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Volume Author/Editor: Frank G. Dickinson

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Chapter Author: Frank G. Dickinson

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## 10 Conclusions:

# *The Comprehensive Estimates of Philanthropic Giving*

As has been stated repeatedly, economists who investigate philanthropy are faced with the obvious fact that it does not involve buying and selling; it is not a marketplace operation. Fixing the boundaries of economic activities covered by the term has been among the most difficult parts of this investigation. Hence, in evaluating the final estimates, attention should again be called to some of the problems of definition and concepts which have plagued the author. Throughout this volume, however, there has been an attempt to arrange the data so that critics who regard a particular economic activity as not falling within the domain of philanthropy would have little trouble removing the item by merely striking out a whole column of figures.

Before stating the conclusions, the concept of philanthropy should be briefly restated. My concept is: Giving away money (or its equivalent) to persons outside the family and to institutions without a definite or immediate *quid pro quo* for purposes traditionally considered philanthropic.

In the most general terms the conclusion of this study is that 5.1 per cent of GNP in 1929 was devoted to purposes falling within the concept of philanthropy used in this study—1.8 per cent for private domestic

Table 10-1

*Philanthropic Giving, Quadrant Totals, 1929-59*  
(millions of dollars)

Year	Private Domestic (1)	Private Foreign (2)	Public Domestic (3)	Public Foreign (4)	All Public (3)+(4) (5)	Total Philanthropy (6)
1929	1,878	343	3,112		3,112	5,333
1930	1,817	306	3,167		3,167	5,290
1931	1,590	279	3,333		3,333	5,202
1932	1,498	217	3,580		3,580	5,295
1933	1,327	191	3,865		3,865	5,383
1934	1,559	162	4,436		4,436	6,157
1935	1,599	162	4,897		4,897	6,658
1936	1,865	176	3,897		3,897	5,938
1937	2,019	175	4,338		4,338	6,532
1938	2,012	153	4,957		4,957	7,122
1939	2,245	151	5,389		5,389	7,785
1940	2,316	178	5,535		5,535	9,786 <sup>a</sup>
1941	2,755	179	5,667		5,667	12,114 <sup>a</sup>
1942	3,434	123	5,720		5,720	12,790 <sup>a</sup>
1943	4,110	249	5,775	17,567 <sup>a</sup>	46,340 <sup>a</sup>	13,647 <sup>a</sup>
1944	4,339	357	6,076			14,285 <sup>a</sup>

1945	4,570	473	8,346	4,170 <sup>b</sup>	25,289 <sup>b</sup>	{ 16,536 <sup>ab</sup>
1946	4,788	650	12,773			{ 20,991 <sup>b</sup>
1947	5,527	669	15,361	1,887	17,248	23,444
1948	6,114	683	16,600	3,863	20,463	27,260
1949	6,313	521	18,449	4,983	23,432	30,266
1950	7,125	444	19,005	3,505	22,510	30,079
1951	8,360	386	18,928	3,040	21,968	30,714
1952	9,156	417	19,742	1,980	21,722	31,295
1953	10,029	476	21,409	1,845	23,254	33,759
1954	10,219	486	23,993	1,662	25,655	36,360
1955	11,332	444	26,432	1,904	28,336	40,112
1956	12,200	503	29,352	1,733	31,084	43,788
1957	12,962	535	33,967	1,616	35,583	49,080
1958	13,498	525	38,821	1,616	40,437	54,460
1959	14,367	563	42,221	1,633	43,854	58,784
1929-59 <sup>c</sup>	172,923	11,176	419,143	53,006 <sup>d</sup>	472,149	656,248

*Notes to Table 10-1*

Note: Detail may not add to total because of rounding.

<sup>a</sup>Total for fiscal 1941-45. Data were not available to break down this five-year total. In order to estimate separate calendar-year figures for inclusion in column 5, the fiscal 1941-45 total was arbitrarily broken down as follows: 1940, 1,757; 1941, 3,513; 1942, 3,513; 1943, 3,513; 1945, 1,757.

<sup>b</sup>Total for mid-1945 through 1946; arbitrary breakdown for inclusion in column 5: 1945, 1,390; 1946, 2,780.

<sup>c</sup>See note a, Table 2-1.

<sup>d</sup>Total for mid-1940 through 1959. GNP over this period, the denominator of the ratio in Table 10-2, equaled \$5,790 billion.

Source: Columns 1 and 2: Table 2-1; column 3: Table 5-3; column 4: Table 9-4. Over 10 per cent of the figures in this table involve estimation, interpolation, or extrapolation (see earlier chapters).

plus 0.3 per cent for private foreign plus 3.0 per cent for public domestic, but, of course, none for public foreign, as this form of aid was negligible between the two world wars. The percentage for all types combined rose rapidly to 9.6 in 1933 (when GNP was low), declined to 6.8 in 1944, and did not exceed 9.6 until 1946. The peak percentage was 12.3 in 1958. Stated briefly, the percentage had risen from the 5 per cent figure for 1929 quickly to 10 per cent during the depression, then irregularly to 12 per cent in 1959—the end of our period.

