. Porter’s 1936 essay titled “The Organized Educational Activities of Negro Literary Societies, 1828-1846.” Others historians such as Monroe Majors focus on the works of women.

After the civil rights movement, African American philanthropy reemerged as a topic worthy of scholarly study, in part because African Americans had a new sense of their power and collective strength. There was a shift from simply telling the story of black philanthropic activity to engaging mainstream philanthropic circles in discussions on ways to tap the generosity of blacks in America and share lessons learned by philanthropic institutions. In addition, systematic examinations of traditional black philanthropy helped existing black philanthropic organizations to expand their activity.

The increased scholarship on African American philanthropy has prompted a lively discourse about conceptualizing philanthropy both among scholars of African American philanthropy and among people involved in mainstream philanthropy. African American philanthropy has been redefined in such a way to encompass the many forms of

generosity exhibited by blacks. Giving can be measured in terms of cash or voluntary actions as opposed to large cash donations only. Emmett Carson argues that there are three areas of Afro-American philanthropy: *humanitarian aid*—usually monetary to address immediate issues; *self-help*—meant to provide tools for mobility through means such as education; and *social aid*—usually service oriented through activities like volunteering and protesting (1990a).

Defining—or perhaps, redefining—African American philanthropy has been an important theme in the recent historiography. But there are other issues up for debate as well. Some of these include: whether or not blacks give comparably to whites; what are their motivations for giving; and how to make nonprofit organizations work for the black community. The Council of Economic Advisors found that 75 percent of whites reported making contributions in 1998 compared to 52 percent of blacks. However, when accounting for differences in income, wealth, schooling, and other observable characteristics between blacks and whites, we find that blacks “are actually significantly *more* likely to give than whites” (Council of Economic Advisors 2000:13).

The findings of the Council were not new. As early as 1934, studies showed that African Americans were more likely to be affiliated with voluntary associations than whites. Two theories have been put forward to explain this trend. One is compensatory theory, which argues, “African Americans form and participate in voluntary associations as overcompensation for exclusion from white institutions.” The other is ethnic community theory, which “...holds that individuals of a specific ethnic community develop a consciousness of and cohesiveness with one another when pressured by a different, usually more powerful, group of people” (see Hall-Russell & Kasberg 1997:8-9). Both of these theories partially explain the propensity of African Americans to volunteer their time.

Some blacks volunteered their time at white philanthropic organizations such as The United Way. These relationships were not without friction. King E. Davis, in his book Fundraising in the Black Community: History, Feasibility, and Conflict, illustrates the conflicts that arose between the Afro-American social service organizations and The United Way. In examining the development of African American fundraising and social work from 1700 to 1975, Davis demonstrated that The United Way mistakenly tried to impose their structures on the black community and existing black social service groups without seeking communal input. This resulted in the emergence of nationalist Afro-American social service organizations such as the Brotherhood Crusade in Los Angeles and the United Black Fund in Washington, D. C. Davis makes clear that in order for white philanthropic organizations to be successful working in black communities, they will need to actively seek input from and otherwise engage community members in the areas they serve (1975).

While Fundraising in the Black Community deals with the history of ambivalence that African Americans have felt in participating in biracial philanthropic organizations, Erica Hunt approaches the topic of African American philanthropy from a very different angle. Hunt examines African Americans’ motivations to give to philanthropic causes. In

Moving the Agenda Forward: The Proceedings of the Second National Conference on Black Philanthropy, she argues for an updated model of a philanthropic continuum that takes into consideration the growing affluence in the African American community. The continuum has three parts: *survival giving* where the motivation is to meet immediate needs; *help giving* where the motivation is sentiment; and *investment giving* where the motivation is vision. Donors may give—and have given—for one or all of these reasons (Hunt 2000).

## Contemporary Market Research

To understand the giving potential of different racial and ethnic groups we must first have a basic understanding of how the population breaks down by these categories.

