

Growth in the Nonprofit Sector and Competition for Funding

Debra Yurenka

November 2007

Abstract: I use September 11, 2001 as an example of an unanticipated event that increased fundraising productivity for particular nonprofit industries. Using a constructed panel data set, I show that an outcome of this event was a shift in donations toward certain nonprofit industries (specifically International/National Security, Public Safety, and Science/Technology) and a shift away from another group of nonprofit industries (namely Arts, Human Services, Civil Rights, and Philanthropy). I calculate that this shift of donations amounted to approximately \$4 billion and \$12 billion in 2002 and 2003, respectively. I then examine the impact of the shock on total fundraising expenditure and on fundraising efficiency for the two groups. Ex ante there is concern that the growth experienced by the gaining nonprofit industries could cause waste in the form of increased fundraising expenditure in a struggle to attract donations. The increased fundraising expenditure would then draw resources away from the nonprofit's primary mission. I find, however, that controlling for year and industry, the nonprofit industries that lose out on donations post-9/11 do not increase overall fundraising expenditure, and do not experience a decrease in fundraising efficiency. An increase in fundraising expenditure by the gaining group is justified because fundraising is more productive for them after the shock. While growth did coincide with a shift in resources away from one group toward another, industries did not respond in a wasteful manner to recover these donations. The outcome likely provided increased and greater valued services to end consumers.

0.1 Introduction

Traditional economic theory about the for-profit economy says that by and large, greater competition in the form of additional organizations results in a positive outcome. In general, more competition leads to lower prices to consumers, greater productivity of firms, greater output, higher levels of efficiency, and enhanced overall welfare to the economy. My research aims to answer whether the same general predictions and outcomes established in the for-profit economy are also true for the nonprofit sector.

The nonprofit sector has experienced substantial growth over the past two decades, raising the relative importance of this under-researched sector of the economy. Growth has occurred both in the number of organizations and in the size of existing organizations. The increased number of nonprofits has prompted concern from the nonprofit community and government agencies, and raised questions from legislators. A key distinguishing characteristic of the nonprofit sector, as opposed to the for-profit economy, is the reliance of organizations on charitable donations as a means for providing goods and services. Thus, an important concern is that more organizations increase competition for potentially scarce donation resources. The immediate implication is that each organization will have fewer financial resources with which to provide services. What is more concerning is that the strategic response of an organization may be to spend more resources on fundraising activities in an effort to attract more donations. If the overall pool of donations is limited, increasing fundraising expenditures across organizations will result in more dollars being spent in unproductive fundraising efforts that might otherwise be spent productively delivering goods and services.

These topics focusing on the competitive dynamics of the non-profit sector have been the focus of far less research than similar topics in for-profit sectors. Likewise, as the nonprofit sector gains prominence in our overall economy, little study has been done about the impact this growth has had on the sector itself, and in particular on organizations' ability to attract potentially scarce donation resources. In this paper I propose a potential instigator for growth in the nonprofit sector, and discuss the reallocation of donations that occurs with this growth. Further, I analyze the effect this growth and reallocation has on a measure of fundraising efficiency and on overall fundraising expenditures for groups of nonprofit organizations differ-

entially affected by the growth. As such, I lend insight into the question of whether an increase in the number of nonprofit organizations is as beneficial as economists usually deem it to be in the for-profit economy. A large literature exists that examines the link between various funding sources (government grants, money from foundations) and donations received from individuals, and between government grants and fundraising expenditure (Andreoni and Payne, 2001 and 2007). This literature focuses on decisions within a firm. I instead look at the relationship between nonprofit industries and the impact on contributions received, fundraising expenditure and fundraising efficiency. Bilodeau and Slivinski (1997) look at the relationship between charities and how allocation decisions within a charity affect donations received. I provide evidence of the existence of a market for charitable contributions and discuss how otherwise unrelated nonprofit industries are linked by this market.

I propose a Cournot model to describe the market for donations, where each nonprofit industry maximizes net donations by choice of fundraising expenditure. This choice of fundraising expenditure is dependent on fundraising expenditure by other industries, and on the abilities of each industry to generate donations. I outline theoretically how the occurrence of an unanticipated event, or shock, may increase a nonprofit industry's ability to generate donations. This shock has a negative impact on donations received in other industries¹. In this paper, I use the occurrence of the events of September 11, 2001 to quantify the effects of a shock to ability to attract donations for certain nonprofit industries (defined as "winners"). I show how the shock shifts donations away from a specific group of nonprofit industries (defined as "losers"). In the case of 9/11, an increase in fundraising ability for winners led to approximately \$4 billion in donations in 2002 and \$12 billion in donations in 2003 being shifted away from losers to winners.²

I derive theoretically the impact a shock has on own and other's fundraising expenditure. After statistically controlling for year and industry fixed effects, I show that total fundraising is actually decreasing for losers and increasing for winners post 9/11. I show empirically that fundraising expenditures are less productive for loser industries when winner industries experience a boost to fundraising productivity. That loser industries do not increase fundraising

¹This decrease in donations away from certain nonprofit industries can occur, and indeed does occur, while total donations to all industries are increasing.

²Where total donations were approximately \$220 billion and \$230 billion in 2002 and 2003, respectively.

expenditure should reduce the concern that waste (at least in the context of fundraising) is occurring in light of the expansion of the nonprofit sector³. Further, I analyze the adjustment of the market after this shock occurs that differentially affects nonprofit industries' fundraising abilities.

The paper proceeds in the following manner. Section 2 introduces a conceptual framework. Section 3 describes the original data source and panel data set construction. Section 4 presents empirical observations, and section 5 concludes.

0.2 Conceptual Framework

Nonprofit industries rely, to some extent, on charitable contributions as a financial resource used to provide goods and services. Donations are important to nonprofits because the collective good nature of output limits user fees as a source of revenue (Weisbrod, 1998). I propose here a model of the market for charitable contributions. Within this framework, I describe how in the nonprofit sector of the economy, industries compete for charitable contributions ("donations"). I then derive strategic responses and outcomes for nonprofit industries that result from competition between industries. I also derive the effect of an exogenous shock that differentially impacts nonprofit industries. I provide an illustration of a straight forward supply/demand framework to describe how an exogenous shock can cause growth in a nonprofit industry. This illustration is also used to comment on the effect an exogenous shock has on a measure of fundraising efficiency. Finally, I describe how the existence of a market for donations provides clear distinctions between the nonprofit and for-profit sectors of economy.

0.2.1 The Market for Charitable Contributions

In this section I outline a model where two nonprofit industries interact to maximize charitable contributions available for use in providing goods and services. Nonprofit industries want as many contributions as possible, but these contributions come at the cost of fundraising expenditures. Nonprofit industries, therefore, must maximize net contributions: contributions received minus fundraising expenditures. I assume the two nonprofit industries compete in a

³Where this growth is occurring in specific nonprofit industries.

Cournot model. Each industry simultaneously chooses fundraising expenditures. The choice of each firm is dependent on parameters of each industry, and on the fundraising decision made by the other industry. I derive a simple model of a Cournot game that demonstrates the relationship between fundraising expenditures, a measure of productivity of fundraising expenditures in generating donations, and donations received by a nonprofit industry.

Suppose there are two nonprofit industries, i and j . A nonprofit industry is assumed to maximize net donations, defined as donations, D_i , minus fundraising expenditure, F_i . Donations received by industry i depend on "awareness", A_i , in the public of industry i , and also on the public "awareness", A_j , of industry j . The more awareness that exists, the more donations the nonprofit industry will attract. "Awareness" is a somewhat generic term that can be interpreted in several ways; each interpretation leads to the same conclusions. Awareness can be interpreted as actual need for services from a nonprofit industry. The more public need there is for industry i , the more donations it will be able to attract. "Awareness" can also be interpreted as popularity. Of course a nonprofit industry might be popular because there is great need for its services. However, even if there is little actual public need for the services of a nonprofit industry, if the nonprofit industry is sufficiently fashionable or there is sufficient "perceived" need for its services, the cause or mission championed by the nonprofit industry could receive substantial donations. Thus, donations increase in own awareness, and decrease in awareness of the other nonprofit industry.

Awareness is affected by choice variable F_i , and by exogenous parameter θ_i . Awareness of the nonprofit industry can be increased through expenditure on fundraising, F_i . θ_i reflects how productive a nonprofit industry is in generating awareness with fundraising expenditure. Donations are defined as $D_i = D_i(A_i(F_i), A_j(F_j))$. To simplify for illustration purposes, I define $A_i(F_i) = \theta_i F_i$, and similarly $A_j(F_j) = \theta_j F_j$. A nonprofit industry makes its fundraising decision based on its own θ_i and on the other industry's level of awareness, $A_j(F_j) = \theta_j F_j$.

The nonprofit industry's problem is

$$(1) \quad \max D_i(A_i(F_i), A_j(F_j)) - F_i$$

The nonprofit chooses F_i where

$$(2) \quad \frac{\partial D_i(A_i(F_i), A_j(F_j))}{\partial A_i} \frac{\partial A_i(F_i)}{\partial F_i} - 1 = 0$$

The nonprofit chooses fundraising expenditure where the marginal product from another

dollar spent on fundraising is a dollar in donations. Weisbrod and Okten (2000) study the positive relationship between fundraising (advertising) and donations. Rose-Ackerman (1982) shows a similar relationship between fundraising and donations, and Steinberg (1986) discusses the concave relationship between fundraising expenditure and donations. I assume that D_i is concave and twice continuously differentiable in $A_i(F_i)$, and that the functions A are concave and twice continuously differentiable in F . These assumptions and the form of the nonprofit industry's objective function make the first order condition (2) the sufficient condition for a unique Nash equilibrium.

I define the nonprofit industry's condition for an optimum as

$$(3) \quad X^i = \frac{\partial D_i(A_i(F_i), A_j(F_j))}{\partial A_i} \frac{\partial A_i(F_i)}{\partial F_i} - 1 = 0, \text{ where } F_i = \arg \max_{F_i} (D_i(A_i(F_i), A_j(F_j)) - F_i)$$

Using this condition and the implicit function theorem, I derive comparative statics to determine the direction of changes in this model.

First I derive the effect of a change in exogenous parameter, θ . An unanticipated event could change own (θ_i) or other (θ_j) productivity in generating donations. The effect of a change in own productivity, θ_i , on own fundraising is the following:

$$(4) \quad \frac{dF_i}{d\theta_i} = - \frac{\frac{\partial X^i}{\partial \theta_i}}{\frac{\partial X^i}{\partial F_i}}$$

$$(5) \quad \frac{dF_i}{d\theta_i} = - \frac{\frac{\partial^2 D_i}{\partial A_i^2} \frac{\partial A_i}{\partial \theta_i} \frac{\partial A_i}{\partial F_i} + \frac{\partial D_i}{\partial A_i} \frac{\partial^2 A_i}{\partial F_i \partial \theta_i}}{\frac{\partial^2 D_i}{\partial A_i^2} (\frac{\partial A_i}{\partial F_i})^2 + \frac{\partial D_i}{\partial A_i} \frac{\partial^2 A_i}{\partial F_i^2}} = - \frac{\frac{\partial^2 D_i}{\partial A_i^2} F_i \theta_i + \frac{\partial D_i}{\partial A_i}}{\frac{\partial^2 D_i}{\partial A_i^2} (\theta_i)^2}$$

By concavity of D_i , the denominator of (5) is negative, so the sign of the derivative depends only on the sign of the numerator. Again by concavity of D_i , the first term in the numerator is negative. The second term in the numerator is positive. Thus the total effect of a change in θ_i on F_i depends on the magnitude of these two terms. There are offsetting "income" and "substitution" effects present. The first term can be thought of as an "income effect" - the more productive is own fundraising expenditure the less is spent on fundraising. The second term is the "substitution effect" - the more productive own fundraising expenditures are, the less expensive donations are to obtain, and the greater the desire to spend on fundraising.