The amounts in millions of dollars and percentages of GNP for each of the quadrants, and for all quadrants combined are set forth in Tables 10-1 and 10-2.

The second over-all conclusion is that the public sector accounted for most of the increase from 5 to 12 per cent of GNP between 1929 and 1959. The private sector, which was less than the public sector in every year—even in 1929—increased from 2.1 to 3.1 per cent. The public sector increased from 3.0 to 9.1 per cent of GNP.

There has been no attempt to develop diagrams or deflate the figures and establish trend lines in this study. The basic reasons for these omissions lie in the data themselves. There is no really adequate information on the changes in prices associated with expenditures on philanthropic activities, though the Consumer Price Index or GNP deflator could be used for some purposes. But deflation is not essential in the present case because we place our emphasis on percentages of GNP rather than on the millions of dollars expended. In the second place, not all of these philanthropic activities existed throughout the entire thirty-year period;

for example, the foreign aid between World War I and World War II was so small that no attempt was made to record it.

It is hoped that the tables themselves—in dollars and, particularly, percentages of GNP—and the descriptive discussions of the data will be sufficient to set forth the procedures and the findings of this study.

Finally, in an attempt to make these final conclusions brief enough to silhouette the major findings, the author has omitted details. The reader should refer to the numerous tables in earlier chapters for data on particular types and kinds of philanthropy. The author is very much aware of the brevity of his conclusions.

This volume covers a part of the social history of the American people during three decades when there were many changes, particularly the increasing role of the public sector in philanthropic activities as defined herein. It seems to the author that the basic finding of this study is this: During these three decades the American people have become more generous. Moreover, in our type of pluralistic economy, this greatly increased generosity has been manifested very largely in what I have designated as public philanthropy. But private philanthropy has also increased. The mainspring of this expanding generosity remains the basic philanthropic attitudes of our people, revealed before 1929 and revealed even today in the impressive volume of private philanthropy.

Table 10-2

*Philanthropic Giving, Totals, as Percentage of Gross National Product, 1929-59*

Year	Private Domestic (1)	Private Foreign (2)	Public Domestic (3)	Public Foreign (4)	All Public (3)+(4) (5)	Total Philanthropy (6)
1929	1.798	0.328	2.980		2.980	5.106
1930	1.994	0.336	3.476		3.476	5.806
1931	2.085	0.366	4.370		4.370	6.820
1932	2.562	0.371	6.123		6.123	9.057
1933	2.371	0.341	6.906		6.906	9.619
1934	2.399	0.249	6.827		6.827	9.476
1935	2.205	0.223	6.754		6.754	9.183
1936	2.254	0.213	4.710		4.710	7.176
1937	2.224	0.193	4.779		4.779	7.195
1938	2.361	0.180	5.816		5.816	8.357
1939	2.464	0.166	5.916		5.916	8.545
1940	2.302	0.177	5.501		5.501	9.726 <sup>a</sup>
1941	2.190	0.142	4.504		4.504	9.628 <sup>a</sup>
1942	2.158	0.077	3.594		3.594	8.037 <sup>a</sup>
1943	2.135	0.129	3.000	2.065 <sup>a</sup>	21.538 <sup>a</sup>	7.089 <sup>a</sup>
1944	2.052	0.169	2.874			6.758 <sup>a</sup>

1945	2.140	0.221	3.908	1.324 <sup>b</sup>	11.295 <sup>b</sup>	{ 7.743 <sup>ab</sup> 9.964 <sup>b</sup>
1946	2.273	0.309	6.063	.805	7.361	10.006
1947	2.359	0.286	6.556	1.489	7.888	10.508
1948	2.357	0.263	6.399	1.931	9.080	11.729
1949	2.446	0.202	7.149			
1950	2.504	0.156	6.678	1.232	7.910	10.569
1951	2.541	0.117	5.754	.924	6.678	9.336
1952	2.639	0.120	5.689	.571	6.260	9.018
1953	2.745	0.130	5.859	.505	6.364	9.239
1954	2.814	0.134	6.608	.458	7.066	10.013
1955	2.851	0.112	6.650	.479	7.129	10.092
1956	2.910	0.120	7.002	.413	7.415	10.446
1957	2.927	0.121	7.671	.365	8.036	11.085
1958	3.036	0.118	8.733	.364	9.097	12.251
1959	2.976	0.117	8.747	.338	9.085	12.178
1929-59 <sup>c</sup>	2.575	0.166	6.242	.915 <sup>d</sup>	7.031	9.773

See Table 10-1 for Source and Notes.