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Research Objectives, Background, and Conceptual Framework

Objectives

The goal of The AmeriCorps Crowd Out Study is to examine the effect that AmeriCorps has on private charitable giving. This is done with two goals: to uncover hidden costs or benefits associated with a politically controversial federal program and to provide, more generally, an estimate of the extent to which government funding for labor ``crowds out'' (reduces) or ``crowds in'' (increases) private giving.

Since 1994, the federally funded AmeriCorps program has offered stipends and scholarships to its members in exchange for their service at public or nonprofit organizations (Corporation for National and Community Service, 2009). Proponents of the AmeriCorps program had a victory in 2009 with the passage of the Edward M. Kennedy Serve America Act. The law would have expanded funding for the Corporation for National and Community Service (CNCS) and gradually increased the number of AmeriCorps members from 75,000 to 250,000 annually. Since 2010, however, further expansion has not been funded. Rather, a recent report of the Budget Committee of the House of Representatives proposes eliminating CNCS and derides the agency for creating ``the oxymoron--`paid volunteer' ''(U.S. House, 2013).

Despite the political disagreements about the AmeriCorps program, it has been understudied. While there has been valuable research on the impact of the AmeriCorps program on its members (Simon and Wang, 2002; Simon, 2002; Frumkin et al., 2009), little is known about the impact of the program on AmeriCorps sponsors (grant recipients). Our preliminary research finds a positive relationship between AmeriCorps and donations. This relationship may arise because donors respond to changes in the number of AmeriCorps or because of unobservable changes at nonprofits that affect both the number of AmeriCorps and the level of donations.

There has been extensive research regarding the potential of government grants to crowd out private giving (Bergstrom et al. 1986). While empirical results have been mixed, the majority of the research finds evidence of partial crowd out Abrams and Schmitz, 1984; Kingma, 1989; Payne, 1998; Duncan, 1999; Gruber and Hungerman, 2007). There are, however, reasons to believe that nonprofits and donors may respond very differently to the AmeriCorps program than they do to monetary grants. Monetary grants can be used to hire personnel but AmeriCorps members cannot be directly converted into additional capital. While recipients of monetary grants tend to decrease their fundraising spending (Andreoni & Payne 2011), recipients of additional labor may respond differently. Also, donors may be affected by the way government grants are framed or perceive a government grant as a signal of nonprofit quality (Eckel et al., 2005; Vesterlund, 2003). The presence of AmeriCorps at a nonprofit has the potential to send unique signals and frame the government's action differently than monetary grants.

Our hypothesis is that AmeriCorps have a crowd in effect on private giving . This research will exploit an increase in AmeriCorps sponsorship caused by The Kennedy Serve America Act, which increased the number of AmeriCorps by roughly 10 percent, to determine whether AmeriCorps has a causal impact on donations to its nonprofit sponsors. In doing so, The AmeriCorps Crowd Out Study will lead to a better understanding of the economic forces that underlay our civic infrastructure. Moreover, if our hypothesis is confirmed, our research will provide evidence of the economic benefits of national service programs.

Background and Conceptual Framework

This AmeriCorps Crowd Out Study builds on a growing literature in the field of economics focused on the interaction between government grants and nonprofit organizations. Specifically, many of these studies examine whether government grants to charities ``crowd out¿¿ (reduce) or ``crowd in¿¿ (increase) private donations. This area is of great interest because it increases our understanding of both efficient government spending and the motivations behind philanthropic giving. Widely cited economic theory predicts that government grants will crowd out private giving (Bergstrom et al. 1986), yet empirical evidence is mixed. The majority of the research finds evidence of partial crowd out Abrams and Schmitz, 1984; Kingma, 1989; Payne, 1998; Duncan, 1999; Gruber and Hungerman, 2007). However, Breman (2006) found crowd out to be near zero, and a number of more recent studies have found evidence of crowd in Okten and Weisbrod, 2000; Khanna and Sandler, 2000; Heutel, 2014).