The effect of a change in other nonprofit industry's productivity, θ_j , on own fundraising is the following:

$$(6) \quad \frac{dF_i}{d\theta_j} = - \frac{\frac{\partial X^i}{\partial \theta_j}}{\frac{\partial X^i}{\partial F_i}}$$

$$(7) \quad \frac{dF_i}{d\theta_j} = -\frac{\frac{\partial^2 D_i}{\partial A_i \partial A_j} \frac{\partial A_j}{\partial \theta_j} \frac{\partial A_i}{\partial F_i}}{\frac{\partial^2 D_i}{\partial A_i^2} \left(\frac{\partial A_i}{\partial F_i}\right)^2 + \frac{\partial D_i}{\partial A_i} \frac{\partial^2 A_i}{\partial F_i^2}} = -\frac{\frac{\partial^2 D_i}{\partial A_i \partial A_j} F_j \theta_i}{\frac{\partial^2 D_i}{\partial A_i^2} (\theta_i)^2}$$

Again, the sign of the derivative is dependent on the sign of the numerator. Here the sign depends on the sign of the cross derivative, $\frac{\partial^2 D_i}{\partial A_i \partial A_j}$. If the marginal product of own awareness (in generating donations) is increasing in the awareness of other nonprofit industries, then own fundraising expenditure will increase in response to a positive shock to θ_j . If, on the other hand, as awareness of other industries decreases productivity of own awareness, it is optimal to decrease own fundraising expenditure.

A comparative static studied in the literature on competitive advertising is the effect an increase in other's advertising has on own advertising, derived as the slope of the reaction function, where the reaction function is nonprofit industry i 's best response to the fundraising decisions of other industries. Friedman (1983) derives a model of competitive advertising for an oligopoly and extends this to other market structures. I derive this response for own and other fundraising as follows:

$$(8) \quad \frac{dF_i}{dF_j} = -\frac{\frac{\partial X^i}{\partial F_j}}{\frac{\partial X^i}{\partial F_i}}$$

$$(9) \quad \frac{dF_i}{dF_j} = -\frac{\frac{\partial^2 D_i}{\partial A_i \partial A_j} \frac{\partial A_j}{\partial F_j} \frac{\partial A_i}{\partial F_i}}{\frac{\partial^2 D_i}{\partial A_i^2} \left(\frac{\partial A_i}{\partial F_i}\right)^2 + \frac{\partial D_i}{\partial A_i} \frac{\partial^2 A_i}{\partial F_i^2}} = \frac{\frac{\partial^2 D_i}{\partial A_i \partial A_j} \theta_j}{\frac{\partial^2 D_i}{\partial A_i^2} \theta_i}$$

The sign of the derivative again depends on the sign of the cross derivative, $\frac{\partial^2 D_i}{\partial A_i \partial A_j}$. The sign of the effect of F_j on F_i , and the effect of θ_j on F_i both depend solely on the sign of this cross derivative. In the competitive advertising literature, the sign of $\frac{dF_i}{dF_j}$ determines whether industries (or companies) are strategic complements or strategic substitutes. If own fundraising increases as other advertising increases, then the two industries are strategic complements. If, however, own advertising decreases when other advertising increases, the two industries are considered strategic substitutes. In this setting, the distinction between strategic complements and strategic substitutes depends on the sign of this cross derivative. A shock to industry j 's ability to increase awareness for their cause, through an increase in need, popularity, or perceived need, could effectively raise awareness of the nonprofit sector as a whole, and increase return to fundraising expenditure by all nonprofit industries - as would be the case if the two nonprofit industries were strategic complements. Alternatively, when awareness increases for industry j (either through an increase in fundraising expenditure or through an increase in ability

to increase awareness) and this decreases industry i 's ability to raise awareness, the industry i will decrease fundraising and the two industries are considered strategic substitutes.

Also interesting to examine is the impact changes in θ_i and θ_j have on donations received by firm i . Totally differentiating D_i with respect to θ_i gives

$$(10) \quad \frac{dD_i}{d\theta_i} = \frac{\partial D_i}{\partial A_i} \frac{\partial A_i}{\partial \theta_i} + \frac{\partial D_i}{\partial A_i} \frac{\partial A_i}{\partial F_i} \frac{\partial F_i}{\partial \theta_i}$$

The total effect on D_i is a sum of the direct effect a change in θ_i has on donations, and the indirect effect a change in θ_i has on F_i and how this in turn affects D_i . The sign of $\frac{\partial F_i}{\partial \theta_i}$ is that derived above. The indirect effect θ_i has on F_i can increase or decrease the magnitude of the effect of a change in θ_i on D_i , but it is assumed that the indirect effect will not totally overwhelm the direct effect, such that $\frac{dD_i}{d\theta_i}$ remains positive.

Differentiating D_i with respect to θ_j gives

$$(11) \quad \frac{dD_i}{d\theta_j} = \frac{\partial D_i}{\partial A_j} \frac{\partial A_j}{\partial \theta_j} + \frac{\partial D_i}{\partial A_i} \frac{\partial A_i}{\partial F_i} \frac{\partial F_i}{\partial \theta_j} + \frac{\partial D_i}{\partial A_j} \frac{\partial A_j}{\partial F_j} \frac{\partial F_j}{\partial \theta_j}$$

An exogenous shock that changes industry j 's productivity has three effects on donations to industry i : through the direct effect on A_j , and effects felt through changes caused in F_i and F_j . While indirect effects (the second two terms) should not overwhelm direct effect (the first term), the magnitude of the total effect on D_i will depend on the signs of the effects on F_i and F_j derived above. If the substitution effect dominates and the two industries prove to be strategic substitutes, then the negative direct effect will be exacerbated and there will be a large negative impact on D_i . If instead the income effect dominates and the two industries are strategic complements, the negative direct effect will be mitigated by the two indirect effects and the negative effect on D_i will not be as large.

As discussed here, when an exogenous event changes the fundraising productivity of one nonprofit industry, there are two effects to consider. First, the change in another industry's fundraising ability affects both own and other fundraising expenditures. Second, both own and other donations received are affected by the shock. The direction of the changes are entirely tied to two concepts: the notion of strategic complements vs. strategic substitutes, and the trade-off between the income and substitution effect.

0.2.2 Supply and Demand Framework in the Market for Donations

Suppose there are two nonprofit industries, "winners" and "losers". Winners and losers each have their own (derived) demand for donations. Demand for donations comes from the firms in the nonprofit industry. My concept of "price" in this framework is simply the fundraising expenditure per dollar received in donations.⁴ Demand for donations is downward sloping, as the more the organization must pay for a \$1 donation, the fewer donations it will demand. Each industry faces an upward sloping supply of donations - this supply is coming from donors. In the context of the model presented above, imagine that "winners" received a positive shock to θ_W . For a given amount of fundraising expenditure, winners can now generate more awareness and receive a greater amount of donations. This change in θ_W has a negative impact on donations to the "loser" industry. This shock shifts donations toward winners and away from losers. Graphically, this is illustrated as an outward shift in supply of donations to winners, and an inward shift of supply to losers. See Figure 1 for the basic illustration. With these shifts in supply of donations, the "price" of a donation increases to losers, and decreases to winners (from p^* to $p^{*'} in each industry). Equilibrium donations increase to winners and decrease to losers (a shift from q^* to $q^{*'}$ in each industry). This "price" concept is an observed outcome in the market for donations. The new equilibrium is a result of a shift in the supply curve, and movement along the demand curve. Growth in the winning industry can be created on the intensive (through growth in existing firms) or extensive (through entry of firms) margin. Similarly, contraction in the losing industry can occur through decline of existing organizations, or through exit of organizations from that industry.$

0.2.3 Distinction from the For-Profit Sector

This model highlights two differences between the nonprofit sector and the for-profit economy. In the for-profit economy, the end consumer is the entity that pays for the good or service.

⁴This notion of price is obviously an average, not a marginal value as is usually defined in economics. I use this concept to be able to say something descriptively about the outcome of the market. This ratio is also one commonly used in the nonprofit world to describe fundraising efficiency of nonprofit organizations. While this ratio is commonly used, it is not used without critique. As was even argued before, and accepted by the Supreme Court in rulings regarding nonprofit firms, the usage of the term "efficiency" should not be used to make judgements about the effectiveness of management of the organization. Instead this ratio reveals more information about the "popularity" of a certain nonprofit industry. In either case, the effect for my model is the same, and the terminology discussion, I believe, is purely semantics.

Growth is driven by increased demand from the end consumer. In this nonprofit context, an exogenous shock increases the supply of donations to a nonprofit industry, resulting in a movement along the demand curve reflective of growth in the industry. Thus, growth can be motivated not by the end consumer of a service, but by donors directing money to a given industry. The second point, depicted clearly in the empirical analysis that follows, is that within the nonprofit sector, there is a linkage between all industries. Industries that are presumably unrelated in input and output markets must still compete with one another for charitable donations, and are therefore interdependent.

0.3 Data Source, Construction, and Approach

0.3.1 Raw Data

To analyze the growth in public charities, I use data obtained from the National Center for Charitable Statistics (NCCS). The NCCS derives its data primarily from information that tax-exempt nonprofit organizations file with the Internal Revenue Service. Primary data used are The Core Files for Public Charities, produced annually by the NCCS. The Core Files combine information from two sources: descriptive information from the Business Master Files, and financial information from the Return Transaction files. The Business Master Files are cumulative IRS file containing descriptive information on all active tax-exempt organizations. Data contained are from IRS forms 1023 and 1024, the applications for IRS recognition of tax-exempt status. The IRS Return Transaction Files are a source of financial data for all organizations that file IRS Forms 990, or Form 990-EZ. These files contain up to 60 financial variables, depending on the year. Organizations not required to file Form 990, including religious organizations and those with less than \$25,000 in gross receipts, are generally excluded from the file.

The Core Files for Public Charities include only public charity organizations required to file the Form 990 or Form 990-EZ and complied with that requirement. Public Charities are included in the category 501(c)(3) organizations. They may receive tax-deductible donations, are prohibited from distributing profits to owners, must meet the public support requirement

to qualify as a public charity, and in turn do not have to pay federal income taxes.⁵ If an organization did file but was not required to do so, NCCS does not include the filing in this data set.

The Core File for a given year includes the filings of all organizations who filed in that processing year, but does not necessarily correspond to the filing for an organization for that particular fiscal year. As such, each Core File contains filings from several different fiscal years, but only includes one filing per organization. This is a cause for concern when attempting to address a change that occurred and affected variables at a given point in time. I address this concern.

Other concerns about the data do arise. The Core Files include all public charities who were required to file and did so. Of course, not all organizations comply with the requirements each year; organizations can legally file for extensions on filing. As such, not every organization files every year. How this is reflected by the NCCS in the Core Files is the following. If an organization does not appear in the data NCCS receives from the IRS for a particular year, but it is expected that the organization is in existence and should have filed, the NCCS includes the most recent previously received filing from the organization if that filing occurred in the past three processing years. When the organization skips a year of filing, the next year it often files for the current year and the previous (skipped) year. When this happens, the NCCS only records the data from the most recent filing. The data from the skipped year is then lost. I found this skipping of years by organizations not to be a large problem, but not insignificant either. For a given processing year, usually fewer than 10% of organizations appeared to be missing (not filing when they should have).

