Individual and community level determinants of public attitudes toward nonprofit organizations

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Individual- and Community-Level Determinants of Public Attitudes Toward Nonprofit Organizations

Lindsey M. McDougle¹ and Marcus Lam²

Abstract
It is often suggested that nonprofit organizations positively impact our local communities. Studies, however, have consistently shown that the distribution of these organizations varies considerably from one community to the next. These differences have led some scholars to begin raising serious concern about the degree of “charitable equity” across communities. Thus, the purpose of this study was to explore how the makeup of a community’s nonprofit sector affects the views of those who potentially depend on nonprofit services. Specifically, using data from a countywide survey of public attitudes toward nonprofits in southern California (N = 1,002), we examined whether differences in the distribution of nonprofits affected individuals’ confidence in nonprofit performance as well as their awareness of what nonprofit organizations even are. Findings indicated that nonprofit density was strongly related to awareness of the sector, while awareness was, in turn, strongly related to confidence in nonprofit performance.

Keywords
nonprofit density, public attitudes, public awareness, nonprofit organizations

Scholars have long suggested that nonprofit organizations serve a distinct role within our local communities. Ott (2001), for instance, has suggested that nonprofits fundamentally exist to “encourage the benevolent donation of money, property, and time

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and effort to eliminate or prevent the causes of social problems and injustices and to otherwise improve the quality of life all around us” (p. 49). Moreover, Wolpert (1993) has argued that “nonprofits serve pluralistic tastes and add variety to our local quality of life” (p. 286). In general, scholarly claims such as these have led to a number of theoretical developments emphasizing that nonprofit organizations make our communities better places to live. Indeed, social capital theories have suggested that nonprofit organizations are critical to the development of group formation and community involvement (Putnam, 2000); and, economic and political theories have assumed that nonprofits cater to marginalized groups and to those who have been overlooked by either government and/or the private market (Hansmann, 1980; Weisbrod, 1986). In addition, stakeholder theories have argued that nonprofits contribute to community vitality by providing an outlet for entrepreneurial control as well as for religiously motivated initiatives (Ben-Ner & Van Hoomissen, 1992; James, 1987).

Despite the many ways that nonprofit organizations are often believed to positively impact our local communities, research has consistently shown that the distribution of these organizations varies considerably from one community to the next. In fact, several studies have shown that affluent communities tend to have ample nonprofit resources and highly diverse nonprofit landscapes (e.g., Bielefeld, 2000; Wolch & Geiger, 1983; Wolpert 1993), while low-income communities tend to have far fewer nonprofit resources as well as a lack of key civic institutions (e.g., Allard, 2009; Gronbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003). As a result of these differences, scholars have begun to raise serious concerns regarding the degree of “charitable equity” across communities—that is, the degree to which nonprofit activity is able to equally benefit and meet the service needs of individuals in all areas. Some scholars, for instance, have begun to warn that geographic unevenness in the spatial pattern of the nonprofit sector may eventually lead to extreme inequities and inefficiencies in how nonprofit services are accessed and administered (Clotfelter, 1992; Wolch, 1999). Thus, as they claim, although nonprofit organizations are generally believed to positively impact our local communities, this may not actually be a reality in all areas.1

The purpose of this study, then, is to explore whether and to what extent the makeup of a community’s nonprofit sector affects the views and experiences of those who may depend on nonprofit services. In particular, using data from an original countywide survey of public attitudes toward nonprofits in southern California (N = 1,002), we examine whether the distribution of nonprofit organizations in an area affects the attitudes that individuals have regarding the ability of these organizations to benefit the communities in which they operate. The remainder of this article proceeds as follows: first, we provide background literature on the geographies of nonprofit activity as well as on what we currently know about public attitudes toward nonprofit organizations. Next, we present a description of the data along with the methods of data analysis. The results then follow. Finally, we conclude by discussing a number of theoretical and practical implications of this research as well as laying out several directions for future investigation.
Background and Related Literature

It has generally been suggested that nonprofit organizations make our communities better places to live (Salamon, Hems, & Chinnock, 2000; Van Til, 2000). Indeed, from a theoretical perspective nonprofit organizations are often viewed as major sources of social capital, contributors to the public good, and the “value guardians” within our communities (Van Til, 2000). Moreover, from a practical standpoint, nonprofits organizations are often considered to be connected to our local communities in important ways. For example, nonprofits have frequently been known to supply many types of social and community programs, empower citizens to engage in collective action, defend the rights of the minority, and create opportunities for community involvement.

Given the various ways that nonprofits are thought to benefit and improve our local communities, scholars have long sought to understand geographic dimensions of the sector—recognizing that the spatial pattern of these organizations could potentially affect a variety of individual and community outcomes, such as the degree to which needs are adequately and equitably addressed (Allard, 2009; Wolch, 1999), the ability of individuals to access nonprofit services (Allard, 2009; Allard, Tolman, & Rosen, 2003), and the opportunities that individuals have available to participate in voluntary activities (Putnam, 2000). Indeed, early work by researchers such as Lincoln (1977), Wolpert (1977), and Wolch and Geiger (1983) first drew attention to the uneven geographies of nonprofit activity and to the resulting challenges facing nonprofit effectiveness. Their work highlighted the fact that nonprofit organizations are not always located in the neediest communities; and, consequently that the ability of the nonprofit sector to meet the needs of citizens often differs from place-to-place.