Explanations for crowd in tend to assume that grants ¿signal¿ something positive about the nonprofit organizations that receive them . Vesterlund (2003) and Potters et al. (2005) provide a theoretical model and experimental evidence to support a signaling hypothesis. Huetel (2014) finds that government grants have a greater crowd-in effect on younger organizations and explains that this trend is consistent with the imperfect information assumptions of the signaling model.

The existence of a crowd out effect does not necessarily imply that the government grant was the direct cause of the decline in private donations. There is growing evidence that nonprofit organizations reduce fundraising activities after receiving grants (Andreoni and Payne, 2003; Andreoni and Payne, 2011). Even if nonprofits maximize donations, Name-Correa and Yildirim (2013) provide a theoretical rationale that explains why costly fundraising activities would fall in the presence of government grants.

While the majority of the crowd out literature has ignored both volunteer and paid labor, there has been some examination into whether government spending crowds in or crowds out volunteer labor. Multiple studies find a crowd in effect, although when subdivided by sector, results are inconsistent (Menchik and Weisbrod, 1987; Day and Devlin, 1996). Duncan (1999), on the other hand, finds that government spending significantly crowds out gifts of both time and money. Through our study of AmeriCorps, our research will be the first to examine whether the labor granted by the government to nonprofits crowds out or crowds in private gifts of money.

Why would labor grants be different than monetary grants? First, while increased revenue can be used by nonprofits to hire additional staff, additional labor cannot be directly converted to capital. Moreover, it remains unclear whether nonprofits are even able to effectively substitute between paid staff and unpaid volunteers (Handy et al., 2008; Simmons and Emmanuelle, 2010). Second, fundraisers may respond differently to additional labor than they would to additional capital. If AmeriCorps do not directly displace nonprofit professionals, they may not affect organizational budget goals. Third, there is evidence that the response of donors is affected by how the public contribution is presented to potential donors (Eckel et al., 2005). As such, donors may respond very differently to grants of labor than to grants of money. Fourth, the signal delivered to donors may be different. AmeriCorps--being human beings--are likely to be more visible than monetary grants, but it is unclear whether or not they signal nonprofit quality.

To date, relatively few studies have examined the relationship between national service programs and their partner organizations . Rather, existing research on AmeriCorps has generally focused on the impact of the program on its members . While it is not known whether AmeriCorps service has a causal relationship with future civic engagement, it is worth keeping in mind that there could be long-term effects on private philanthropy through AmeriCorps alumni that we do not estimate. The AmeriCorps Crowd Out Study compliments existing research on the impact of the AmeriCorps program, supporting our growing understanding on the program¿s impact on its members with a greater understanding of its impact on the nonprofit sector.

Our research will build on the studies outlined above and makes a contribution to the larger literature about the interaction between the government and the nonprofit sector. By examining the relationship between AmeriCorps and private philanthropic donations, it is novel in two ways. It is the first study to examine the effects of grant-funded labor on private philanthropy. It is also (to our knowledge) the first study of the impact of major national service programs on the finances of nonprofit organizations.

Research Design and Work Plan

Research Design

The relationship of interest in The AmeriCorps Crowd Out Study is the effect of AmeriCorps on private contributions, measured at the organizational level. We have begun preliminary work to estimate the non-causal relationship between AmeriCorps and contribution levels. Future research will estimate the causal effect of AmeriCorps on contributions.

The study relies on two primary sources of data. The first is the comprehensive data on the number and placement of AmeriCorps from the Corporation for National and Community Service (CNCS). The data appear in publicly available ``Full Reports'' for each state and for each program year from 2004-2005 to 2014-2015. The second source is the National Center for Charitable Statistics¿ ``Core PC¿¿ files for public charities.

To our knowledge, this is the first time that data from the state reports has been aggregated for academic research and the first time it has been matched to corresponding financial data . The reports contain information on the three primary AmeriCorps programs: AmeriCorps*State and National Direct, Volunteers in Service to America (VISTA), and the National Civilian Community Corps (NCCC). Additionally, AmeriCorps are granted through AmeriCorps*Tribes and Territories and, until 2012, Fixed Amount Grants . However, these programs are effectively the same as State and National Direct programs (that is, differences cannot easily be seen by donors or community members) and are treated as such throughout our analysis.