0.3.2 Imputed Data Set

I address some of the issues present in the Core Files by reconstructing the data set. Core Files are available for processing years 1989 through 2004 (recall that the raw data for a given year

⁵Private Foundations are also categorized as 501(c)(3) organizations. Private foundations may not pay out profits to owners, do not have to meet the public support requirement, can receive tax-deductible donations, but do have to pay some federal taxes. The taxes these organizations pay come in the form of excise taxes on investment income earned on assets.

contains some filings for previous years)⁶. For example, Core File for 1989 includes filings with five different fiscal year ends, with most being 1987, 1988, and 1989. The majority (usually about 60%) have fiscal year ends corresponding to the processing year. I created a panel data set where the year corresponds to the fiscal year. Noting that organizations do differ in the month of fiscal year end. I centered a fiscal year (a panel year) around December 31 of a given year so that filings with fiscal year end July of year t , through June of year $t+1$ are considered be year t organizations. Duplicate fiscal year filings for an organization occur fairly frequently due to the year skipping, and NCCS's procedures for handling the data. When duplicate fiscal year filings were observed, duplicates were deleted, creating gaps between panel years for a given organization. For almost all of the missing years, it is not likely that the organization went out of business; so to account for this, I generated and imputed values for missing observations.

An imputed filing observation was created only if several standards were met. First, an observation was only imputed if there were three or fewer sequential missing observations. A second standard required the previous and following actual observations to be greater than \$50,000 in gross receipts, because if the organization falls below \$25,000 in gross receipts it is not required to file. Imputed financial variables were calculated by applying the growth rate of observed filings between years to the previous observed filing for the organization. Categorization variables in the data set were imputed by filling in the category from the previous observed filing for that organization.

In the later years of the data, one cannot tell whether the organization ceased to exist or it just skipped filing for three or fewer years. If an organization had missing filings in 2001 through 2003, not returning in or before 2003, I needed a way of determining if the missing filing should be imputed. For missing observations in these later years, I calculated the probability that an organization would return. The organization as the observation level, I constructed from the years 1989 through 2000 a data set for organizations that have at least one missing filing in that period. Using financial variables from the last observed filing as independent variables, and as the dependent a binary variable (return / no return), I estimated a probit model. Then for each organization that does have missing filings in the later years (2001-2003) where I do

⁶The 2004 and 2005 CORE files have become available since the original formulation of my panel data set. These will be added and used for potential robustness checks as I further develop this research.

not observe a subsequent filing, I predict the probability that the organization will return using the probit estimation and financial variables from the most recent observed filing. I then use this probability as the weight for the imputed observations. Note that if an organization has a missing filing but does re-appear within the three year requirement, the weight assigned to the imputed observation is one.

The imputed panel does not differ significantly from the raw data. Year to year trends in variables appear to be about the same, with the imputed panel having higher levels in terms of sums for given financial variables.

0.3.3 Categorization of Public Charities

In my analysis I look at how growth has occurred overall, but also how it occurred within (and differed between) each "industry" of the public charities. I define an industry in the public charity realm by using the classification assigned under the National Taxonomy of Exempt Entities (NTEE). The NTEE is a mixed notation organization classification system of 645 centile level codes, collapsible into 26 major groups, collapsible into 10 major categories. For the purpose of my analysis I use the 26 major groups. The Exempt Organization Division of the IRS adopted the NTEE system and began adding codes for new organizations in the 1995 Business Master file. At present time, the NCCS has assigned codes to nearly all filings present in the Core Files. In the few cases where a code was not assigned for a particular filing, but was assigned for a subsequent filing for a given organization, I assigned the same NTEE category to that organization for its previous filing. Classifications are based on an assessment of program descriptions contained in parts of the Form 990. Where this Form 990 data was not provided, the NCCS assigned classifications based on additional research of the form 1023, filed to gain nonprofit status. It is important to note that the NTEE categorization classifies organizations, not programs. It is possible that a single organization can serve several purposes that may not be relevant to the classification it is assigned. It is the belief, though, that the classification assigned to an organization is accurate for the largest purpose that the organization serves.

My empirical analysis in this paper is of aggregate numbers by industry by year. Sums are calculated by industry by year of financial variables from my imputed data set. In calculating the sums, if an observation is an imputed observation, it is weighted by the probability that the

observation would appear that year. Probabilities are calculated from a probit model regressing (observe/do not observe) on financial variables observed the previous year. Probability of appearance is calculated from the estimated model.

0.4 Empirical Evidence

Empirically, I focus on an unanticipated event that drove growth in particular nonprofit industries, and determine the effects on those industries and on rival industries. In this paper I focus on what happens to donations received, and an industry's strategic response to this outcome. The events of September 11, 2001 obviously changed our economy in many ways. The impact on the nonprofit sector as a whole depended on the services provided by the specific nonprofit industry. Nonprofits provide services that are partly subsidized by contributions from donors. Contributions are categorized as coming from three different sources: private donors, government, and corporations. In the context of this paper, I consider the sum of these three sources, and refer to that amount interchangeably as "donations" or "contributions". There is a substantial literature on the "crowding out" effects government contributions have on donations from private individuals and corporations.⁷ That is not my focus here. My focus is to see how donations shift between industries to assist nonprofit organizations in providing services to end consumers.

I examine three aspects in particular in this paper. First, I look at the effect 9/11 had on donations received by nonprofit organizations. Next I look at the effect on a measure of fundraising efficiency. Third, I determine the outcome for fundraising expenditure of nonprofit industries after the shock occurs.

0.4.1 Shift in Donations

I remove year and industry fixed effects from contributions received by each nonprofit industry to isolate the effect of the shock in 2001. To do so, I regress $\ln(\text{contributions})$ on year and industry fixed effects, and calculate and plot residuals. Some industries show little or no

⁷Again, see Andreoni and Payne (2003, 2007) for examples of this work.

change pre/post 2001. There are a group of industries, however that show a distinct change post 2001⁸. Further, there is a clear divide in the group that showed change post-2001. There are a group of "winners" who gained contributions post-2001, and a group of "losers" who lost contributions post-2001. Winners include Public Safety, International/Foreign Affairs/National Security, and Science/Technology. Losers include Arts, Human Services, Civil Rights, and Philanthropy. A graph of the residuals described are in Figure 2. I also grouped winners together into one series of observations, and losers together into one series of observations, and again regressed $\ln(\text{contributions})$ on year and industry fixed effects. I calculated residuals, and plotted residuals with standard error bands in Figure 3. Pre-2001 there is no statistically significant difference between the two groups of organizations. Post-2001 there is clear growth in contributions received by the winners, and a downward trend by the losers, that shows a statistically significant difference in contributions received by the two groups. Table 1 reports total contributions.

The industries that gained contributions are the ones that ex ante we should expect to grow as a result of the specific events of 9/11. The organizations that lost contributions, have no obvious ex ante explanation for why they should be grouped together, or why they would be negatively linked to gaining industries. One possible explanation is that losing industries are all heavily "public goods", though arts organizations are so only to a lesser extent. It could be the case that loser industries are close substitutes in terms of donor sentiment with the organizations that gained post 9/11. If donors want to provide a pool of contributions to help people who are "struggling", post 9/11 there is increased awareness for people who need disaster relief, and this money is drawn away from someone who is battling against discrimination (so shifts away from civil rights organizations).

There is a distinction in growth rates of contributions pre/post 2001. Growth rates are reported in Table 2. Of gaining organizations, International/et al and Science/Tech both show large average net growth in the 2001-2003 period. Public Safety had tremendous growth in contributions in 2001, but this declined in the following two years. In the context of the theory, this relates to an increased ability to attract donations in the year of the event, with

⁸I included in this group organizations that had greater than a 20% change post-2001 and/or show a clear break in trend post-2001.

this ability decreasing in the following two years. Thus the inflow occurred immediately and then tapered off in years following. Whereas for the other two gaining organizations, ability to attract donations continued to increase and build in the years following the event and through the war effort. Declining industries showed mild net declines in contributions.

Table 3 shows the share of total contributions received by each winner/loser industry. In the years preceding 2001 winners (in sum) averaged approximately 5% of total contributions, while losers averaged approximately 33% of total contributions. However, after 2001, winners received 7% and 10% of total contributions in 2002 and 2003, respectively. Losers received only 27% of total contributions in 2003. While the total amount of contributions did continue to rise, there was a shift of 5 percentage points of the total away from losers and toward winners in the years immediately following 2001. I calculate the amount of contributions that winners and losers "should" have received given steady average shares pre-2001. I find that in 2002 losers "lost" approximately \$7.5 billion in contributions, \$4 billion of which was shifted to winners. In 2003, losers lost approximately \$13.5 billion, \$11.5 billion of which was shifted to the winners discussed here.

Table 4 presents regression results of $\ln(\text{contributions})$ on year and industry fixed effects, and on indicator variables for winner*post911 and loser*post911 , the coefficients of interest. These regressions include all industry-year observations, and so the comparison group for winners and losers is all other industries. A second regression also includes controls for GDP*industry . I report results for both OLS and robust standard errors, clustered on industry. Winner*post911 has a positive and significant coefficient in both the OLS and clustered regressions. Without an ex ante story for why the losers should have lost out on contributions, I run a second set of regressions focussing only on the effect of winner*post911 . I again find a positive (and slightly greater) and significant coefficient. When included, the loser group does show a negative and significant coefficient, but this is only to be expected since it was endogenously determined.

0.4.2 Effect on Fundraising Efficiency

In the supply/demand framework outlined previously (again, see Figure 1), I define a concept of "price" of a donation paid per donated dollar by the nonprofit organization, equal to fundraising

expenses divided by contributions. This can also be interpreted as a measure of fundraising efficiency of the nonprofit.⁹ The lower this ratio, the less the organization must pay per dollar donation received, and thus the more efficient the organization is in raising donations. As supply of donations shifts, the graphs depict that fundraising/donations should decrease for winners (thus reflecting greater efficiency). Similarly, fundraising/donations should increase for losers, reflecting a decrease in fundraising efficiency.

Table 5 shows the ratio of fundraising expenses to contributions for winner and loser industries for the years 1989 through 2003, as well as averages pre/post 2001. These raw ratios reflect trends of higher ratios post 2001 for losers, and lower ratios post 2001 for winners.

Table 6 reports regression results of fundraising efficiency on year and industry fixed effects and indicator variables for winners post-9/11, and losers post-9/11. A separate regression also includes GDP*industry as a control. Results are reported for both OLS and robust standard errors, clustered on industry. The coefficients on the indicator variables show how winners and losers compare to all other industries post 9/11. As reported, winner organizations have a ratio that is statistically lower than the other industries. The loser group, however, does not show a loss in efficiency (increase in ratio) as expected by the supply/demand framework. The industries in the loser group do not have a ratio that is statistically different from the other industries.

0.4.3 Response of Fundraising Expenditure

I group winner and loser industries together and regress $\ln(\text{fundraising expenses})$ on year and industry fixed effects. To understand trends in fundraising absent year and industry fixed effects, residuals from these regressions are plotted for winners and losers in Figure 4. Again, a pattern of increased fundraising expenditure by winners is observed, while the residual for the loser group remains fairly flat. Standard error bands are plotted around the residual, and in the case of fundraising expenditure the difference between the winner and loser group is not statistically significant at the 10% level.

