

# The Center on Philanthropy & Public Policy

Research and analysis to advance public problem solving

VOLUME 3, NO. 2

MARCH 2003

## INSIDE

PATTERNS OF PHILANTHROPY  
AND SOCIAL CAPITAL



SOCIAL CAPITAL:  
CONTRIBUTING FACTORS



PHILANTHROPY:  
CONTRIBUTING FACTORS



THE PHILANTHROPY-SOCIAL  
CAPITAL NEXUS

ELEANOR BROWN



JAMES M. FERRIS



## Philanthropy and Social Capital in Los Angeles

Philanthropy and social capital – the norms of trust and reciprocity and the networks of civic engagement in our communities – matter. In Los Angeles, they are essential elements in developing the capacity of our community to address its most pressing problems. Understanding the formation of social capital and its impact on charitable contributions and volunteering is the focus of a new report: *Philanthropy and Social Capital in Los Angeles*. This study addresses two pivotal questions: What are the forces that explain the observed levels of social capital? And, how does social capital influence charitable giving and volunteering? Answers to these questions provide an indication of how social capital might be increased in order to bolster philanthropy in Los Angeles and, in the process, provide the margin for experimentation and innovation in the nonprofit organizations that are so integral a part of governing our community.



UNIVERSITY OF SOUTHERN CALIFORNIA

This report summarizes a research project: *Philanthropy and Social Capital in Los Angeles*, funded by The John Randolph Haynes and Dora Haynes Foundation. This project builds upon early work with the California Community Foundation in the analysis of the responses to the Social Capital Community Benchmark (SCCB) survey.

## Patterns of Philanthropy and Social Capital

Analysis of responses to the Social Capital Community Benchmark (SCCB) survey reveals that Los Angeles has low levels of giving and volunteering and social capital compared to the national average.

### GIVING AND VOLUNTEERING

Philanthropy in Los Angeles is less robust than it is nationally. In terms of monetary donations, fewer Los Angelenos give. Those that do give, give less.

- Thirty percent of Los Angeles respondents made no monetary contributions to religious causes, compared to 25 percent nationally. Thirty-three percent of respondents in Los Angeles made contributions of less than \$500, and 21 percent made contributions of more than \$500. The comparable numbers nationally are 29 percent and 21 percent.
- In terms of secular giving, 41 percent of Los Angeles respondents made no contributions, compared to 31 percent nationally. Thirty-four percent of respondents in Los Angeles made contributions of less than \$500, and 15 percent made contributions of more than \$500. The comparable numbers nationally are 40 percent and 16 percent.
- Forty-nine percent of Los Angeles respondents indicated that they had volunteered in the previous 12 months, compared to 55 percent nationally. Those that volunteered in Los Angeles averaged 8 times over the past year, compared to 9.5 times nationally.

### SOCIAL CAPITAL

Los Angeles has less social capital, as measured by the SCCB survey, than the national average.

- Los Angeles scores lower than the national average on seven of the nine indices developed from the SCCB survey: formal group involvement, organizational activism/leadership, electoral politics, faith-based engagement, informal socializing, social trust, and interracial trust.
- Los Angeles scores are comparable to the national average for diversity of friendships and protest politics.

Like other urban communities in the southwest that were surveyed – Houston, Phoenix, San Diego, San Francisco, and San Jose/Silicon Valley, Los Angeles tends to score lower than the national average across a wide range of the indices. This group of cities seems to share certain community-level features such as rapid population influx and large immigrant populations that make it more difficult for some individuals to accumulate social capital.

Further analysis of these social capital indices reveals that there are two important underlying dimensions of social capital. The first reflects engagement in community networks such as involvement in formal organizations, community involvement and leadership, and protest politics. The second dimension reflects norms of trust and participation. This is related most closely to the social and interracial trust indices, and also to electoral politics. These two dimensions are found in both the Los Angeles and the national samples.

#### SOCIAL CAPITAL: A DEFINITION

Repeated interactions among individuals lead to a sense of connectedness, trust and reciprocity. As a consequence, there is a stronger sense of common purpose that increases the capacity to address common issues. This capacity is known as social capital. For example, parents who participate in their child's school parent-faculty association have a series of interactions over time that creates networks in which individuals have common values and norms; these networks and norms enhance their capacity to work together on school issues as well as other community problems.



## Social Capital: Contributing Factors

An analysis of social capital among the Los Angeles respondents reveals that economic opportunities and resources are important factors in determining the levels of social capital, as defined by the networks and norms, individuals possess.

*Education is a driving force in determining levels of social capital.* It is a key predictor of an individual's level of engagement in associational networks and of the extent to which individuals "buy into the system" as measured by their expressions of trust in others and their participation in the electoral system.

*Network-based social capital increases with income and is greater for citizens, males and unmarried individuals.* This form of social capital also increases with frequency of attendance at religious services.