For each AmeriCorps grant, the Full Report lists the primary city, program or project name, sponsor organization, program type, and number of participants (AmeriCorps members). AmeriCorps NCCC members are not directly embedded with sponsor organizations and are, therefore, excluded from our analysis. Of the more than 50,000 AmeriCorps each year, fewer than 1,500 are members of NCCC. While the ``Full Reports'' are comprehensive in the enumeration of AmeriCorps members placed each program year, they have limited information on the sponsor organizations. AmeriCorps programs are listed in the reports by city or town and sponsor organizations are described only by name. Without addresses, descriptions, or any identification numbers, organizations must be linked across time through name and city alone. In some instances, we are able to account for organizations that changed their name (for example, when National Student Partnerships rebranded as LIFT) but it remains possible that some errors will remain. Moreover every effort will be made to aggregate the number of members serving in different locations or as part of different programs with the same sponsor. However, any irregularities in the naming conventions used in the reports could flow through to our dataset.

The number of participants listed in the Full Report is the amount of AmeriCorps positions granted to the sponsor, not the number of positions filled . Organizations do not receive funding for unfilled positions. This means that any estimates of the direct per AmeriCorps member effect on donors should be seen as a lower bound. However, the primary, policy relevant question is the impact of the grant award on the income of nonprofit organizations. As such, the number of positions granted is the preferred explanatory variable.

Financial data on 501(c)3 nonprofit organizations is available from the Urban Institute's National Center for Charitable Statistics (NCCS). NCCS compiles and harmonizes data from IRS Form 990 Return of Organization Exempt From Income Tax. Form 990 includes detailed information on revenue and expenses including the amount received in private donations, government grants, membership dues, and program service revenue . This information must be made public as a condition of 501(c)3 tax-exempt status.

We use the NCCS Core files for public charities (Core PC) from 2004 to 2013 to construct a panel of charities. Each annual file contains data from the 990 forms in the year in which they were filed. The sources for the Core PC data are the IRS's Return Transaction files, Statistics of Income sample files, and 990 forms on GuideStar (www.guidestar.org). Additionally, NCCS has added classifications from the National Taxonomy of Exempt Entities (NTEE) for each organization .

We aggregate organizations with the same name and different addresses to either the state or city level. This step is necessary in order to match the NCCS data with the AmeriCorps data, because the AmeriCorps data does not include addresses. Ideally, organizations would be aggregated to the level at which resources are shared, fundraising efforts are organized, and donors contribute. However, with more than two million observations, the dataset is too large to choose between state and city aggregation on a case-by-case basis. Based on research into a subset of nonprofits, and discussions with individuals working in the nonprofit sector, we aggregate affiliate organizations to the state level with three exceptions: Boys and Girls Clubs, Habitat for Humanity, and Big Brothers Big Sisters . These organizations are part of national networks, but since they are managed locally, they are aggregated at the city level. In our preliminary analysis, AmeriCorps sponsored by organizations that functioned in more than one location are aggregated together and placed, where possible, in the city and state in which the nonprofit entity was headquartered and from which it would report its charitable receipts. Notably, this meant aggregating all of the AmeriCorps members in University of

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Notre Dame's ACE Leadership programs to Notre Dame, Indiana; all members serving with the Catholic Volunteer Network to Takoma Park, Maryland; and all members serving with the American Red Cross to Washington, DC.

While the NCCS dataset does not include all charitable donations made in a given year, the subset of nonprofits included within it accounts for more than 60% of all donations in a given year . The missing data stems from charities that did not file tax returns with the IRS. Since organizations with more than $25,000 in gross receipts are required to file by law, the missing data corresponds (generally) with smaller organizations that would also be less able to meet the requirements of an AmeriCorps sponsor.

Significant effort must be made to match the dataset of AmeriCorps to the NCCS dataset. The absence of Employee Identification Numbers in the publicly available Full Reports on the number of AmeriCorps means that the two datasets must be merged based on organization name. Add-in programs, such as reclink, for the STATA statistical software package provide algorithm-based matching techniques for large datasets. However, matches based on names, rather than numbers, are imperfect. Research assistants will crosscheck and manually improve the mapping between AmeriCorps and NCCS data. Since the relationship of interest is the impact of AmeriCorps on donations (rather than the other way around) the number of AmeriCorps in 2004/05 is matched with financial data for fiscal year 2005, and so on.