⁹When viewed as efficiency, I should perhaps use the inverse of this ratio. However, I keep as is so that I may match it up with this concept of price. Again, this ratio is used as a measure of efficiency in much of the literature on nonprofits, though many dislike its use. The ratio can also be thought of as a measure of "popularity" of a nonprofit industry, a term which provides a different connotation.

Table 7 shows the regression results of $\ln(\text{fundraising expenditure})$ on year and industry fixed effects and on indicator variables signifying winner*post911 and loser*post911 . Again, with all other industries as the control group, winner industries spend more on fundraising and loser industries spend less on fundraising after the shock of 9/11. Including controls for GDP*industry , however, the change in fundraising for the loser group is not statistically different from zero. When running the regression with robust standard errors, however, the increase in fundraising expenditure by winners over other industries is not statistically significant. Including only the control for winner*post911 , the positive difference between fundraising expenditure for winners and other industries is significant at the 10% level.

0.4.4 Industry Dynamics: Entry and Exit Response to Shock

I next decompose the analysis of fundraising and contributions into amounts and growth rates attributed to entrants, exiters and incumbents for the winner and loser industries. I seek to describe here what portion of changes described above are attributed to changes in the composition of industries, rather than to changes in existing firms. Table 8 reports growth rates of contributions. I find that a significant amount of growth in contributions attributed to entry still occurred in each of the losing industries after 2001. Declines were felt by incumbents in each loser industry. The 8% increase in contributions to incumbents in the Human Services industry is reflective of enormous donations received by the Red Cross in 2001. However, we see that in subsequent years, contributions declined for incumbents. Declines in contributions from exit were very slight in the year of the shock. Most importantly, in the years after the shock the majority of declines in contributions were attributed to exit from the industry. The winner industries all experienced substantial growth in contributions attributed to entrants. Thus, the response of fundraising expenditure and fundraising efficiency here can be thought of as a response to growth in number of organizations. In 2001 there was almost no loss in contributions attributed to exit by winner industries. Contributions to public safety organizations peaked in the year of the shock, and declined in following years, whereas in the other two winner industries (International/National Security, and Science/Technology), growth in contributions continued to increase.

I break out the fundraising efficiency ratio by entrants, exiters and incumbents in Table 9.

First, it is important to point out that fundraising expenses are a small proportion of donations received across all industries. Across winner and loser industries, a consistent outcome (with a few exceptions) is that entrants have a lower ratio (greater efficiency) than incumbents. One may have expected exiters to have a higher ratios than incumbents, but this does not systematically appear to be the case. In fact, more often than not, exiters tend to have lower ratios than incumbents. This could reflect exiting firms ceasing fundraising efforts in the last year of existence. This provides some evidence that entering firms are not spending an excessive amount on fundraising, compared to existing organizations, and lessens the concern that growth in the nonprofit sector through entry is decreasing overall fundraising efficiency.

Fundraising expenses are broken out in Table 10. A fairly clear pattern can be distinguished here that winning industries steadily increased fundraising expenditure, while losing industries increase until 2001-2002, and decline after this peak. Annual growth in fundraising expenditure is reported in Table 11. As described above, fundraising expenses are increasing for winners, after controlling for year and industry fixed effects. We see from the growth rates that increases in fundraising expenses is mostly attributed to entry into the winner industries. Where overall decreases in fundraising expenses occur in losing industries, there is both a decrease in expenses for incumbents and a large decrease in fundraising expenditure attributed to exit of firms in the industry. In winning industries, fundraising expenditures increased significantly for incumbents in 2001, but then declined in 2002. In 2002, strong growth in fundraising expenditures is attributed to entrants.

0.5 Conclusions

I describe how an exogenous shock, in this case the events of 9/11, increases certain nonprofit industries' ability to attract donations. I have empirically illustrated using panel data that this shift occurred, and have calculated the order of magnitude with which it occurred, namely in the billions of dollars. I find that controlling for year and industry, the nonprofit industries that lose out on donations post-9/11 do not increase overall fundraising expenditure. In fact, fundraising expenditure even slightly decreases. At the same time, fundraising expenditure increases for industries that gain contributions. These industries increase in number and size after 9/11. I

construct a theoretical supply/demand framework in which the shift in donations away from one set of industries to another set of industries predicts that winners will have a reduced "price" for a donated dollar, and thus increased efficiency of fundraising. I find empirically that this is the case. Analogously, the theoretical framework suggests that industries losing supply of donation should face a higher "price" of a donated dollar. Empirically I do not find a statistically significant difference between "price" (i.e. fundraising efficiency) for the losing group and all other industries. Losing industries do not appear to change fundraising expenditure after the shock, when compared to all other industries.

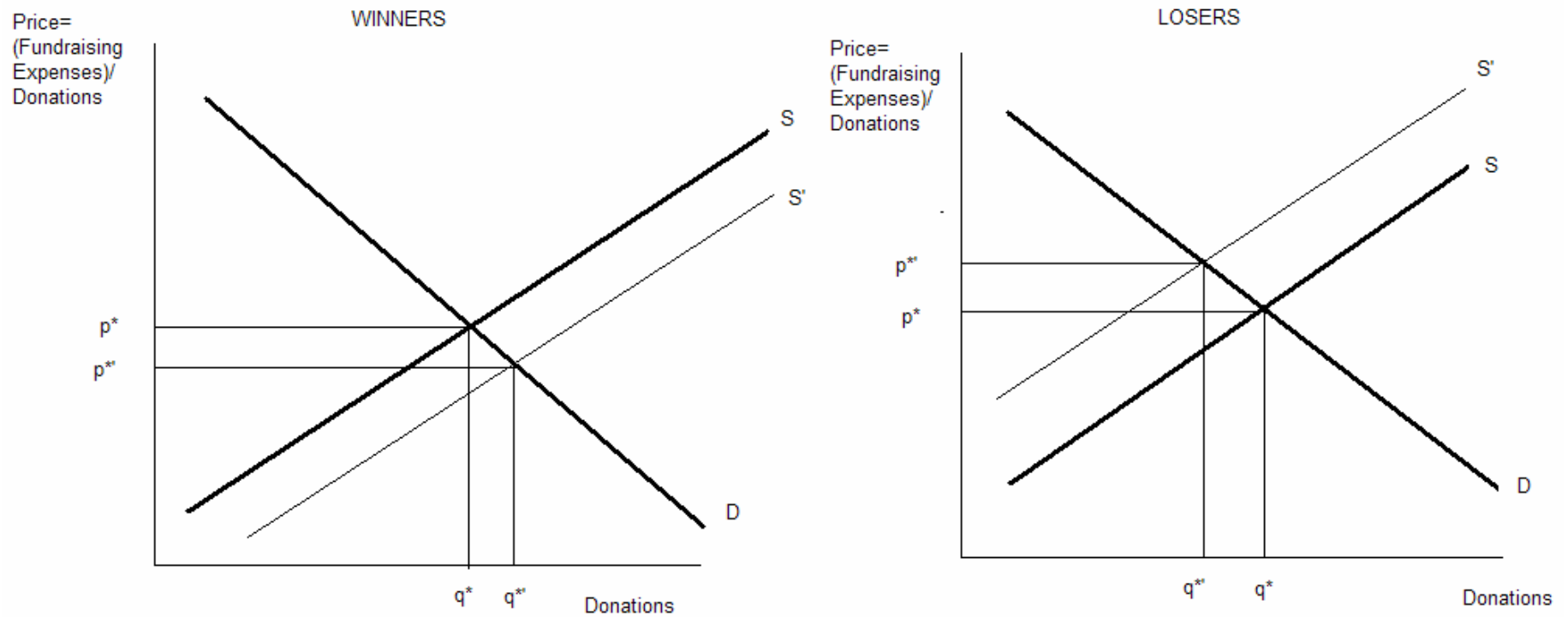
By looking at decompositions of growth rates and ratios by entrant, exiter and incumbent, I find that much of the growth in contributions to the winner industries went to entrants. While growth through entry appears to happen quickly, declines through exit in the loser industries happens at a much slower rate. Therefore, number of organizations remains high even when contributions are declining to specific industries.

I reach some conclusions in answer to the overall question of whether growth in nonprofits improves conditions as it does in the for-profit economy. The growth in number of organizations in the winner industries does not appear to cause reduced efficiency in terms of fundraising. Further, where an increase in total fundraising expenditure occurs for the winning industries, the expanded ability they have to attract donations is reflected in their increased fundraising efficiency. While growth did coincide with a shift in resources away from one group toward another, industries did not respond in a wasteful manner to recover these donations. The outcome likely provided increased and greater valued services to end consumers.

REFERENCES

- Andreoni, James, "Toward a Theory of Charitable Fundraising," *Journal of Political Economy* 106:6 (1998), 1186-1213.
- Andreoni, James, and A. Abigail Payne, "Do Government Grants to Private Charities Crowd Out Giving or Fundraising?" *American Economic Review* 93:3 (2003), 792-812.
- Andreoni, James, and A. Abigail Payne, "Crowding Out Both Sides of the Philanthropy Market: Evidence from a Panel of Charities," working paper (2007).
- Bilodeau, Marc, and Al Slivinski, "Rival Charities," *Journal of Public Economics* 66 (1997), 449-467.
- Friedman, James W., "Advertising and Oligopolistic Equilibrium," *Bell Journal of Economics* 14 (1983), 464-473.
- Rose-Ackerman, S., "Charitable giving and Excessive Fundraising," *Quarterly Journal of Economics* May (1997), 193-212.
- Steinberg, R., "Should donors care about fundraising?" *The Economics of Nonprofit Institutions* (New York, NY: Oxford University Press, 1986), 347-364.
- Weisbrod, Burton A. and Cagla Okten, "Determinants of donations in private nonprofit markets," *Journal of Public Economics* 75 (2000), 255-272.
- Weisbrod, Burton A. (Ed.), *To Profit or Not to Profit* (New York, NY: Cambridge University Press, 1998).

Figure 1



The market for donations where supply comes from donors, and demand comes from nonprofit organizations. The concept of price used here is that of the average expenditure the nonprofit must pay per donation received. A shift in supply of donations away from losers and toward winners results in a market outcome of greater donations for winners (less for losers) and a lower price for winners (higher for losers).

Figure 2

Residual plots from regressions of $\ln(\text{contributions})$ on year and industry fixed effects. Results are shown first for post-9/11 “winner” organizations, and separately for post-9/11 “loser” organizations.