In recent years, studies have continued to show that the distribution of nonprofit organizations varies considerably across communities (Allard, 2009; Bielefeld, Murdoch, & Waddell, 1997; Grønbjerg & Paarlberg, 2001; Joassart-Marcelli & Wolch, 2003), and that areas most in need of nonprofit services tend to be disproportionately underserved by the sector (Bielefeld, 2000). Allard (2009), for instance, examined local accessibility to nonprofit social service providers in Chicago, Los Angeles, and Washington DC and found that high poverty neighborhoods in these areas had fewer nonprofit social service providers than low poverty areas; and, Grønbjerg and Paarlberg (2001) found significant variation in the density of nonprofit organizations across counties in Indiana—with fewer nonprofits located in low-income areas of the state. Furthermore, in examining the nonprofit sectors of several U.S. metropolitan areas, Bielefeld (2000) found that not only did areas with higher poverty rates have lower densities of nonprofit organizations, but that these areas were also home to nonprofit sectors that were far less resource-rich in general.

As a result of these differences, some scholars have begun to raise serious concerns that nonprofit organizations, particularly those most often responsible for providing critical types of social service assistance, may not have the capacity to serve all communities equally. Indeed, Mohan, Twig, Jones, and Barnard (2006) have pointed out
that “the safety net represented by the nonprofit sector ha[s] a ‘mesh of varying size,’ so that the probability of slipping through it varie[s], depending on location” (p. 267). And, Allard (2009) has claimed that the geography of the nonprofit safety net “is closely tied to issues of race, poverty, joblessness, and social isolation” within communities (p. 6).

Despite these concerns, there has been no research exploring whether the presence or absence of nonprofit organizations from a community actually affects the ability of these organizations to effectively meet the service needs of the communities in which they operate. Yet, variation in the nonprofit sector from one community to the next undoubtedly has important implications with regard to the capacity of the local nonprofit sector to meet a variety of community needs. Thus, Salamon, Hems, and Chinnock (2000) have argued that research on the size and scope dimensions of the nonprofit sector is “of modest importance in and of itself. The really significant question is whether the presence or absence of nonprofit organizations makes a difference, and if so, what kind and how much” (p. 2).

One potential consequence of variation in the distribution of nonprofit organizations across communities could be that individuals in different areas may begin to view the nonprofit sector and the services that these organizations provide in vastly different ways. For example, individuals residing in communities that are underserved by nonprofit organizations may find it more difficult to locate and obtain various nonprofit services than individuals residing in communities with robust nonprofit sectors. As a result public attitudes toward nonprofits, and the services provided by these organizations, in underserved communities may be less favorable than in areas of high nonprofit density. Indeed, some research suggests that in communities often found to be lacking in nonprofit resources, individuals tend to express negative attitudes toward nonprofit service providers (see for instances, Kissane, 2003, 2008).

What Are Public Attitudes Toward the Nonprofit Sector?

Research suggests that attitudes are largely what shape our understanding of “reality;” and, studies have consistently shown that attitudes can be, and often are, strong and significant predictors of behavior (Ajzen & Fishbein, 2005). Unfortunately, we do not yet have a good understanding of what public attitudes are toward the nonprofit sector, or how individuals perceive nonprofit services in their area. In fact, Schlesinger, Mitchell, and Gray (2004) have claimed that “research on public attitudes toward the nonprofit sector has been limited” (p. 675); and, Kissane (2010) has even argued that “academics and policymakers have largely neglected how poor individuals [in particular] . . . view and experience nonprofit providers” (p. 633). Despite the lack of scholarly attention that has been devoted to developing an understanding of public attitudes toward the nonprofit sector, there has at least been some research exploring two questions that can be linked to how people view the sector (see for instance, Schlesinger et al., 2004). The first question concerns who favors nonprofits, particularly in terms of trust and confidence in the sector, while the second concerns who is even aware of what a nonprofit organization is.
Public Trust and Confidence in Nonprofit Organizations. With regard to trust and confidence in the sector, scholars have long recognized that these are critical indicators of legitimacy within nonprofit organizations. Sargeant and Lee (2002), for instance, have suggested that “the concept of trust lies at the heart of charity” (p. 68); and, Light (2003) has argued that “confidence clearly affects the public’s willingness to donate time and money, shapes the political and regulatory environment that governs charitable organizations, and has at least some influence on morale within the charitable workforce” (p. 1). Unfortunately, in recent years, there has been considerable concern regarding the level of confidence that the public has in nonprofit organizations (e.g., Light, 2002, 2003, 2004a, 2004b, 2005)—particularly regarding declining confidence among specific subgroups within the population.

Several surveys, for instance, have shown that individuals who are likely to be most dependent on many types of nonprofit services are often the most skeptical of nonprofit performance in many industries. Minorities, for instance, have been shown to be less confident in health and human services nonprofits than Whites (Schlesinger et al., 2004; Wilson & Hegarty, 1997); and individuals with lower levels of educational attainment have been shown to be less likely to believe that nonprofits are honest and ethical than those with higher levels of educational attainment (Keirouz, 1998). Moreover, in a recent survey of public trust in institutions, Grønbjerg (2009) found that individuals residing in areas with fewer social and economic resources—areas which also tend to have fewer nonprofit resources (Grønbjerg & Paarlberg, 2001)—were less likely to express high levels of trust in nonprofit organizations.

Public Awareness of the Nonprofit Sector. Ultimately, whether individuals truly have more (or less) favorable attitudes toward nonprofit organizations depends, in large part, on whether or not they can even differentiate nonprofit organizations from organizations in other sectors of society. In fact, some research suggests that awareness of nonprofit organizations may actually be one of the most important factors influencing public attitudes toward the nonprofit sector (Schlesinger et al., 2004; Light, 2004b). Surveys, however, have shown that many times the public is not very familiar with what a nonprofit organization is (Mauser, 1998; Permut, 1981; Schlesinger et al., 2004; Van Slyke & Roch, 2004). In their survey experiment on public legitimacy in health-care organizations, for example, Schlesinger, Mitchell, and Gray (2004) found that nearly one third of survey respondents had difficulty providing a coherent definition of the term nonprofit. Those that were able to provide a coherent definition, however, were more likely to express favorable perceptions of nonprofit health-care organizations. Moreover, in a national survey of public confidence in the nonprofit sector, Light (2004b) found that when asked to state what the term charitable organization meant, individuals who were familiar with the term were more likely to express higher confidence in nonprofit performance.