To estimate the non-causal relationship between AmeriCorps and contribution levels, we regress the (log) number of AmeriCorps that have been sponsored by a given nonprofit, in a given year, on the (log) donations to that nonprofit. Regressions control for factors that are likely to be correlated with both the number of AmeriCorps and the amount of private donations. The two primary controls are government grants and program revenue. Increases in either could speak to the efficiency of the nonprofit and address correlation between organizational size and the ability to get an AmeriCorps grant. Moreover, increases in government grants are likely to be correlated with government perceptions of unobserved demand for the nonprofit¿s services and the skills with which the nonprofit managers are able to procure government assistance to meet their goals. We further control for organizational fixed effects by introducing a dummy variable for each nonprofit. Finally, we include state-by-year and sector-by-year fixed effects in the vector of controls. State-by-year fixed effects control for changes in policies and procedures at the state level while sector-by-year fixed effects control for broad changes in donor tastes (for example, an increase in interest in donating to anti-poverty programs during a recession).

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We estimate both the intensive and extensive relationships between AmeriCorps and contributions. The intensive relationship is estimated by regressing the natural log of the number of on the natural log of contributions, over the universe of AmeriCorps sponsors. In this framework, the coefficient associated with AmeriCorps represents the elasticity of donations to a change in the number of AmeriCorps. This intensive relationship, or average treatment effect among the treated, is worth understanding, but does not fully describe the impact that the program has on nonprofits. We therefore re-estimate the relationship between AmeriCorps and donations over a larger dataset of nonprofits, including non-sponsors, using a dummy variable equal to one if the nonprofit is an AmeriCorps sponsor and zero if the nonprofit does not sponsor AmeriCorps.

The methodology described so far estimates a causal relationship if, and only if, the variation in the number of AmeriCorps sponsored by a nonprofit is exogenous (that is, unaffected by the actions of nonprofit managers) and unobserved public good demand does not induce any omitted variables bias (that is, the control variables account for any unobserved changes in donor tastes) . This would further require the number of AmeriCorps that the nonprofit would like to sponsor is either constant, or uncorrelated with the donation level. Additionally, any preferences for individual nonprofits by CNCS and state service organizations would need to be fully explained by the state-by-year and sector-by-year fixed effects and the level of government grants and program revenue. It seems reasonable to think that much of, or even most of, the issue of unobserved demand is mitigated by focusing on within-firm variation and the available controls. There remain, however, two major concerns. First, AmeriCorps grantors may favor nonprofits that they expect to raise more money in the next year. Second, there may be a strong relationship between the ability of a nonprofit¿s staff to raise money with its ability to navigate the AmeriCorps grant application process. The ``quality¿¿ of a nonprofit¿s development team, however, is unobserved in the data.

In order to address these concerns and estimate the causal effect of AmeriCorps on donation, we exploit exogenous policy changes as natural experiments. Two changes in federal law created large, discontinuous increases in CNCS's budget for AmeriCorps. The American Recovery and Reinvestment Act (ARRA) of 2009, better known as the ``stimulus package'' included a one-time, $200 million dollar increase in funding for AmeriCorps which produced a 40% increase in the number of VISTA positions. Later that year, the Kennedy Serve America Act increased funding levels for the State and National Direct programs, beginning in the 2010-2011 grant year.

In both cases, the increased number of AmeriCorps members were granted disproportionately to preexisting or prior AmeriCorps sponsors. We are therefore able to isolate the causal impact of

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AmeriCorps on donations through the use of difference-in-differences (DD) and instrumental variables (IV) methodologies. Specifically, we estimate the effect of the policy changes on the expected number of AmeriCorps at a given nonprofit. Then, we estimate the impact of the change in number of AmeriCorps, attributed to the policy change, on contribution levels.