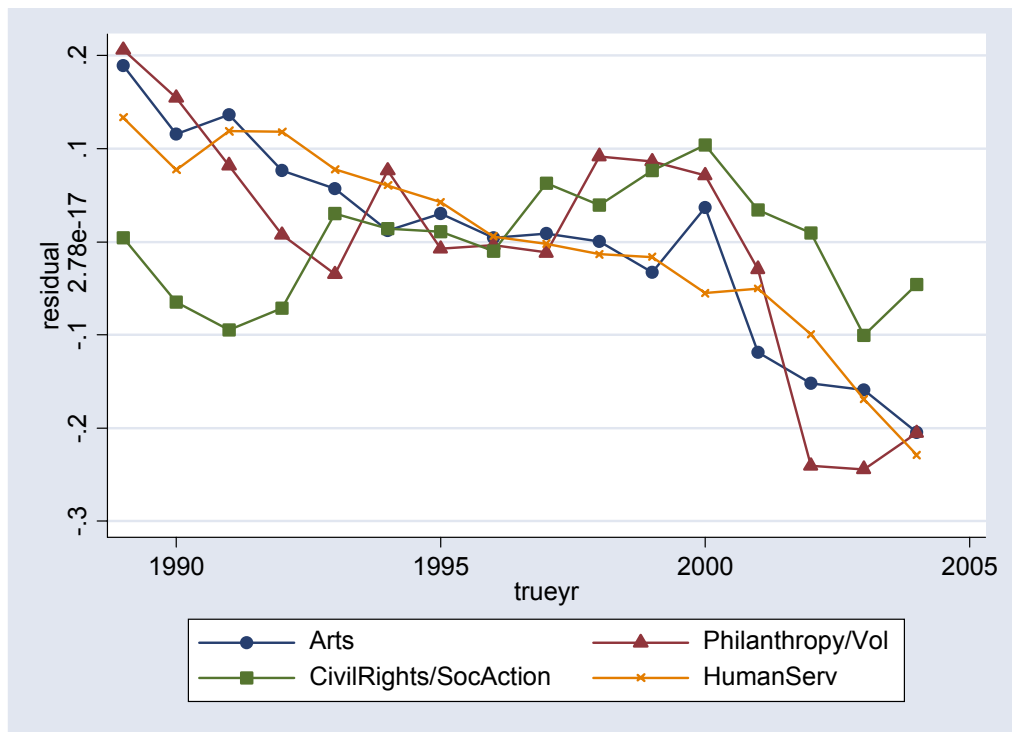
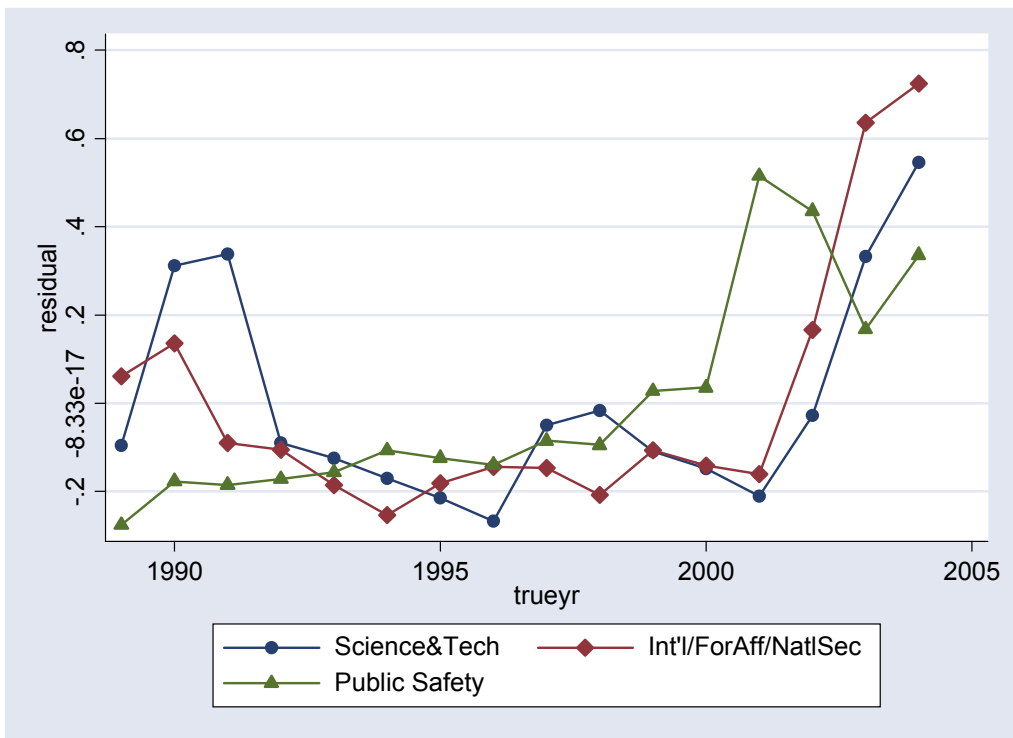