*Norm-based social capital increases with citizenship and frequency of attendance at religious services.* Latinos and African-Americans have lower levels of this social capital measure. Gender and income are not significant determinants of this social capital dimension.

*Surprisingly, individuals with high levels of network-based social capital have low levels of norm-based social capital and vice versa.* This unexpected result is a worthy topic for further research.

The elements that shape the development of social capital for individuals are remarkably similar for Los Angeles and the nation. The lower levels of social capital observed in Los Angeles can then be explained by reference to lower levels of these background characteristics. The links between education, income and religiosity on the one hand and higher levels of social capital on the other suggest that economic opportunities and resources may be key to the development of social capital.

---

### THE SOCIAL CAPITAL COMMUNITY BENCHMARK SURVEY

The findings of *Philanthropy and Social Capital in Los Angeles* are based on data collected as part of the Social Capital Community Benchmark (SCCB) survey, a national study undertaken in 2000 to document and examine the levels of social capital – the norms of trust and reciprocity and the networks of civic engagement – in communities across the United States. Robert Putnam of the Kennedy School of Government at Harvard University, in collaboration with over 30 community and private foundations across the United States, conducted the survey to develop indices of social capital based on survey responses to questions about attitudes, perceptions and behavior. The effort included a representative national sample of 3003 respondents, and

representative samples of more than 30 communities, including Los Angeles. The Los Angeles sample surveyed 515 randomly selected individuals countywide, in English or in Spanish.

The survey was designed to measure a variety of indices that represent significant components of social capital, a concept which to date, has proved to be difficult to measure. In addition, data was collected on a wide variety of socio-economic attributes of the respondent, a variety of behaviors related to social capital including philanthropy, and the respondent's attitudes and perceptions about the community and civic life. Data gathered in response to these questions were used to develop a variety of indices of social capital.





The Center on Philanthropy and Public Policy promotes more effective philanthropy and strengthens the nonprofit sector through research that informs philanthropic decision making and public policy to advance public problem solving. Using California and the West as a laboratory, the Center conducts research on philanthropy, volunteerism, and the role of the nonprofit sector in America's communities. The Center communicates its findings and convenes leaders from the philanthropic, nonprofit, and policy communities to help them identify strategies for action.

The Center on Philanthropy and Public Policy  
School of Policy, Planning, and Development  
University of Southern California  
Lewis Hall, Room 210  
Los Angeles, CA 90089-0626

Phone: (213) 740-9492  
Fax: (213) 740-0001  
Email: [cppp@usc.edu](mailto:cppp@usc.edu)  
Web site:  
[www.usc.edu/philanthropy](http://www.usc.edu/philanthropy)

## Philanthropy: Social Capital and Other Contributing Factors

Social capital matters for philanthropy in Los Angeles, as do the individual's social, demographic and economic characteristics.

*Individuals with greater levels of social capital give more and volunteer more.* Individuals who are actively engaged in their community have greater levels of total giving, religious giving, secular giving, and volunteering. Individuals that exhibit strong norms of trust and participation have greater total giving, religious giving and volunteering. This suggests that, to the extent there is a lack of trust, it may negatively affect giving and volunteering.

*Education and income have a positive impact on giving, in addition to their influence via social capital.* But neither has an independent impact on volunteering. Education increases giving, in terms of total giving and secular giving in Los Angeles. Income also has an impact on giving – total, religious, and secular – in Los Angeles.

*Patterns of giving and volunteering also vary across racial and ethnic groups in Los Angeles.* Whites and Latinos have similar giving and volunteering patterns. African-Americans tend to volunteer less than whites, but give more to religious causes. Asian-Americans also tend to give more than whites to religious causes.

*Religion is an important factor in philanthropic behavior.* The importance of religion is underscored not only by the linkages between religion and philanthropy in various racial and ethnic communities, but also by the strong positive relationship between the frequency of attending religious services and in total giving, religious giving, and volunteering.

## The Philanthropy-Social Capital Nexus

Los Angeles has a deficit of social capital, and that deficit reduces giving and volunteering. This analysis of the nexus between social capital and philanthropic behavior has important implications for Los Angeles. These include:

- The strong correlation between the level of social capital and philanthropic behavior in Los Angeles raises the possibility that policies that engage Los Angelenos as citizens may also strengthen and encourage philanthropic behavior.
- Education and income are driving forces in the level of social capital, suggesting the importance of economic opportunities and resources. Increasing the effectiveness of the education system at all levels is a key strategy for strengthening social capital and stimulating charitable giving.
- Faith-based organizations are an important facet of social capital in racial and ethnic communities in Los Angeles. This highlights the potential benefits of engaging such organizations as partners in community building and problem solving.

Social capital matters for philanthropy. Given the strong nexus between social capital and charitable giving and volunteering, efforts to increase the level of social capital will not only directly increase the community's capacity to govern, but will also bolster philanthropy. As a consequence, the local nonprofit sector will be strengthened. The challenge is to learn more about the factors that shape social capital and its impacts, and to foster efforts to encourage its growth.