Work Plan

The work for the research project described above would progress as follows. In the fall of 2015, we will hire and train research assistants, acquire and compile the NCCS core files (nonprofit financial data), aggregate the annual national service reports for each state (the AmeriCorps data) and compile them into a single dataset that is compatible with statistical software such as STATA. In the spring of 2016 we will match nonprofit organizations listed as AmeriCorps sponsors with their financial records in the NCCS core files and begin the statistical analysis described in our Research Design. This analysis will continue through summer of 2016. In the fall of 2016 we will hire new research assistants who will help to crosscheck our data and create the two datasets that we will disseminate (see dissemination plan) and we will begin documenting our results. In the spring of 2017, we will analyze the robustness of our results and prepare presentations based on our analysis. At this time Mr. Teles will prepare a white paper and complete a dissertation chapter based on this research. A report will be prepared for CNCS in fall of 2017. At this time we will be prepared to disseminate the study results. Mr. Teles will focus on dissemination of results through publication in academic journals while the Center for Public Service focuses on dissemination of results to stakeholders in the public and nonprofit sectors.

Dissemination Plan

Dissemination Plan

Mr. Teles will seek publication of this research in a peer-reviewed economics journal such as the Journal of Public Economics. He will also submit this research for presentation at widely attended economics conferences such as The Southern Economics Association Annual Conference.

The Center for Public Service(CPS) will make the results of our research available to local community partners and stakeholders including non-profits who sponsor AmeriCorps and relevant state agencies (such as state service commissions). In this effort CPS will leverage its long-standing relationship with the VISTA program. Statewide, CPS will work with the Louisiana Association of Non Profits (LANO) to disseminate with all member organizations, and potentially to connect with other individual state non-profit professional associations. At a national level, we will seek to reach community and civic engagement practitioners at widely attended conferences such as the National

Conference on Volunteering and Service. Targeting specifically the directors and development officers that might most benefit from this research, we will work with the Association of Fundraising Professionals (AFP) to disseminate results to member organizations. Additionally, we will promote the results of The AmeriCorps Crowd Out Study and publicize the availability of the datasets we produce through a social media campaign (twitter, blogs, newsletters, etc.) aimed toward the aforementioned and other relevant partner organizations.

Our data aggregation process will produce two new datasets that can be made publicly available online. The first will contain information on all AmeriCorps grant awards from the 2004-2005 grant year through the 2013-2014 grant year.   This publicly available data currently exists in annual state reports. Our project will aggregate that data into a single, delimited text (.csv) file that can be uploaded into programs such as Microsoft Excel, STATA, SPSS, SAS, and R. Second, we will provide our ¿matched¿ dataset that includes all nonprofit organizations that appear in the NCCS Core Files and were granted AmeriCorps members. This dataset will include the number and type of AmeriCorps, along with descriptive and financial data about the nonprofits. The availability of these two datasets should encourage future research into the AmeriCorps program.

Organizational Capability

Tulane University is a well-established higher education institution whose mission is to educate but also to create civically minded future leaders. Founded in 1834, Tulane is one of the most highly regarded and selective independent research universities in the United States. Known for its commitment to public service and civic engagement, Tulane University became the first national research institution to integrate public service into its core curriculum for undergraduates, and now, the University is fully committed to civic engagement.

Tulane¿s Center for Public Service (CPS) supports these endeavors to coalesce all campus resources devoted to community engagement and public service. The Center has a strong presence in the Tulane community, as well as our local and state communities. The Center for Public Service provides a central location for community organizations and university members to connect, learn, and accomplish shared goals for public good and personal development. Currently, CPS maintains partnerships with over 400 community-based organizations including schools, non-profits, hospitals, governmental agencies, neighborhood associations and businesses, many of who work with AmeriCorps programs. CPS itself created its own Tulane VISTA program in 2006, and is currently piloting a VISTA Fellows program, overall managing nearly 30 VISTA members annually.

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CPS also has a national reputation as a leader in the field of community engagement. It is a member of many national and global networks: the Talloires Network, the Research University Civic Engagement Network (TRUCEN), Campus Compact, the Gulf South Summit, and the Imagining America Consortium, among others. CPS has demonstrated its excellence by Tulane¿s inclusion in the 2014 President¿s Higher Education Community Service Honor Roll with distinction, its eighth consecutive year placing on the Honor Roll; its Carnegie Community Engagement Classification for Curricular Engagement & Outreach and Partnerships; and by the breadth of the Center¿s published research around civic and community engagement: http://tulane.edu/cps/about/research-and-scholarship.cfm.