Given these findings, then, limited awareness of the nonprofit sector may actually contribute to a disconnect between individuals and how they perceive the nonprofit services intended to benefit them. Indeed, Kissane (2003) found that a lack of
familiarity with nonprofits and with nonprofit service assistance was one of the primary barriers preventing poor women in low-income neighborhoods of Philadelphia from using nonprofit social service providers. Still, what is uncertain, though, is whether (and to what extent) greater confidence in nonprofits and more awareness of the sector is associated with a more or less vibrant nonprofit sector in a community. Thus, the purpose of this study is to explore this issue by examining the extent to which differences in the distribution of nonprofit organizations across communities affect the level of confidence that individuals place in nonprofit performance as well as the level of awareness that they have regarding what nonprofit organizations even are.

**Data, Measures, and Method**

The data used for this study came from several sources. Specifically, we used survey data to obtain individual-level information on public attitudes toward nonprofit organizations and public awareness of the sector. We also used administrative data at the ZIP code-level to obtain information on nonprofit locations as well as on community characteristics. The individual-level data came from a randomly sampled telephone survey of San Diego County residents \((N = 1,002)\). The survey contained questions on a variety of issues relating to public awareness of nonprofit organizations, public attitudes toward the local nonprofit sector, and public involvement in voluntary activities (e.g., volunteering and donating). A number of demographic questions were also asked, including the ZIP code of the respondent’s residential location.

The survey questions were developed, and adapted, based on prior surveys that have been conducted assessing public confidence in nonprofit organizations (Grønbjerg, 2009; Keirouz, 1998; Light, 2002, 2003, 2004a, 2004b, 2005; Wilson & Hegarty, 1997). The sampling frame for the survey was residents of San Diego County who were 18 years of age and older. The survey was conducted from November 08, 2007, to January 09, 2008, and was administered using computer-assisted telephone interviewing (CATI) technology. The average length of the survey interviews was approximately twenty minutes. Depending on the preference of the respondent, surveys were conducted in either English or Spanish. The response rate was 33% and the cooperation rate was 78%.

**Dependent Variable(s)**

Our dependent variables included binary measures of public confidence in the ability of local nonprofit organizations in two areas of performance: (a) effectively providing quality services, and (b) spending money wisely. We also included, as a dependent variable, a binary indicator of the level of awareness that individuals had of the local nonprofit sector. Measures of public confidence were assessed using the questions: “Generally speaking, how much confidence would you say you have that San Diego County nonprofits effectively provide quality services on the public’s behalf?” and “Generally speaking how much confidence would you say you have that San Diego County nonprofits spend money wisely?” Response options ranged from 1 to 4, and
included: no confidence at all (“1”), not too much confidence, a far amount of confidence (“4”). Don’t know and refuse to answer options were also provided. Responses were collapsed into dichotomous categories of no/low confidence (“0”) and moderate/high confidence (“1”).

To establish levels of nonprofit awareness, at the beginning of the survey following the introduction, quota screenings, and consent process, respondents were asked an unaided “top-of-mind awareness” question. Top-of-mind awareness has frequently been used in studies of commercial brand awareness, and has been described as the ability to immediately access or identify a brand from memory when asked (see for instance, Hoyer & Brown, 1990). In this survey, respondents were asked: “When you think about local San Diego County nonprofit organizations, which ones come to mind? Please tell me the first three organizations that come to mind.” Online search engines were used and telephone calls were placed to organizations (when needed) in order to verify the accuracy of the response(s). Awareness was assessed on a scale ranging from zero (indicating that the respondent could not, or would not, correctly identify any nonprofits) to three (indicating that the respondent could correctly identify three nonprofit organizations when asked to do so). Responses were collapsed into dichotomous categories of no/low awareness (“0”) and moderate/high awareness (“1”).

**Individual-Level Measures**

Based on findings from past research regarding who tends to express greater confidence in nonprofit organizations (e.g., Keirouz, 1998; Schlesinger et al., 2004; Wilson & Hegarty, 1997), we included a number of individual-level covariates. Education was measured as a dichotomous variable, where “1” indicated educational attainment of a college degree or higher and “0” indicated that a respondent had less than a college degree. Household income was measured as a five-category ordinal variable ranging from less than US$15,000 to US$100,000 or more; and, for the purposes of this analysis, was treated as continuous. Age was also measured as a continuous variable. Minority status was a dichotomous indicator of White (“0”) or non-White (“1”). Marital status was measured as married or living with a partner (“1”) or single (“0”); and, gender was measured as a binary indicator of female (“0”) or male (“1”). Finally, we controlled for volunteer status, as it is likely that individuals who volunteer with nonprofit organizations will have more confidence in the sector as well as more awareness of what a nonprofit organization is. Volunteer status was measured as a dichotomous indicator of whether a person had volunteered with a nonprofit organization in the past 2 years (“1”) or not (“0”).