Figure 3

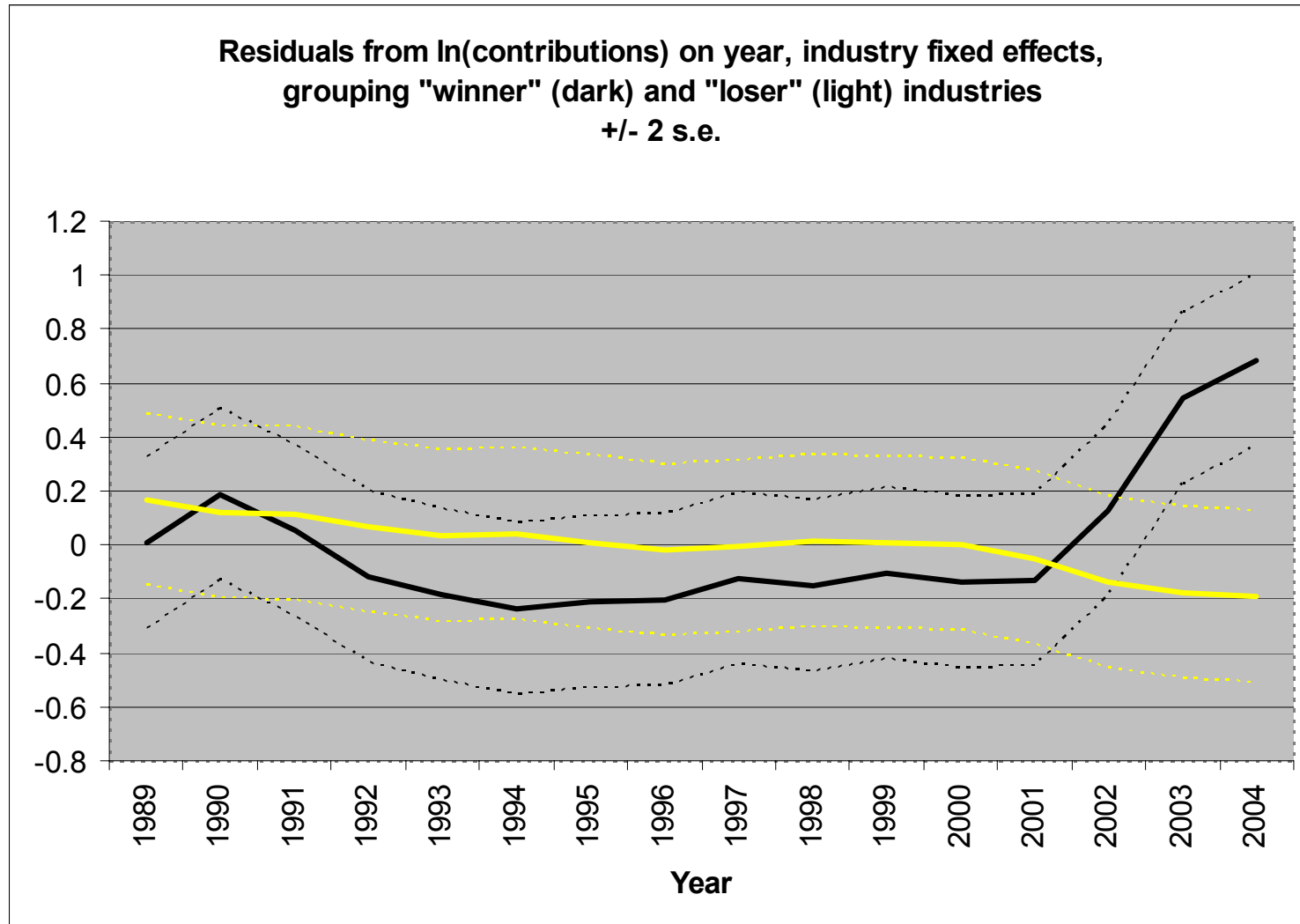


Figure 4

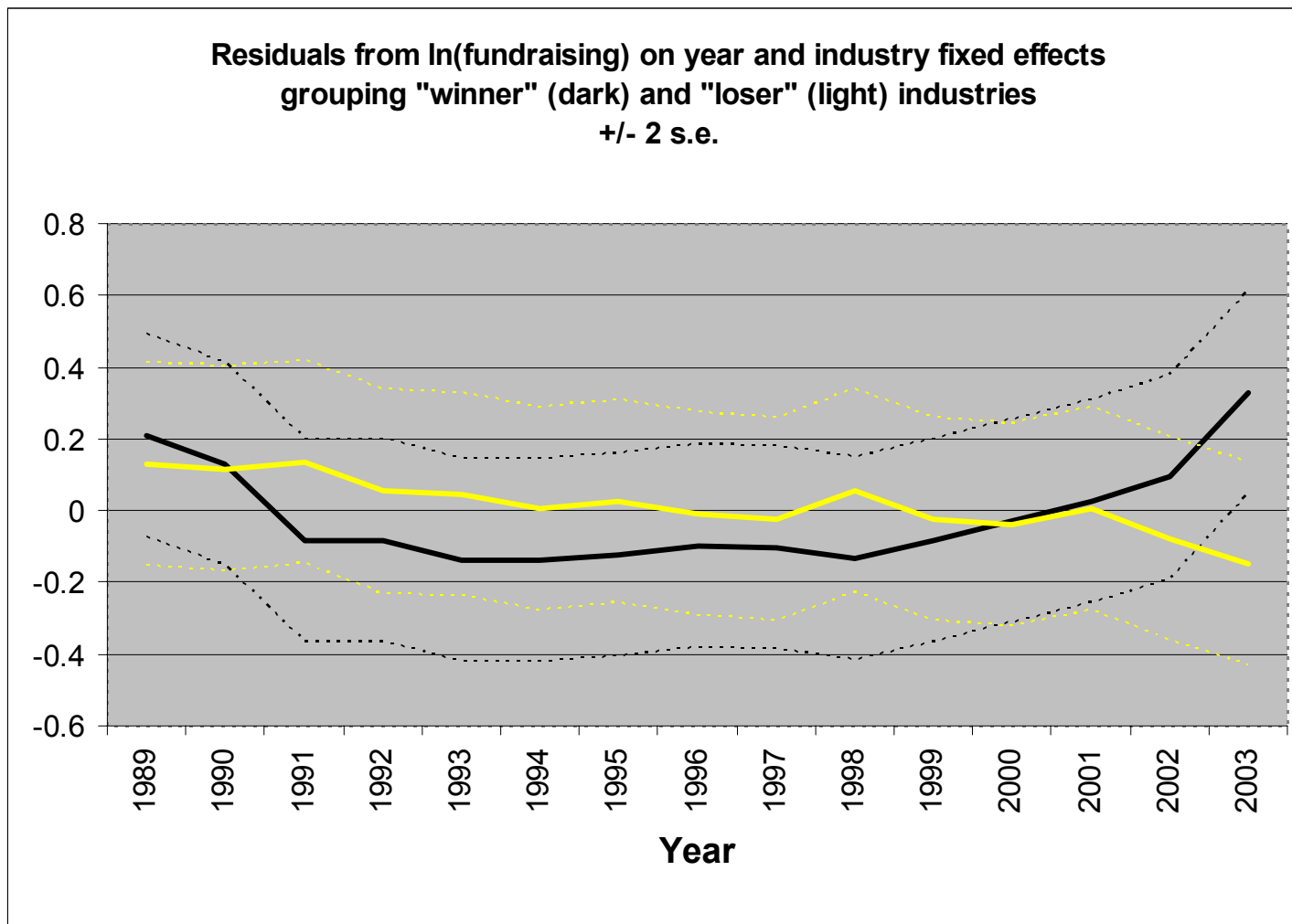


Table 1

**Sum (weighted) of Contributions
Including Imputed Observations, 2003\$\$s**

Winners	1989	1990	1991	1992	1993	1994	1995	1996
M Public Safety	156,384,615	185,952,915	184,433,648	200,015,504	213,626,200	242,532,398	265,343,974	281,214,376
Q International, Foreign Affairs, and National Security	3,697,692,308	4,283,804,185	3,421,377,810	3,610,669,486	3,501,447,188	3,545,651,303	4,214,286,645	4,717,894,073
U Science and Technology Research Institutes, Services	1,334,384,615	2,162,563,528	2,218,549,674	1,545,574,348	1,567,434,842	1,625,090,180	1,716,931,596	1,754,684,741
Losers								
A Arts, Culture, and Humanities	7,278,461,538	7,259,050,822	7,417,440,174	7,481,099,366	7,723,408,779	7,977,715,431	9,016,892,508	9,459,029,004
T Philanthropy, Voluntarism, and Grantmaking Foundations	9,324,615,385	9,531,808,670	8,874,198,695	8,818,865,398	8,898,984,911	10,735,444,222	10,961,947,883	11,852,837,327
P Human Services - Multipurpose and Other	16,807,692,308	17,080,119,581	17,775,126,904	18,962,508,809	19,213,717,421	20,436,740,147	22,212,052,117	23,124,653,216
R Civil Rights, Social Action, Advocacy	475,000,000	476,590,433	463,757,070	507,831,572	591,580,247	629,106,880	696,377,850	733,249,054
Total for all industries	104,074,692,308	106,630,911,061	107,630,398,115	113,671,148,696	117,694,131,687	127,283,957,248	138,834,930,945	146,591,708,701
Winners								
	1997	1998	1999	2000	2001	2002	2003	
M Public Safety	331,351,519	363,202,563	450,073,084	492,525,862	868,827,957	815,035,931	633,000,000	
Q International, Foreign Affairs, and National Security	5,244,494,730	5,464,905,430	6,647,064,765	6,958,913,793	7,447,096,774	10,493,587,617	17,100,000,000	
U Science and Technology Research Institutes, Services	2,433,719,777	2,788,676,022	2,792,424,242	2,912,787,356	2,993,440,860	3,647,285,793	5,310,000,000	
Losers								
A Arts, Culture, and Humanities	10,591,822,691	11,582,001,220	12,374,272,133	14,405,057,471	13,454,838,710	13,244,333,886	13,300,000,000	
T Philanthropy, Voluntarism, and Grantmaking Foundations	13,139,801,612	16,079,865,772	17,630,600,119	18,747,758,621	18,565,591,398	15,281,923,715	15,400,000,000	
P Human Services - Multipurpose and Other	25,594,048,357	27,999,206,833	30,661,913,250	31,987,701,149	35,045,161,290	33,925,870,647	32,200,000,000	
R Civil Rights, Social Action, Advocacy	879,795,412	952,422,819	1,085,212,715	1,207,482,759	1,230,752,688	1,222,553,897	1,110,000,000	
Total for all industries	159,688,580,285	177,007,837,096	189,894,704,100	204,799,667,816	215,226,311,828	219,771,382,532	231,320,000,000	

Table 2**AVERAGE GROWTH IN CONTRIBUTIONS**

Losers		1990-2000	2001-2003
net	A Arts	6.20%	-2.54%
entry	A	4.61%	5.75%
exit	A	-2.46%	-3.99%
incumbents	A	4.05%	-4.51%
net	P Human Services	5.88%	0.18%
entry	P	3.66%	6.82%
exit	P	-2.73%	-7.93%
incumbents	P	4.94%	1.08%
net	R Civil Rights	8.49%	-2.83%
entry	R	5.79%	10.61%
exit	R	-3.09%	-11.75%
incumbents	R	5.79%	-1.76%
net	T Philanthropy	6.36%	-6.51%
entry	T	9.40%	7.15%
exit	T	-4.07%	-9.90%
incumbents	T	1.03%	-4.04%
Winners			
net	M Public Safety	10.40%	7.94%
entry	M	13.21%	31.19%
exit	M	-5.51%	-10.21%
incumbents	M	2.70%	-14.54%
net	Q Int'l/ForAff/Nat'lSec	5.75%	29.47%
entry	Q	7.08%	24.17%
exit	Q	-5.53%	-1.42%
incumbents	Q	4.20%	6.45%
net	U Science/Tech	7.04%	19.85%
entry	U	10.80%	18.64%
exit	U	-6.32%	-4.52%
incumbents	U	2.56%	5.00%

Table 3

Share of Total Contributions

Winners	1989	1990	1991	1992	1993	1994	1995	1996
Public Safety	0.15%	0.17%	0.17%	0.18%	0.18%	0.19%	0.19%	0.19%
International, Foreign Affairs, and National Security	3.55%	4.02%	3.18%	3.18%	2.98%	2.79%	3.04%	3.22%
Science and Technology Research Institutes, Services	1.28%	2.03%	2.06%	1.36%	1.33%	1.28%	1.24%	1.20%
Sum	4.99%	6.22%	5.41%	4.71%	4.49%	4.25%	4.46%	4.61%
Losers								
Arts, Culture, and Humanities	6.99%	6.81%	6.89%	6.58%	6.56%	6.27%	6.49%	6.45%
Philanthropy, Voluntarism, and Grantmaking Foundations	8.96%	8.94%	8.25%	7.76%	7.56%	8.43%	7.90%	8.09%
Human Services - Multipurpose and Other	16.15%	16.02%	16.51%	16.68%	16.33%	16.06%	16.00%	15.77%
Civil Rights, Social Action, Advocacy	0.46%	0.45%	0.43%	0.45%	0.50%	0.49%	0.50%	0.50%
Sum	32.56%	32.21%	32.08%	31.47%	30.95%	31.25%	30.89%	30.81%
Winners								
	1997	1998	1999	2000	2001	2002	2003	
Public Safety	0.21%	0.21%	0.24%	0.24%	0.40%	0.37%	0.27%	
International, Foreign Affairs, and National Security	3.28%	3.09%	3.50%	3.40%	3.46%	4.77%	7.39%	
Science and Technology Research Institutes, Services	1.52%	1.58%	1.47%	1.42%	1.39%	1.66%	2.30%	
Sum	5.02%	4.87%	5.21%	5.06%	5.25%	6.81%	9.96%	
Losers								
Arts, Culture, and Humanities	6.63%	6.54%	6.52%	7.03%	6.25%	6.03%	5.75%	
Philanthropy, Voluntarism, and Grantmaking Foundations	8.23%	9.08%	9.28%	9.15%	8.63%	6.95%	6.66%	
Human Services - Multipurpose and Other	16.03%	15.82%	16.15%	15.62%	16.28%	15.44%	13.92%	
Civil Rights, Social Action, Advocacy	0.55%	0.54%	0.57%	0.59%	0.57%	0.56%	0.48%	
Sum	31.44%	31.98%	32.52%	32.40%	31.73%	28.97%	26.81%	

Table 4. -- Regression Results, where regressand = Contributions

	<u>With Winner*post911 and Loser*post911</u>					<u>With only Winner*post911</u>			
Year F.E.	yes	yes	yes	yes	Year F.E.	yes	yes	yes	yes
Industry F.E.	yes	yes	yes	yes	Industry F.E.	yes	yes	yes	yes
GDP	no	yes	no	yes	GDP	no	yes	no	yes
GDP*Industry	no	yes	no	yes	GDP*Industry	no	yes	no	yes
Robust S.E.	no	no	yes	yes	Robust S.E.	no	no	yes	yes
<u>Contributions</u>					<u>Contributions</u>				
Winner*post911	0.3929*	0.3900*	0.3929*	0.3900*	Winner*post911	0.4228*	0.4087*	0.4228*	0.4087*
std err	0.0719	0.0638	0.0871	0.1365	std err	0.0714	0.0631	0.0853	0.1354
Loser*post911	- 0.1568*	- 0.0981**	- 0.1568*	- 0.0981**					
std err	0.0638	0.0566	0.0615	0.0547					
R-square	0.9852	0.9927	0.9852	0.9927	R-square	0.9849	0.9926	0.9849	0.9926

Note: An asterisk ("*") by a variable value indicates significance at the 5% level; Two asterisks ("**") by a variable value indicate significance at the 10% level.

Table 5

**Ratios of totals, including filled observations
(fundraising expenses)/contributions**

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
LOSERS															
Arts, Culture, and Humanities	0.0775	0.0784	0.0775	0.0793	0.0835	0.0849	0.0840	0.0843	0.0835	0.0840	0.0827	0.0765	0.0884	0.0938	0.0910
Human Services - Multipurpose and Other	0.0275	0.0297	0.0283	0.0268	0.0276	0.0267	0.0317	0.0338	0.0322	0.0363	0.0336	0.0334	0.0354	0.0396	0.0398
Civil Rights, Social Action, Advocacy	0.1009	0.1399	0.0997	0.0887	0.0902	0.0883	0.0834	0.0880	0.0809	0.0831	0.0772	0.0779	0.0856	0.0804	0.0982
Philanthropy, Voluntarism, and Grantmaking Foundations	0.0498	0.0487	0.0550	0.0552	0.0560	0.0478	0.0504	0.0466	0.0457	0.0462	0.0383	0.0394	0.0458	0.0499	0.0513
WINNERS															
Public Safety	0.0484	0.0517	0.0453	0.0527	0.0539	0.0528	0.0674	0.0603	0.0600	0.0585	0.0489	0.0473	0.0352	0.0378	0.0564
International, Foreign Affairs, and National Security	0.0518	0.0428	0.0434	0.0453	0.0455	0.0469	0.0453	0.0463	0.0464	0.0477	0.0456	0.0495	0.0521	0.0454	0.0380
Science and Technology Research Institutes, Services	0.0226	0.0145	0.0098	0.0145	0.0178	0.0211	0.0220	0.0234	0.0163	0.0137	0.0144	0.0173	0.0192	0.0151	0.0125

**Ratios of totals, including filled observations
(fundraising expenses)/contributions**

	<u>Average 1989-2000</u>	<u>Average 2001-2003</u>
LOSERS		
Arts, Culture, and Humanities	0.0813	0.0911
Human Services - Multipurpose and Other	0.0306	0.0383
Civil Rights, Social Action, Advocacy	0.0915	0.0881
Philanthropy, Voluntarism, and Grantmaking Foundations	0.0482	0.0490
WINNERS		
Public Safety	0.0539	0.0431
International, Foreign Affairs, and National Security	0.0464	0.0452
Science and Technology Research Institutes, Services	0.0173	0.0156

Table 6. -- Regression Results, where regressand = Fundraising Efficiency

	With Winner*post911 and Loser*post911				With only Winner*post911				
Year F.E.	yes	yes	yes	yes	Year F.E.	yes	yes	yes	yes
Industry F.E.	yes	yes	yes	yes	Industry F.E.	yes	yes	yes	yes
GDP	no	yes	no	yes	GDP	no	yes	no	yes
GDP*Industry	no	yes	no	yes	GDP*Industry	no	yes	no	yes
Robust S.E.	no	no	yes	yes	Robust S.E.	no	no	yes	yes
<u>Fundraising Efficiency</u>					<u>Fundraising Efficiency</u>				
Winner*post911	- 0.2522*	- 0.2464*	- 0.2522*	- 0.2464*	Winner*post911	- 0.2524*	- 0.2560*	- 0.2524*	- 0.2560*
std err	0.0803	0.0801	0.0526	0.0742	std err	0.0790	0.0789	0.0465	0.0679
Loser*post911	0.0006	0.0504	0.0006	0.0504					
std err	0.0712	0.0711	0.0696	0.0630					
R-square	0.9439	0.9652	0.9439	0.9652	R-square	0.9439	0.9651	0.9439	0.9651

Note: An asterisk ("*") by a variable value indicates significance at the 5% level; Two asterisks ("**") by a variable value indicate significance at the 10% level.

