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Abstract

Due to increased co[...]een devoting more attention to ic[...]organizations in recent years. This st[...]by nonprofit managers have an i[...]fically, it asks whether debt is associated with a reduction in future financial support. This study relies on data derived from the DataArts Cultural Data Profile to answer this question. It utilizes a log-log model where the dependent variable is defined as total private contributions in the current period. Results indicate that an increase in the interest expense to total expense ratio is associated with a decrease in future contributions. A nonprofit's debt to assets ratio, however, does not have a statistically significant impact on future contributions.

Appendices

Appendix Correlation Matrix of All Variables.

	1	2	3	4	5	6	7	8
lndonations	1.0000							

	1	2	3	4	5	6	7	8
ln_interestexpenseratio_lag	.0717*	1.0000						
ln_adminratiolag	−.0401*	.1216*	1.000					
Lnwealth	.2797*	.2892*	.2201*	1.0000				
ln_fundraisingdonationslag	−.1697*	.0109	.2407*	.0269	1.0000			
ln_fundraisinglag	.2514*	.1227*	.0897*	.2744*	.1169*	1.0000		
ln_age	.7701*	.2765*	.0489*	.6380*	.0480*	.4342*	1.0000	
ln_assets	.5268*	.0322	−.0801*	.2080*	.0694*	.2157*	.5784*	1.000
ln_govt	.5614*	.0654*	−.0070	.1540*	.0618*	.2727*	.5474*	.435
ln_progrevenue	.6344*	.1136*	−.0910*	.2296*	.0972*	.3748*	.7625*	.447

Note. Mean variance inflation factor = 3.08.

*
p < .05.

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