**ZIP Code–Level Measures**

We used ZIP codes as our proxy for community. Our primary ZIP code–level explanatory variable was a categorical measure of nonprofit density, which was the total number of nonprofit organizations per ZIP code arranged into quartiles—ranging
from low nonprofit density (quartile category one) to high nonprofit density (quartile category four). To determine the density of nonprofits per ZIP code, we used the 2007 core file of public charities provided by the National Center for Charitable Statistics (NCCS). The core files contain detailed financial and operating information on nonprofit organizations in the United States, and are coded and classified according to the National Taxonomy of Exempt Entities (NTEE) across 26 functional fields of nonprofit activity. The data contained in the files are created primarily from annual tax forms that nonprofit organizations must file with the IRS known as Form 990. Nonprofits, excluding most churches and religious organizations, that have annual gross receipts of US$25,000 or more are required to file this form.

Several location issues must first be addressed before attempting to use the core files for locational analysis. First, the address information contained in the core files is not always accurate. At least one previous study, for instance, has found that more than one quarter of the nonprofits that are listed in the core files tend to have incorrect address information (cited in Joassart-Marcelli & Wolch, p. 76, from a study cited in Hager, Galaskiewicz, & Bielefeld, 1996). Second, many larger nonprofit organizations that are listed in the core files will often file aggregate tax returns and use the address of the organization’s headquarter location to account for affiliate, subsidiary, and/or satellite sites. Therefore, the locations of nonprofits operating at any of these multiple service sites will generally not be included in the files. Third, some nonprofit organizations do not include their actual operating address on their annual tax returns. Instead many of these organizations use a Post Office (PO) box address. However, PO box addresses typically provide only the location for a centralized delivery system (such as a postal provider) as opposed to the actual location of the organization.

In order to address each of these locational issues, we verified all location information for each nonprofit organization listed in the 2007 Core File of Public Charities for San Diego County. This included conducting searches of the organization’s website (if available) as well as searches of administrative records, such as the California Department of Public Health and the California State Secretary’s Registry of Charitable Organizations. Through this process nearly 8% of the nonprofits (n = 243) listed in the file had incorrect address information (at the ZIP code level). Moreover, 10% of the nonprofits (n = 311) with only a PO box address listed in the file had an actual operating address in the county.10 Nonprofits listed in the file that operated at multiple service locations were also identified through this process, and inclusion of these organizations increased the size of our dataset by nearly 10% (n = 311). Our final dataset of nonprofits contained 3,084 organizations.11

**ZIP Code-Level Controls.** Given that the distribution of nonprofits has been shown to differ across communities, we controlled for several ZIP code–level factors. Specifically, using 2008 population estimates provided by the San Diego Association of Governments (SANDAG), we controlled for population size by including a measure of population density (total population per 10,000 residents in each ZIP code). We also controlled for the sociodemographic composition of ZIP codes by including the
percentage of occupied households per ZIP code earning less than US$30,000 as well as the percentage of the minority population in each ZIP code.

**Analytic Strategy**

To determine whether community variation in the distribution of local nonprofit organizations was associated with the level of confidence individuals expressed in local nonprofit performance and the level of awareness that they had of the local nonprofit sector, we estimated a series of multilevel random intercept logistic regression models. Multilevel models take into account the possibility that individuals from the same community (i.e., ZIP codes in this instance) will be more alike than individuals from different communities. For each dependent variable, we first estimated a series of base models without predictors. We then estimated models with only individual-level predictors. Finally, full models were estimated using both individual- and ZIP code–level predictors. The basic form(s) of the model(s) is:

\[
\text{logit}[\Pr(Y_{ij} = 1)] = \gamma_{00} + \gamma_{01}(\text{ZIP code}) + [u_{0j} + r_{ij}]
\]

where \( Y \) is a measure of public confidence in or awareness of local nonprofit organizations, \( u_{0j} \) is a random effect at the ZIP code–level, representing random variation in the dependent variable(s) between ZIP codes, and \( r_{ij} \) is a random effect at the individual-level, representing random variation in the dependent variable(s) within ZIP codes (Luke, 2004).

**Results**

**Descriptive Statistics**

Table 1 reports descriptive statistics for all study variables. The means for the dependent variables indicate that respondents expressed more confidence in the ability of local nonprofits to provide quality services (86%) than they did in the ability of local nonprofits to spend money wisely (74%). In addition, nearly one third of all survey respondents were unable to correctly identify two or three nonprofit organizations when asked.

With regard to our individual-level measures, the descriptive statistics show that the majority of respondents (59%) did not have a 4-year college education, and the majority also had a household income approximately in the range of US $50,000 to US $74,999. The average age was 52, and 58% of the sample was White. Forty-two percent of the respondents in the survey were single, and the sample was split nearly evenly between males and females. Forty-seven percent of respondents indicated that they had volunteered with a nonprofit organization in the past 2 years.

Finally, with regard to our ZIP code–level measures, the density of nonprofits per ZIP code ranged from zero to 207 and the average number of nonprofits per ZIP code was 31. Population density per ZIP code ranged from 68 to nearly 80,000; and the
average number of households per ZIP code earning less than US$30,000 was 28%. The average minority population per ZIP code was 45%.

**Multilevel Results**

To begin our analyses, we first estimated a series of base models without predictors (results not shown, available upon request). The likelihood ratio statistic for testing the null hypotheses that the variance estimates of the random effects were equal to zero was significant only for our model assessing the level of awareness that individuals had of local nonprofit organizations across ZIP codes (chibar2(01) = 18.78; \( p < .001 \)). As such, while there was no evidence of variation across ZIP codes in the level of confidence that individuals expressed in local nonprofit performance, there was strong evidence to suggest that differences potentially existed in the level of awareness that individuals had of the local nonprofit sector.
Adding individual-level predictors to the models (Table 2; Models, 1, 3, and 5), we found that individuals with higher levels of educational attainment ($e\beta = 1.708$) and those who were married or living with a partner ($e\beta = 1.654$) were both more likely to express higher levels of confidence in the ability of local nonprofit organizations to effectively provide quality services. However, only those with higher levels of educational attainment were more likely to express higher confidence in the ability of local nonprofits to spend money wisely ($e\beta = 1.742$).