<u>Population by Race 2000 Census: Population (by percentage)</u>	
Whites (non-Hispanics)	69.1
Hispanics	12.5
Afro-Americans	12.1
Asian Americans	3.6
Other	1.9
Native Americans	0.7

### *Demographics*

As of 2001, there were 35 million African Americans in the United States and they accounted for over 12 percent of the total population. Knowing the aggregate number of blacks is significant for philanthropic organizations, but it is not enough information. More specific data is necessary in order to effectively design fundraising campaigns. Where are there high concentrations of African Americans, what is the median age range, and what is the average household size are all questions that are important to philanthropic groups.

African Americans tend to be city-dwellers; 85 percent of blacks live in metropolitan areas with the majority living in the top 20 cities. African American concerns, therefore, tend to coincide with those that affect large cities in particular. The median age for blacks is 30 years old, which is six years younger than the general population. Consequently, when targeting African Americans, philanthropic organizations need to aim towards a younger demographic. Forty-three percent of black families own their own homes. And their household expenditures are \$23,442 annually. Black families also tend to be slightly larger than those of the general population (3.2 vs. 2.6) (CASS Communications 2001). An Ariel/Schwab study showed that African American households, in comparison to whites of relatively similar income levels, have more children under 18 in their households than their white counterparts. This may in part explain the disparity in relative wealth between blacks and whites of equal income. People with younger children tend to have less disposable income and therefore less wealth. With less wealth there is less money available for charitable contributions. In addition to younger children, African Americans are more likely to have extended

families living within the household (May 1999). This may also put a strain on the liquidity of assets.

As African Americans are becoming better educated (23 percent hold bachelors degrees or higher), they are becoming a more important economic group with every passing year. Blacks earned \$543 billion in 2000 and in the same year gave \$7.1 billion in contributions. However, the peak year for African American giving was 1998 when blacks contributed \$8.1 billion dollars to philanthropic causes (Target Market News 2000). It is obvious that the African American consumer and philanthropic markets have been growing over the last half-century and that it will become increasingly important for service organizations to appeal to African Americans for their continued existence.

As much as African Americans have been donating monetarily—particularly in the last decade—perhaps African Americans have not yet maximized their giving potential due to not investing as heavily in the stock market as whites on average. The Ariel/Schwab study, published in May of 1999 found that only 43 percent of African Americans have a will or living trust compared to 61 percent of whites. The study also showed that lack of knowledge was the predominant reason for blacks' poorer showing in investing relative to whites. One can infer then, that lack of financial knowledge might also impact the philanthropic contributions that blacks make. If blacks were better informed about the numerous ways in which they could make financial contributions, there might be higher numbers of blacks that engage in planned giving practices.

The Ariel/Schwab study also proposed that there might be cultural factors that explain lower investment patterns in blacks compared to whites. One reason might be that blacks start saving later in life. The study showed that blacks were less likely to open a savings account before they entered high school; grow up in families that have stocks; and receive investments as gifts of inheritance. This pattern might also illustrate a lack of cultural knowledge about planned giving.

Another area where investing and philanthropy might look similar is what African Americans are looking for in an organization. Eighty-six percent of blacks compared to 69 percent of whites thought that it was important that an investment company be active in programs that benefit the local community. The study also showed that 77 percent of blacks compared to 50 percent of whites believed it important that an investment company be racially diverse. In terms of who is managing the investment/mutual fund company, the Ariel/ Schwab study found that 67 percent of blacks compared to just 19 percent of whites thought that it was critical for it to be owned or managed by African Americans. Therefore, while 73 percent of African Americans in the study expressed a desire to consult with a professional for investment advice, 49 percent said that they had concerns about the motivations of such professionals.<sup>3</sup> This set of expectations of

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<sup>3</sup> This may also be reflected in African Americans' attitudes to organized mainstream philanthropic organizations. According to King E. Davis, organized mainstream philanthropic institutions fail to grasp the concept of racial uplift. At the same time, African Americans do not trust that these organizations understand what their needs are. Davis suggests that these institutions understand the cultural forces at work in the African American community in order to entice blacks to invest in mainstream organizations (1975).

investment companies follows from the self-help and benevolence concepts in black philanthropy. Blacks want their money to significantly benefit the black community and they want other blacks intricately involved in the managing of those funds.

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A Special Report funded by the Ford Foundation, W.K. Kellogg Foundation, David and Lucile Packard Foundation, and the Council on Foundations.

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