Fundraising efficiency is defined as the ratio of fundraising expenditure over contributions

Table 7. -- Regression Results, where regressand = Fundraising Expenditure

	With Winner*post911 and Loser*post911				With only Winner*post911				
Year F.E.	yes	yes	yes	yes	Year F.E.	yes	yes	yes	yes
Industry F.E.	yes	yes	yes	yes	Industry F.E.	yes	yes	yes	yes
GDP	no	yes	no	yes	GDP	no	yes	no	yes
GDP*Industry	no	yes	no	yes	GDP*Industry	no	yes	no	yes
Robust S.E.	no	no	yes	yes	Robust S.E.	no	no	yes	yes
<u>Fundraising</u>					<u>Fundraising</u>				
Winner*post911	0.1407*	0.1436*	0.1407	0.1436	Winner*post911	0.1704*	0.1527*	0.1704	0.1527
std err	0.0669	0.0653	0.1115	0.1140	std err	0.0666	0.0643	0.1095	0.1113
Loser*post911	- 0.1561*	- 0.0477	- 0.1561*	- 0.0477					
std err	0.0594	0.0579	0.0769	0.0435					
R-square	0.9894	0.9937	0.9894	0.9937	R-square	0.9892	0.9937	0.9892	0.9937

Note: An asterisk ("*") by a variable value indicates significance at the 5% level; Two asterisks ("**") by a variable value indicate significance at the 10% level.

Table 8

GROWTH IN CONTRIBUTIONS

LOSERS		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
net	A Arts	0.13%	2.29%	0.61%	2.81%	3.48%	12.21%	4.68%	11.29%	9.20%	6.93%	14.60%	-7.09%	-1.31%	0.77%
entry	A	5.40%	4.05%	2.93%	3.27%	6.60%	6.54%	5.95%	4.26%	4.18%	3.19%	4.37%	3.33%	7.87%	6.07%
exit	A	-4.48%	-3.28%	-1.29%	-1.06%	-2.58%	-2.94%	-4.02%	-3.43%	-1.22%	-1.63%	-1.17%	-1.55%	-4.89%	-5.55%
incumbents	A	-0.79%	1.52%	-1.03%	0.60%	-0.54%	8.61%	2.74%	10.46%	6.25%	5.37%	11.39%	-8.90%	-4.34%	-0.30%
net	P Human Services	1.87%	4.39%	6.52%	0.70%	6.24%	8.63%	3.57%	10.08%	8.93%	9.94%	3.77%	8.94%	-2.90%	-5.50%
entry	P	4.83%	3.46%	2.46%	2.49%	3.98%	5.88%	4.97%	5.29%	2.35%	2.85%	1.74%	1.79%	8.82%	9.84%
exit	P	-4.42%	-4.16%	-1.43%	-5.36%	-2.51%	-2.83%	-2.40%	-2.47%	-2.38%	-1.12%	-0.90%	-1.00%	-8.95%	-13.86%
incumbents	P	1.46%	5.09%	5.48%	3.57%	4.77%	5.58%	0.99%	7.25%	8.97%	8.22%	2.92%	8.13%	-2.82%	-2.07%
net	R Civil Rights	0.59%	-2.75%	8.90%	14.94%	6.28%	10.13%	5.12%	18.11%	7.73%	13.93%	10.40%	1.44%	-0.43%	-9.50%
entry	R	6.33%	2.74%	5.13%	12.13%	8.26%	6.75%	5.07%	8.37%	4.05%	2.83%	2.03%	3.85%	10.73%	17.24%
exit	R	-4.05%	-10.50%	-0.83%	-1.25%	-5.80%	-3.51%	-4.26%	-1.30%	-0.80%	-1.07%	-0.61%	-1.51%	-9.85%	-23.88%
incumbents	R	-1.69%	5.01%	4.60%	4.06%	3.82%	6.89%	4.31%	11.04%	4.47%	12.17%	8.97%	-0.91%	-1.32%	-3.05%
net	T Philanthropy	2.38%	-7.04%	-0.86%	0.53%	19.02%	2.03%	7.63%	10.08%	20.33%	9.67%	6.16%	-1.62%	-19.06%	1.14%
entry	T	3.09%	3.83%	2.75%	2.99%	21.40%	15.40%	12.77%	13.70%	12.23%	7.15%	8.05%	3.56%	4.77%	13.11%
exit	T	-3.27%	-4.51%	-1.06%	-0.83%	-2.96%	-16.62%	-7.78%	-3.97%	-0.83%	-1.85%	-1.06%	-1.00%	-15.56%	-13.15%
incumbents	T	2.57%	-6.36%	-2.55%	-1.63%	0.57%	3.26%	2.64%	0.35%	8.93%	4.37%	-0.84%	-4.20%	-8.32%	0.40%
WINNERS															
net	M Public Safety	17.36%	-0.56%	7.91%	6.29%	12.90%	8.69%	5.71%	16.27%	9.10%	22.36%	8.43%	55.01%	-5.98%	-25.20%
entry	M	21.58%	8.62%	11.08%	11.55%	18.65%	12.76%	14.58%	16.81%	8.24%	13.34%	8.13%	51.84%	30.27%	11.46%
exit	M	-10.04%	-6.06%	-3.43%	-5.00%	-3.02%	-10.30%	-7.32%	-2.89%	-3.03%	-2.80%	-6.69%	-3.76%	-15.14%	-11.73%
incumbents	M	5.82%	-3.12%	0.27%	-0.27%	-2.74%	6.23%	-1.56%	2.34%	3.89%	11.82%	6.96%	6.86%	-21.15%	-29.34%
net	Q Int'l/ForAff/Nat'lSec	14.98%	-22.23%	4.98%	-3.22%	1.19%	17.48%	11.07%	10.55%	3.94%	20.28%	4.25%	6.41%	34.49%	47.52%
entry	Q	5.71%	3.10%	4.42%	2.22%	3.22%	29.03%	10.44%	12.79%	2.62%	1.58%	2.77%	3.37%	24.89%	44.24%
exit	Q	-3.83%	-19.29%	-0.90%	-4.05%	-6.47%	-13.00%	-3.42%	-7.74%	-0.40%	-0.91%	-0.86%	-0.62%	-0.89%	-2.76%
incumbents	Q	13.10%	-6.04%	1.47%	-1.38%	4.44%	1.45%	4.05%	5.50%	1.71%	19.60%	2.34%	3.65%	10.34%	5.37%
net	U Science/Tech	47.42%	2.80%	-35.78%	1.33%	3.31%	5.94%	2.02%	32.31%	13.39%	1.02%	3.69%	2.24%	20.20%	37.11%
entry	U	46.18%	3.21%	2.29%	2.60%	1.45%	5.56%	13.10%	31.70%	8.11%	0.95%	3.64%	0.76%	7.12%	48.04%
exit	U	-4.00%	-3.72%	-40.92%	-2.00%	-1.50%	-2.08%	-12.60%	-0.84%	-0.78%	-0.53%	-0.55%	-0.80%	-2.75%	-10.02%
incumbents	U	5.24%	3.31%	2.85%	0.74%	3.37%	2.45%	1.51%	1.45%	6.06%	0.60%	0.60%	2.29%	15.82%	-3.10%

Table 9
(Fundraising Expenses)/(Contributions)

Note: ratio for exiters reflects ratio in previous year, which was last year organizations were present in data

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
LOSERS															
Arts, Culture, and Humanities															
all A	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09
entrants		0.10	0.05	0.04	0.04	0.08	0.06	0.05	0.09	0.03	0.03	0.02	0.04	0.05	0.06
exiters		0.10	0.06	0.06	0.03	0.06	0.07	0.14	0.07	0.06	0.06	0.03	0.04	0.06	0.07
incumbents		0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.08	0.09	0.08	0.08	0.09	0.10	0.09
Human Services - Multipurpose and Other															
all P	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.03	0.03	0.04	0.04	0.04
entrants		0.05	0.02	0.02	0.04	0.02	0.04	0.05	0.03	0.04	0.02	0.03	0.02	0.03	0.03
exiters		0.02	0.03	0.12	0.06	0.04	0.04	0.06	0.06	0.01	0.04	0.02	0.03	0.03	0.03
incumbents		0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.03	0.03	0.04	0.04	0.04
Civil Rights, Social Action, Advocacy															
all R	0.10	0.14	0.10	0.09	0.09	0.09	0.08	0.09	0.08	0.08	0.08	0.08	0.09	0.08	0.10
entrants		0.10	0.02	0.02	0.08	0.04	0.04	0.04	0.04	0.09	0.11	0.05	0.20	0.06	0.10
exiters		0.04	0.08	0.05	0.02	0.06	0.05	0.06	0.03	0.05	0.06	0.06	0.08	0.09	0.04
incumbents		0.14	0.10	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.10
Philanthropy, Voluntarism, and Grantmaking Foundations															
all T	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.05	0.05	0.05
entrants		0.03	0.05	0.03	0.02	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.02	0.03	0.03
exiters		0.08	0.06	0.02	0.03	0.07	0.02	0.02	0.03	0.03	0.03	0.04	0.04	0.02	0.03
incumbents		0.05	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.04	0.04	0.05	0.05	0.05
WINNERS															
Public Safety															
all M	0.05	0.05	0.05	0.05	0.05	0.05	0.07	0.06	0.06	0.06	0.05	0.05	0.04	0.04	0.06
entrants		0.06	0.06	0.03	0.06	0.04	0.10	0.04	0.04	0.05	0.04	0.05	0.01	0.02	0.12
exiters		0.02	0.14	0.03	0.02	0.02	0.01	0.03	0.06	0.08	0.04	0.05	0.03	0.02	0.05
incumbents		0.05	0.04	0.06	0.05	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.05
International, Foreign Affairs, and National Security															
all Q	0.05	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04
entrants		0.02	0.04	0.11	0.06	0.13	0.05	0.08	0.06	0.02	0.02	0.01	0.01	0.05	0.02
exiters		0.12	0.06	0.03	0.11	0.05	0.07	0.08	0.05	0.05	0.01	0.02	0.02	0.03	0.04
incumbents		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Science and Technology Research Institutes, Services															
all U	0.02	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.02	0.02	0.02	0.01
entrants		0.00	0.01	0.01	0.06	0.09	0.02	0.04	0.00	0.01	0.01	0.04	0.07	0.02	0.00
exiters		0.03	0.11	0.00	0.00	0.02	0.02	0.01	0.01	0.17	0.07	0.01	0.04	0.04	0.01
incumbents		0.02	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.02	0.02	0.02	0.02

Table 10
Fundraising Expenses (in 2003\$'s)

Note: sum for exiters reflects sum in previous year, which was last year organizations were present in data