Results for our model regarding levels of public awareness indicated that higher levels of education ($e\beta = 2.098$), higher income levels ($e\beta = 1.392$), age ($e\beta = 1.025$), and volunteer status ($e\beta = 2.305$) were all positively associated with the likelihood that a respondent could correctly identify two or three nonprofit organizations when asked. Minority status, however, was negatively associated with the likelihood that a respondent could not (or would not) correctly identify two or three nonprofit organizations when asked to do so ($e\beta = .447$). In fact, minorities were 55% less likely to demonstrate high awareness of local nonprofits than were otherwise comparable Whites.

In Table 2 (Models 2, 4, and 6), when we added ZIP code–level predictors to the models, results indicated that the density of nonprofit organizations in a community was not significantly related to the level of confidence that individuals expressed in local nonprofit organizations (in either area of performance). However, nonprofit density was significantly related to the level of awareness that respondents had of the local nonprofit sector. In particular, individuals who resided in high nonprofit density communities were significantly more likely to demonstrate greater awareness of the sector than were those residing in low nonprofit density communities. In fact, individuals residing in ZIP codes with the highest density of nonprofit organizations in the county (quartile category four) were nearly two times more likely to be able to correctly identify two or three local nonprofit organizations when asked than were those residing in ZIP codes with the lowest density of nonprofits in the county (quartile category one) ($e\beta = 1.886$). Individuals residing in ZIP codes with the third highest density of nonprofits in the county (quartile category three) were also nearly two times more likely to demonstrate high awareness of local nonprofit organizations than were those residing in ZIP codes with the lowest density of nonprofits in the county ($e\beta = 1.814$). Even individuals residing in ZIP codes with the second to lowest density of nonprofit organizations in the county (quartile category two) were nearly three times more likely to be able to correctly identify two or three local nonprofits when asked to do so than were those residing in ZIP codes in the county with the lowest density of nonprofits ($e\beta = 2.565$).

To What Extent Does Greater Awareness Result in Greater Confidence?. Given that the density of nonprofit organizations in a community did not appear to be associated with the level of confidence that individuals expressed in these organizations, we next examined the possibility that greater awareness of nonprofit organizations leads to greater confidence in the sector.

As shown in Table 3, the findings from this analysis indicated that awareness of the local nonprofit sector was strongly associated with whether or not individuals
Table 2. Odds ratios for public confidence in and awareness of nonprofit organizations.

<table>
<thead>
<tr>
<th>Confidence in nonprofit ability</th>
<th>Provide quality services</th>
<th>Spend money wisely</th>
<th>Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
<td>Model 3</td>
</tr>
<tr>
<td>Individual-level covariates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>1.708*</td>
<td>1.665*</td>
<td>1.742*</td>
</tr>
<tr>
<td></td>
<td>(0.390)</td>
<td>(0.383)</td>
<td>(0.318)</td>
</tr>
<tr>
<td>Household income</td>
<td>0.903</td>
<td>0.889</td>
<td>0.962</td>
</tr>
<tr>
<td></td>
<td>(0.079)</td>
<td>(0.079)</td>
<td>(0.068)</td>
</tr>
<tr>
<td>Age</td>
<td>0.993</td>
<td>994</td>
<td>0.990</td>
</tr>
<tr>
<td></td>
<td>(0.006)</td>
<td>(0.006)</td>
<td>(0.005)</td>
</tr>
<tr>
<td>Minority</td>
<td>0.691</td>
<td>0.700</td>
<td>0.832</td>
</tr>
<tr>
<td></td>
<td>(0.150)</td>
<td>(0.170)</td>
<td>(0.147)</td>
</tr>
<tr>
<td>Married</td>
<td>1.654*</td>
<td>1.631*</td>
<td>1.933</td>
</tr>
<tr>
<td></td>
<td>(0.356)</td>
<td>(0.355)</td>
<td>(0.212)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.887</td>
<td>0.897</td>
<td>0.802</td>
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<tr>
<td></td>
<td>(0.177)</td>
<td>(0.180)</td>
<td>(0.130)</td>
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<tr>
<td>Volunteer</td>
<td>1.479</td>
<td>1.478</td>
<td>1.310</td>
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<tr>
<td></td>
<td>(0.305)</td>
<td>(0.307)</td>
<td>(0.164)</td>
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<tr>
<td>ZIP code–level covariates</td>
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<tr>
<td>Nonprofit density</td>
<td></td>
<td></td>
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<tr>
<td>Quartile 2</td>
<td>—</td>
<td>1.223</td>
<td>—</td>
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<td></td>
<td></td>
<td>(0.491)</td>
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<tr>
<td>Quartile 3</td>
<td>—</td>
<td>0.777</td>
<td>—</td>
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<td></td>
<td></td>
<td>(0.291)</td>
<td></td>
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<tr>
<td>Quartile 4</td>
<td>—</td>
<td>1.304</td>
<td>—</td>
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<td></td>
<td></td>
<td>(0.503)</td>
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<tr>
<td>Population size</td>
<td>—</td>
<td>1.043</td>
<td>—</td>
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<td></td>
<td></td>
<td>(0.082)</td>
<td></td>
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<tr>
<td>% Occupied HH &lt; US$30k</td>
<td>—</td>
<td>0.159</td>
<td>—</td>
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<tr>
<td></td>
<td></td>
<td>(0.188)</td>
<td></td>
</tr>
<tr>
<td>% Minority population</td>
<td>—</td>
<td>2.024</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.349)</td>
<td></td>
</tr>
<tr>
<td>n individual</td>
<td>887</td>
<td>887</td>
<td>873</td>
</tr>
<tr>
<td>n group</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