Tulane and CPS have a strong history of managing large grants from the State Department, the Corporation for National Community Service, and through other funders, such as the American Association of Colleges and Universities. Currently, CPS is hosting its second year of the Mandela Washington Fellowship for Young African Leaders. In 2013, also through the State Department, CPS coordinated the Innovations in Civil Participation Project for Tulane, one of only five U.S. universities selected. In 2012, CPS received the AAC&U¿s Brining Theory to Practice Project grant for a two-year period. And in past years, CPS has been a recipient of several Learn and Serve grants from CNCS, in addition to its ongoing AmeriCorps programs: TulaneVISTA, Tulane AmeriCorps Fellows Program, and AmeriCorps Summer Service ¿WaveCorps¿.

The Project Director and co-Principal Investigator will be Daniel Teles. Mr. Teles is a Murphy Graduate Fellow in the Ph.D. program in Economic Analysis and Policy and a Community Engaged Graduate Fellow in the Center for Public Service at Tulane University. He holds a B.A. in economics from The George Washington University and an M.A. in economics from Tulane University, where he currently holds All But Dissertation (ABD) status. Mr. Teles¿ research focuses on the effects of government policies on the nonprofit sector. He has presented his research at the Society of Government Economists Annual Conference and at Tulane¿s Social Justice and the City: City, Culture, and Community Symposium.

Mr. Teles has served as a research assistant for three members of Tulane¿s economics faculty. For Professor Alan Barreca, he compiled a database of U.S. water sanitation programs. For Professor Nora Lustig, he created briefings and reports for the Commitment to Equity Project and oversaw the efforts of undergraduate research assistants. His collaboration with Dr. Lustig led to a short-term consultancy position for the World Bank Development Research Group and co-authorship (with Dr. Lustig and Dr. Francisco Ferreira) of the introduction to a forthcoming special issue of the Journal of

Economic Inequality. For Professor Steven Sheffrin, he performed an analysis of property tax policies in Louisiana Tax Study, 2015. The results of the tax study were presented to the state legislature, and Mr. Teles¿ work on the property tax led to the study author¿s recommendations for reform of the Industrial Tax Exemption.

Prior to his work at Tulane, Mr. Teles worked for GCR Consulting, LLC where he served as a Senior Mitigation Analyst for the Louisiana Office of Community Development, Disaster Recovery Unit¿s Hazard Mitigation Grant Program. He currently serves as the treasurer and executive board member for Unified Nonprofits of Greater New Orleans where he gave a presentation to nonprofit leaders on the recent findings by economists regarding the nonprofit sector.

The Principal Investigator will be Dr. Agnieszka Nance. Dr. Nance is the Executive Director of the Center for Public Service at Tulane University. She joined Tulane in 2005 as a Visiting Assistant Professor in the Department of Germanic and Slavic Studies. In 2007, she became an Assistant Director for Faculty Training and Support in the Center for Public Service, advancing to the position of Associate Director in November of 2012. For the last seven years she has worked with faculty across all disciplines to strengthen academic public service and community engagement at Tulane.

Agnieszka completed her undergraduate work at the Universities of Warsaw and Vienna, earning a Magister degree in German literature. In 2004, she was awarded a Ph.D. degree from the University of Texas at Austin in Germanic Studies. She serves as co-PI on several research and grant programs for the Center, ranging from organizing institutes for young international leaders, to participating in academic exchange with Pakistani universities, to conducting studies on the efficacy of engaged internships and service-learning courses for students. Agnieszka also currently holds appointment as the Treasurer (and Board Member) of the International Association for Research on Service Learning and Community Engagement as well as a member of the National Advisory Board for Public Service at Harvard College.