DECLINERS		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Arts, Culture, and Humanities																
all	A	563,000,000	569,000,000	576,000,000	594,000,000	642,000,000	676,000,000	757,000,000	796,000,000	882,000,000	969,000,000	1,030,000,000	1,100,000,000	1,190,000,000	1,240,000,000	1,210,000,000
entrants			37,400,000	14,700,000	8,141,385	8,824,930	39,700,000	32,600,000	29,900,000	37,500,000	12,900,000	13,300,000	12,200,000	18,000,000	49,000,000	46,600,000
exiters			31,100,000	14,500,000	5,828,412	2,433,469	12,600,000	17,000,000	51,700,000	24,300,000	7,675,376	11,700,000	5,427,828	8,430,002	37,300,000	50,700,000
incumbents			532,000,000	561,000,000	586,000,000	633,000,000	636,000,000	725,000,000	766,000,000	844,000,000	956,000,000	1,010,000,000	1,090,000,000	1,170,000,000	1,190,000,000	1,170,000,000
Human Services - Multipurpose and Other																
all	P	461,000,000	508,000,000	504,000,000	510,000,000	528,000,000	546,000,000	704,000,000	780,000,000	822,000,000	1,010,000,000	1,030,000,000	1,070,000,000	1,240,000,000	1,350,000,000	1,280,000,000
entrants			38,900,000	13,700,000	7,739,828	19,300,000	16,900,000	50,300,000	55,900,000	40,800,000	22,000,000	17,700,000	14,600,000	11,100,000	94,600,000	111,000,000
exiters			15,300,000	22,800,000	30,400,000	63,800,000	19,900,000	26,700,000	32,600,000	33,300,000	8,621,464	13,300,000	5,749,507	9,380,428	96,900,000	151,000,000
incumbents			469,000,000	490,000,000	502,000,000	508,000,000	529,000,000	654,000,000	724,000,000	781,000,000	990,000,000	1,020,000,000	1,060,000,000	1,230,000,000	1,250,000,000	1,170,000,000
Civil Rights, Social Action, Advocacy																
all	R	47,800,000	66,800,000	46,400,000	45,200,000	53,200,000	55,400,000	58,100,000	64,400,000	71,100,000	78,800,000	84,100,000	94,100,000	105,000,000	98,400,000	109,000,000
entrants			2,937,293	311,868	580,784	5,173,580	1,881,295	1,760,191	1,601,430	2,460,900	3,310,866	3,060,575	1,271,707	9,459,850	7,524,350	19,600,000
exiters			777,580	3,840,874	215,025	128,395	2,136,981	1,265,109	1,748,881	349,435	348,344	649,809	453,377	1,409,404	11,300,000	11,500,000
incumbents			63,900,000	46,100,000	44,600,000	48,100,000	53,500,000	56,400,000	62,800,000	68,600,000	75,500,000	81,100,000	92,800,000	96,000,000	90,900,000	89,800,000
Philanthropy, Voluntarism, and Grantmaking Foundations																
all	T	465,000,000	465,000,000	489,000,000	487,000,000	497,000,000	513,000,000	552,000,000	551,000,000	598,000,000	740,000,000	677,000,000	739,000,000	848,000,000	764,000,000	790,000,000
entrants			9,566,430	16,600,000	6,687,083	5,030,990	27,200,000	39,400,000	27,000,000	14,700,000	16,300,000	13,600,000	21,000,000	14,200,000	25,200,000	55,200,000
exiters			24,400,000	25,600,000	2,220,461	2,191,694	21,400,000	28,500,000	17,500,000	16,300,000	3,875,050	8,887,447	7,028,905	7,385,218	56,700,000	66,800,000
incumbents			455,000,000	472,000,000	481,000,000	492,000,000	486,000,000	512,000,000	524,000,000	584,000,000	724,000,000	664,000,000	718,000,000	834,000,000	739,000,000	735,000,000
GAINERS																
Public Safety																
all	M	7,556,568	9,638,976	8,367,644	10,500,000	11,500,000	12,800,000	17,800,000	16,900,000	19,800,000	21,100,000	22,100,000	23,300,000	30,500,000	30,800,000	35,700,000
entrants			2,187,884	955,239	627,632	1,407,609	1,621,487	3,319,629	1,719,830	2,294,601	1,317,567	2,382,754	2,095,764	3,508,239	3,863,418	10,300,000
exiters			340,681	1,588,109	205,297	186,599	129,450	285,426	511,762	504,527	834,906	460,911	1,629,345	778,623	2,852,582	4,516,434
incumbents			7,451,092	7,412,405	9,913,665	10,100,000	11,200,000	14,500,000	15,200,000	17,600,000	19,800,000	19,700,000	21,200,000	27,000,000	27,000,000	25,400,000
International, Foreign Affairs, and National Security																
all	Q	192,000,000	184,000,000	148,000,000	164,000,000	158,000,000	166,000,000	191,000,000	218,000,000	243,000,000	260,000,000	305,000,000	345,000,000	387,000,000	478,000,000	649,000,000
entrants			4,812,345	5,065,621	16,500,000	4,880,908	15,200,000	56,900,000	37,700,000	35,000,000	2,200,606	2,061,864	1,124,772	2,365,174	101,000,000	152,000,000
exiters			18,000,000	44,200,000	1,101,452	15,200,000	11,400,000	36,000,000	12,900,000	18,800,000	1,001,500	478,429	1,149,522	1,033,579	2,116,321	15,600,000
incumbents			179,000,000	143,000,000	147,000,000	153,000,000	151,000,000	134,000,000	180,000,000	208,000,000	258,000,000	302,000,000	343,000,000	385,000,000	377,000,000	497,000,000
Science and Technology Research Institutes, Services																
all	U	30,100,000	31,300,000	21,900,000	22,400,000	27,800,000	34,400,000	37,700,000	41,100,000	39,700,000	38,000,000	40,300,000	50,300,000	57,200,000	55,200,000	66,600,000
entrants			2,270,836	691,667	276,420	2,239,137	2,023,247	2,078,456	8,658,836	1,736,062	1,106,214	170,865	4,650,021	1,633,135	3,607,885	6,663,817
exiters			2,179,983	8,984,624	2,216,788	123,687	447,713	521,973	2,349,783	160,694	3,373,016	1,083,089	100,033	879,522	4,047,992	4,334,108
incumbents			29,000,000	21,200,000	22,100,000	25,600,000	32,300,000	35,600,000	32,400,000	37,900,000	36,900,000	40,100,000	45,700,000	55,600,000	51,600,000	59,900,000

Table 11

GROWTH IN FUNDRAISING EXPENSES

LOSERS			1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
net	A	Arts	1.14%	1.08%	3.17%	7.75%	5.15%	11.34%	4.94%	10.30%	9.35%	5.95%	7.21%	7.15%	4.62%	-2.36%
entry	A		6.61%	2.57%	1.39%	1.43%	6.03%	4.55%	3.85%	4.47%	1.40%	1.33%	1.15%	1.58%	4.03%	3.80%
exit	A		-5.50%	-2.53%	-1.00%	-0.39%	-1.92%	-2.38%	-6.66%	-2.90%	-0.83%	-1.17%	-0.51%	-0.74%	-3.07%	-4.13%
continue	A		0.02%	1.05%	2.77%	6.71%	1.04%	9.17%	7.75%	8.72%	8.78%	5.79%	6.57%	6.27%	3.65%	-2.43%
net	P	Human Services	9.77%	-0.79%	1.17%	3.35%	3.37%	25.40%	10.17%	5.26%	20.77%	2.18%	3.76%	14.28%	8.46%	-5.08%
entry	P		8.03%	2.71%	1.53%	3.72%	3.14%	8.05%	7.53%	5.10%	2.40%	1.73%	1.38%	0.96%	7.31%	8.40%
exit	P		-3.17%	-4.50%	-5.99%	-12.30%	-3.71%	-4.28%	-4.40%	-4.16%	-0.94%	-1.30%	-0.55%	-0.81%	-7.49%	-11.46%
continue	P		4.91%	1.00%	5.63%	11.93%	3.94%	21.63%	7.03%	4.32%	19.31%	1.75%	2.92%	14.12%	8.61%	-2.58%
net	R	Civil Rights	33.09%	-36.04%	-2.70%	16.39%	4.05%	4.77%	10.15%	9.92%	10.31%	6.55%	11.16%	11.40%	-6.90%	10.50%
entry	R		5.12%	0.55%	1.27%	10.52%	3.46%	3.10%	2.61%	3.63%	4.42%	3.76%	1.43%	9.48%	7.38%	18.85%
exit	R		-1.36%	-6.79%	-0.47%	-0.26%	-3.93%	-2.23%	-2.86%	-0.52%	-0.46%	-0.80%	-0.51%	-1.41%	-11.05%	-11.07%
continue	R		29.32%	-29.81%	-3.50%	6.14%	4.52%	3.90%	10.39%	6.80%	6.36%	3.59%	10.24%	3.33%	-3.27%	2.63%
net	T	Philanthropy	0.11%	4.93%	-0.24%	1.91%	3.18%	7.27%	-0.10%	8.24%	21.13%	-8.82%	8.70%	13.73%	-10.39%	3.34%
entry	T		2.06%	3.49%	1.37%	1.02%	5.39%	7.40%	4.90%	2.56%	2.43%	1.93%	2.96%	1.79%	3.12%	7.10%
exit	T		-5.26%	-5.37%	-0.46%	-0.45%	-4.24%	-5.35%	-3.17%	-2.84%	-0.58%	-1.25%	-0.99%	-0.93%	-7.03%	-8.60%
continue	T		3.31%	6.81%	-1.15%	1.34%	2.02%	5.22%	-1.83%	8.52%	19.28%	-9.49%	6.73%	12.87%	-6.55%	4.23%
WINNERS																
net	M	Public Safety	24.22%	-14.12%	22.99%	8.53%	10.95%	32.72%	-5.12%	15.85%	6.18%	4.72%	5.07%	26.71%	1.26%	14.67%
entry	M		25.45%	10.61%	6.64%	12.78%	13.35%	21.67%	9.90%	12.48%	6.43%	11.02%	9.23%	13.06%	12.60%	30.99%
exit	M		-3.96%	-17.64%	-2.17%	-1.69%	-1.07%	-1.86%	-2.95%	-2.74%	-4.08%	-2.13%	-7.18%	-2.90%	-9.31%	-13.57%
continue	M		2.74%	-7.09%	18.52%	-2.56%	-1.34%	12.91%	-12.08%	6.11%	3.83%	-4.17%	3.01%	16.32%	-2.10%	-5.61%
net	Q	Int'l/ForAff/Nat'lSec	-4.19%	-21.21%	9.66%	-3.33%	4.98%	13.79%	13.13%	10.94%	6.70%	15.88%	12.33%	11.67%	20.93%	30.44%
entry	Q		2.57%	3.05%	10.55%	3.03%	9.37%	31.87%	18.44%	15.20%	0.88%	0.73%	0.35%	0.65%	23.29%	27.02%
exit	Q		-9.58%	-26.62%	-0.71%	-9.48%	-7.03%	-20.17%	-6.30%	-8.15%	-0.40%	-0.17%	-0.35%	-0.28%	-0.49%	-2.77%
continue	Q		2.82%	2.36%	-0.18%	3.11%	2.63%	2.09%	0.99%	3.89%	6.23%	15.32%	12.33%	11.29%	-1.90%	5.58%
net	U	Science/Tech	4.04%	-35.38%	2.27%	21.48%	21.09%	9.28%	8.56%	-3.49%	-4.21%	5.79%	22.18%	12.85%	-3.58%	18.66%
entry	U		7.40%	2.60%	1.25%	8.92%	6.51%	5.77%	21.99%	4.30%	2.85%	0.44%	10.26%	3.04%	6.42%	10.94%
exit	U		-7.10%	-33.77%	-10.01%	-0.49%	-1.44%	-1.45%	-5.97%	-0.40%	-8.68%	-2.77%	-0.22%	-1.64%	-7.20%	-7.11%
continue	U		3.74%	-4.22%	11.03%	13.06%	16.02%	4.96%	-7.46%	-7.40%	1.63%	8.12%	12.14%	11.45%	-2.80%	13.14%