Notes:
1Nonprofit density quartile category “1” (i.e., ZIP codes in the county with the lowest density of nonprofits) is used as the reference category.
2Both household income and age are grand mean centered.
3Four ZIP codes had only one survey respondent associated with the area. Therefore, we located contiguous ZIP codes and merged these individuals with the closest ZIP code in terms of nonprofit density and ZIP code characteristics.
* p ≤ .05.
expressed higher confidence in both areas of local nonprofit performance. Specifically, regardless of the density of nonprofit organizations in a community, individuals who demonstrated higher awareness of the local nonprofit sector were nearly three times more likely to express higher confidence in the ability of local nonprofit organizations to effectively provide quality services \((e^\beta = 2.682)\), and were nearly two times more likely to express higher confidence in the ability of local nonprofit organizations to spend money wisely \((e^\beta = 1.768)\). Thus, while nonprofit density appears to be strongly associated with the level of awareness that individuals have of the nonprofit sector, it seems to be this awareness that ultimately influences the level of confidence that they have in the ability of nonprofit organizations to operate within their communities.12

**Discussion**

In many ways, nonprofit organizations are deeply embedded within the fabric of our everyday lives; and, as a result, it is often thought that nonprofits will be close enough to our local communities to understand and meet the needs of community residents. However, given the degree of variation that studies have shown exists in the distribution of nonprofit organizations from one community to the next, it is uncertain whether and to what extent nonprofits are able to equally benefit and meet the service needs of individuals in all areas. The findings from this research, for instance, have indicated that differences in the density of nonprofit organizations is strongly related to the level of awareness that individuals have of the local nonprofit sector; and, that this awareness of the sector is, in turn, strongly related to the level of confidence that individuals place in the performance of nonprofits in their community. These findings, although in many ways quite intuitive, are concerning; and, there are several reasons why scholars, policymakers, and nonprofit administrators should all begin devoting more attention to understanding what public attitudes are toward nonprofit organizations.

First, some research has shown that public attitudes toward the nonprofit sector can influence the degree to which individuals prefer to utilize nonprofit services. Mauser (1998), for instance, examined parent’s attitudes toward nonprofit and for-profit childcare facilities and found that higher income parents often preferred to send their children to nonprofit centers due to a belief that nonprofit centers placed a greater emphasis on quality of care. Kissane (2003), however, examined public preferences for social service assistance among low-income women in Philadelphia, and found that many of these women chose not to use nonprofit service assistance due to a belief that nonprofit service providers were stigmatizing and humiliating. Thus, beliefs about the nonprofit sector and about how these organizations operate (whether premised on an inaccurate understanding of what nonprofit organizations are, or not) can shape individuals’ preferences for using, and receiving services from, nonprofit providers. As a result, although nonprofit organizations may believe that their services are benefiting communities, this may not actually be the case in all areas.

From a policy perspective, then, understanding how the public actually views nonprofit organizations, and their level of awareness in the sector, can assist policymakers
in developing funding priorities necessary to achieve desired outcomes. For example, it is likely that creating new nonprofit organizations in a community may be less important than ensuring that the ones that currently exist in the community are known.

Table 3. Odds ratios for public confidence in and awareness of nonprofit organizations with awareness as a predictor.

<table>
<thead>
<tr>
<th>Individual-level covariates</th>
<th>Provide quality services</th>
<th>Spend money wisely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
</tr>
<tr>
<td>Awareness</td>
<td>2.989*</td>
<td>2.664*</td>
</tr>
<tr>
<td>(0.562)</td>
<td>(0.601)</td>
<td>(0.613)</td>
</tr>
<tr>
<td>Education</td>
<td>—</td>
<td>1.517</td>
</tr>
<tr>
<td>(0.356)</td>
<td>(0.348)</td>
<td></td>
</tr>
<tr>
<td>Household income</td>
<td>—</td>
<td>0.843</td>
</tr>
<tr>
<td>(0.076)</td>
<td>(0.076)</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>—</td>
<td>0.988*</td>
</tr>
<tr>
<td>(0.006)</td>
<td>(0.006)</td>
<td></td>
</tr>
<tr>
<td>Minority</td>
<td>—</td>
<td>0.796</td>
</tr>
<tr>
<td>(0.180)</td>
<td>(0.200)</td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>—</td>
<td>1.668*</td>
</tr>
<tr>
<td>(0.361)</td>
<td>(0.359)</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>—</td>
<td>0.902</td>
</tr>
<tr>
<td>(0.182)</td>
<td>(0.187)</td>
<td></td>
</tr>
<tr>
<td>Volunteer</td>
<td>—</td>
<td>1.290</td>
</tr>
<tr>
<td>(0.273)</td>
<td>(0.275)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ZIP code–level covariates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit density</td>
</tr>
<tr>
<td>Quartile 2</td>
</tr>
<tr>
<td>(0.425)</td>
</tr>
<tr>
<td>Quartile 3</td>
</tr>
<tr>
<td>(0.261)</td>
</tr>
<tr>
<td>Quartile 4</td>
</tr>
<tr>
<td>(0.455)</td>
</tr>
<tr>
<td>Population size</td>
</tr>
<tr>
<td>(0.082)</td>
</tr>
<tr>
<td>% Occupied HH &lt; US$30k</td>
</tr>
<tr>
<td>(0.245)</td>
</tr>
<tr>
<td>% Minority population</td>
</tr>
<tr>
<td>(0.245)</td>
</tr>
</tbody>
</table>

* p ≤ .05.
effective, and able to meet the service needs of residents. Indeed, De Vita, Fleming, and Twombly (2001) have argued that, “An organization can have a vital mission, good leadership, and sufficient resources, but unless it is known in the community its impact will be limited” (p. 21).