Cost-Effectiveness and Budget Adequacy

Year 1

In year one we plan to spend $4,074.24 to hire research assistants (RAs). We expect to hire two research assistants for $1,920.00 with a fringe rate of 6.1%. The first task of the RAs will be to convert data that is currently in PDF form into useable Microsoft Excel and STATA files. Second, RAs will support our efforts to cross reference AmeriCorps data with nonprofit financial data. Preliminary work has been preformed with algorithm-based matching techniques for large datasets. However, matches based on names, rather than numbers, are imperfect. The presence of CNCS grant project for this research will ensure that resources are available to employ research assistants to crosscheck and manually improve the mapping between AmeriCorps and NCCS data. Access to the National Center for Charitable Statistics Dataweb, the source of the NCCS Core files that include financial data on nonprofits, costs $500.

We will buy a subscription to Adobe Acrobat for 4 users at a price of $14.99 per month for a total of $719.52. This software (or a similar program) is necessary to extract numerical tables from PDF files. Three annual STATA licenses for statistical analysis will be purchased at education rates: 2 STATA/IC licenses at $198 and one STATA/SE license at $395.

We are budgeting $2,120 for travel of the co-PI, Mr. Teles, and his dissertation advisor to the first meeting in Washington, D.C., including hotel, flight and meals. We estimate a cost of $800 for two round-trip flights from New Orleans to Washington, $1200 for two two-night stays near the downtown location of CNCS, and $60 for meals. These costs are based on recent trips to attend conferences in the Washington, D.C. area. In year one we plan to host a stakeholder meeting for community input on the research process and dissemination, costing $300 for room rental, refreshments, and printing/supplies. The intended location is the same location and set up where community partners regularly attend Center for Public Service workshops. We hope the familiarity will ensure their attendance and involvement.

We are budgeting $4295 for Indirect Costs. Indirect Costs are calculated at Tulane University¿s federally negotiated rate of 50.5% of Modified Total Direct Costs (MTDC). MTDC are total direct costs excluding equipment and subcontract amounts in excess of $25,000.

Year 2 and Year 3

In year two, annual costs for research assistants and software, including indirect costs, will remain the same at a total of $8,405.06.

In year three, one research assistant will be hired for a total of $827.58 to assist with preparing the final report and dissemination. Travel to the CNCS meeting for Mr. Teles and dissertation advisor will total $2120. Dissemination of compiled data sets through the creation of an online website will cost $120 for a year of hosting. Dissemination through conference presentations for two people, or one researcher at two conferences, are estimated at $4,120 based on the average registration fees of the annual Points of Light conference, and travel costs previously estimated in year one. Dissemination to our local and state community through the hosting of a community workshop and a campus presentation are estimated to cost $900 for room and supplies. Total indirect costs for year three are estimated at $4630. Total anticipated costs for Year 3 would be 13,798.

Executive Summary

Should the government pay people to do charity work? This question is central to the debate over funding for the AmeriCorps Program. AmeriCorps is a network of service programs throughout the United States, with much of its membership embedded in 501(c)3 nonprofits. The AmeriCorps Crowd Out Study examines the AmeriCorps program through the lens of a growing economic literature on the interaction between private charitable giving and government funding for public goods. In its analysis of the relationship between the AmeriCorps program and private donations to its nonprofit partners, this is the first analysis of whether government funded labor might crowd out or crowd in private capital. Our research matches data on the placement of AmeriCorps with financial data from IRS filings to create a large panel of nonprofits with and without AmeriCorps members. Variation in the number of AmeriCorps embedded with a nonprofit is used to isolate the relationship between their presence and the level of private donations. Preliminary research finds a positive relationship between AmeriCorps and donations. This relationship may arise because donors respond to changes in the number of AmeriCorps or because of unobservable changes at nonprofits that affect both the number of AmeriCorps and the level of donations. We will exploit increases in AmeriCorps sponsorship caused by The Kennedy Serve America Act, which increased the number of AmeriCorps by roughly 10 percent, to determine whether AmeriCorps has a causal impact on donations to its nonprofit sponsors. In doing so, our research will lead to a better understanding of the economic forces that underlay our civic infrastructure. Moreover, if our hypothesis is confirmed, our research will provide evidence of the economic benefits of national service programs.