Second, much of the theoretical literature that attempts to explain the distribution of nonprofit organizations across localities has been premised on notions of favorable attitudes toward the sector. Market failure theory and the related concept of contract failure, for instance, have long suggested that individuals—particularly those who are vulnerable and residing in disadvantaged communities—will place more trust in nonprofit service providers than they will in service providers operating in other sectors of society (Hansmann, 1980; Weisbrod, 1986). Moreover, government failure theory and the related concept of demand heterogeneity, have long assumed that citizens who are unsatisfied with levels of government service provision will choose to satisfy their needs and preferences through nonprofit organizations (Weisbrod, 1986). Yet, very little research has actually examined how individuals view nonprofit organizations; and, there has been no research exploring how the nonprofit landscape of a community shapes perceptions of the sector. As such, without an understanding of these differences it will be difficult to actually test these theories.

Third, as the findings from this study have shown, volunteers tend to have more awareness of the nonprofit sector than those who do not volunteer; and, although not significant at conventional levels of significance, volunteers also seemed to express more confidence in the performance of nonprofit organizations as well (effectively providing quality services: $e^\beta = 1.479$; $p = .06$; spending money wisely: $e^\beta = 1.310$; $p = .10$). Thus, it is likely that volunteers may have an “insider” view of the sector that shapes their perspective on how these organizations operate and the value that they add to local communities. Given this possibility, then, when communities are lacking in organizations that provide opportunities for voluntary involvement, it may be more difficult for individuals in these areas to develop not only a familiarity of the nonprofit sector but also a positive view on how nonprofit organizations operate.13

Finally, nonprofit organizations play an essential role in maintaining America’s social safety net; and communities of concentrated poverty and social exclusion, in particular, often heavily rely on the sector to provide a variety of critical services. However, the uneven geography of nonprofit activity raises serious concerns regarding the ability of nonprofit organizations to realistically meet the service needs of individuals in all areas. Some studies, for instance, have shown that residents in low-income communities are more likely to use nonprofit services when they are located in close proximity to where they live (Allard, 2009; Allard, Tolman, & Rosen, 2004; Bielefeld et al., 1997); and, other studies have shown that caseworkers in low-income areas are more likely to refer clients to programs and agencies located near their clients’ homes (Allard, 2009). If nonprofit organizations are lacking from these low-income areas, however, then it is likely that residents in these communities may not be receiving the service assistance that they need. As a result, differences in public attitudes toward nonprofit organizations, and even in the level of awareness that individuals have of the nonprofit sector, will undoubtedly have important implications when it
comes to understanding social inequality and our ability to realistically rely on nonprofits to maintain our social safety net.

The findings from this research also present a number of directions for future investigation. In particular, it would be beneficial for researchers to begin exploring the mechanisms linking the density of nonprofit organizations in a community to greater awareness of the sector. Such research would help unpack exactly why it is that individuals residing in high nonprofit density communities tend to have greater awareness of the sector. Related to this point, exploring differences in the types of nonprofit organizations that individuals are able to recall from memory could provide insights on the level of interaction that individuals have with nonprofits in their area. For example, it may be possible that individuals residing in high nonprofit density communities who have greater awareness of human services nonprofits tend to receive more (or even better quality) service assistance from these organizations. At this point, however, it is not certain just as to why greater nonprofit density is associated with greater nonprofit awareness, nor is it certain whether greater density of certain types of nonprofits is associated with greater awareness of specific types of nonprofit organizations.

It would also be beneficial for researchers to begin exploring other ways that the presence or absence of nonprofits from a community impacts individual- and community-level outcomes. Although attitudes can certainly tell us a great deal about how people view the services that nonprofit organizations provide, this research does not provide much information regarding actual behavioral patterns and preferences. As such, more research is needed to explore how indicators such as public health and social welfare may also be associated with the nonprofit landscape in a community.

In addition to these areas for future investigation, research should also begin to explore how the nonprofit landscape of communities in different localities—beyond San Diego County—is associated with various outcomes. Although previous research has focused on San Diego as a region highly variable in several dimensions often believed to influence nonprofit capacity (see for instance, Bielefeld, 2000; Bielefeld & Murdoch, 2004), other regions may depend on the nonprofit sector, and the services provided by these organizations in different ways. Indeed, based on 2008 estimates San Diego County had a total population of more than three million residents. Fifty-four percent of these residents were White, 28% were Hispanic, 7% were Asian and Pacific Islanders, 5% were Black, 2% were American Indian, and 4% identified as “other” race/ethnicity. Gender-wise, the population of San Diego County at this time was 50% female, and the median household income in the County (adjusted for inflation in 1999 dollars) was approximately US$52,887. These estimates are likely to be very different in many other localities; and, as a result may lead to more (or less) reliance on nonprofit organizations.

Finally, it would be beneficial for researchers to begin exploring not only how changes in nonprofit density affect individual- and community-level outcomes, but also how changes in the quality of nonprofit resources are related to the ability of nonprofits to benefit the communities in which they operate. Indeed, Joassart-Marcelli and Wolch (2003) found that even though many poor communities in southern California
had a relatively high number of nonprofit social service providers, the extent of poverty in many of these areas meant that the nonprofit providers located there were among the most resource-deprived in the region. Thus, exploring community variation in both the quantity and quality of nonprofits would provide a more complete picture of the capacity that the local nonprofit sector in an area has to meet the needs of residents.

Although the findings from this research have highlighted important consequences of community variation in the nonprofit sector, there are obvious limitations to this study that must be acknowledged. First, public attitudes toward the nonprofit sector may be distinct from administrative boundaries; and ZIP codes may not align with residents’ perception of their community (e.g., Coulton, Kornbin, Chan, & Su, 2001). As such, we are unable to claim that these findings from this study represent how individuals in San Diego County actually view their communities. Moreover, both the individual- and ZIP code–level data used in this analysis came from cross-sectional data sources. Thus, we are unable to establish causality. Finally, the absence of churches and religious organizations from the NCCS files renders much of these findings speculative, at best—particularly the findings concerning the lack of awareness that minorities have in the nonprofit sector. Given these limitations, then, this study should not be seen as the complete story of how the density of nonprofits in a community influences public attitudes toward nonprofits and public awareness of the sector. Quite the contrary, this research is only a first step in the ongoing process of understanding the direct and indirect impact of variations in the development of the nonprofit landscape of communities.

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Notes

1. Although some studies have found that low-income communities tend to have few nonprofit resources, other studies have found that these communities actually have far greater densities of nonprofit organizations than more affluent areas (see for instance, Corbin,
1999; Matsunaga & Yamauchi, 2004; Peck, 2008). Regardless of whether these communities have more (or less) nonprofits, though, the mere existence of differences in the geography of nonprofit activity has led many scholars to suggest that the nonprofit sector may not have the capacity to serve all communities equally.

2. Cooperation rates are the number of completed interviews out of the number of contacted eligible respondents, calculated as: \( I/(I+P+R) \). Response rates are the proportion of completed interviews out of the total number of eligible respondents, calculated as: \( I/((I+P)+(R+NC+O)+e(UH+UO)) \). The refusal rate was 16%, calculated as: \( R/((I+P)+(R+NC+O)) \), where \( I \) = complete interviews, \( P \) = partial interviews, \( R \) = refusals, terminations, and break-offs, \( NC \) = noncontact, \( O \) = other, \( UH \) = unknown household eligibility, and \( UO \) = unknown other (American Association for Public Opinion Research, 2009).

3. One survey respondent provided a ZIP code for a PO box. This person was excluded from the analysis.

4. Most variables either did not have missing data or were missing only negligible amounts of data; therefore, “don’t know” and “refuse to answer” responses were excluded from the analysis.

5. Ideally, we would control for the amount of services (e.g., charitable aid) individuals have received from nonprofits. Unfortunately, there were no measures of service receipt in this survey.

6. Respondents were asked: “Did you volunteer with any San Diego County nonprofit organizations in 2006” and were also asked, “Have you volunteered with any San Diego County nonprofit organizations in 2007.” Those who indicated they had volunteered in either 2006 or 2007 were considered to have volunteered in the past 2 years (\( r = 0.67 \)).

7. ZIP codes were created by the U.S. Postal Service (USPS) as a tool to help deliver the mail more efficiently. In recent years, market researchers and others interested in spatial analysis have used ZIP codes as a standard geographic unit. However ZIP codes are not, nor were they ever, intended to be spatially defined areas. Thus, there are important data considerations to keep in mind when working with ZIP code–level data. First, true spatial boundaries of ZIP codes are generally unknown. As a result, a single ZIP code can be noncontiguous. For example, a large ZIP code may be spatially divided to account for the network of streets served by the mail carriers assigned to that area. Second, reliable and up-to-date data at the ZIP code level are rather limited (that is, in comparison to data available at other levels of geography). Third, ZIP codes can change, and in parts of the country with rapid population growth frequent changes are needed in order to adjust for changing population density. Despite these limitations, previous research examining the presence of institutional resources has used ZIP code–level data as an approximation of neighborhood boundaries (e.g., Merolla, Hunt, & Serpe, 2011; Small & McDermott, 2006).

8. The density of nonprofit organizations across ZIP codes in the county was highly skewed.

9. Although the core files do not provide a complete census of the nonprofit sector, Bielefeld and Linders (2004) have argued the data in the core files “present an accurate picture of the major financial aspects of the sector” (p. 4), and most scholars have agreed that the core files represent organizations comprising the “formal” nonprofit sector.

10. If a nonprofit did not have an actual physical location, but instead had a consistent meeting location (as specified on their website), then the meeting location was used to represent the location for the organization.

11. Several nonprofits were excluded from this analysis. First, nonprofits with a PO box address that we were unable to find an address for via the Internet search strategy outlined were excluded. Second, nonprofits located outside of San Diego County were excluded.
Third, USPS designated “unique” (nonresidential) ZIP codes were excluded from the analysis; therefore, by default all nonprofits in these ZIP codes were also excluded. Finally, nonprofits with a rule date of 2009 (i.e., the date that the organization was granted tax-exempt status) were excluded from the analysis since these organizations would not have been in existence during the study period. In total, 426 nonprofits (or 13% of the total number of nonprofits from the original NCCS file) were excluded. If a nonprofit was unable to be located and had address information listed in the file, then the address information provided was retained, as is.

12. For each of the models, we allowed the intercept to vary randomly across communities (given the nested structure of our data). The results suggested that the intercepts varied across communities, however, were not statistically significant (thus, no variance estimates are provided in Tables 2 and 3; results not shown, but are available upon request). As such, single-level logit models with fixed intercepts would have produced (and did produce) similar results.

13. We would like to thank an anonymous reviewer for highlighting this point.

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Bielefeld, W., & Linders, K. (2004). Financial comparisons of the nonprofit sector in Indianapolis and eight other metropolitan areas (04-C05). Center for Urban Policy and the Environment: School of Public and Environmental Affairs, Indiana University–Purdue University Indianapolis.


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