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921150 (American Indian and Alaska Native Tribal Governments)

624110 (Child and Youth Services)

Some of the most prominent civic, social, and fraternal organizations in the United States met with controversy in the late 1990s. Nonetheless, membership in such organizations increased nearly 20 percent between 1994 and 1999. This industrial classification encompasses nearly 50,000 local, national, and international nonprofit organizations, most of which are centered around a conception of altruism. It includes civic and fraternal associations, parent-teacher associations, singing societies, taxpayer's associations, veteran's organizations, youth groups, alumni associations, and booster clubs. The Internet has been instrumental in the establishment of new types of social organizations, including scores of activist groups, many devoted to social, environmental, and political causes. Their online networks facilitate organizing, letter-writing and fund-raising campaigns, and information sharing.

About 50 percent of all adults belong to civic clubs, with the percentage of women (50.5 percent) slightly outnumbering that of men (49.5 percent). However, males belong to fraternal organizations at a rate of nearly twice that of women (65.1 percent to 34.9 percent).

Civic and social associations are classified as tax-exempt corporations and are spared from federal, state, and local tax laws. They are usually not required to publish their income, expenses, or membership information. Most organizations rely primarily on volunteers to run their programs, and larger associations employ full-time administrative and management workers. About 460,000 workers were employed in the industry by the mid 1990s. The average association employee received an annual salary of approximately \$11,500, less than half the service industry average.

Nonprofit associations generate income through dues, fund-raisers, and interest from investment funds, or by managing endowments. In addition, some associations employ nonprofit fund-raising firms. These companies usually work on a flat-fee basis and utilize direct marketing techniques to raise money, such as telephone and mail solicitation.

Although the industry is comprised primarily of community groups, some of the largest organizations stand out as major American institutions. These include the Freemasons, Boy Scouts, American Legion, the YMCA, and the United Way.

Freemasonry. Freemasons were increasing efforts to boost their membership ranks in the late 1990s. There were about 2 million Freemasons in the United States; although this is a significant number, membership numbers declined dramatically between 1987 to 1997, falling

SIC 8641

CIVIC, SOCIAL, AND FRATERNAL ASSOCIATIONS

This category covers membership organizations engaged in civic, social, or fraternal activities, excluding homeowner groups primarily associated with property management and membership sports and recreation clubs, which are classified elsewhere.

NAICS CODE(S)

813410 (Civic and Social Organizations)

813990 (Other Similar Organizations)

by 750,000 to 2 million members. One of the largest fraternal organizations in the world, freemasonry promotes public service and belief in the brotherhood of all men under a single God. Its basis and membership, however, remain predominantly Christian.

The physical foundation of Freemasonry is the lodge, which exists under a charter issued by the Grand Lodge. Lodges are informally linked and offer different service and achievement programs. All lodges offer three basic degrees which are achieved through service and learning: Entered Apprentice, Fellow Craft, and Master Mason. Groups of advanced Masons confer as many as 30 additional degrees.

Freemasonry is believed to have evolved from medieval guilds of stonemasons. The first formal lodge was formed in London in 1717, and the first American lodge was created in Philadelphia in 1730. Freemasons have endured religious and political criticism from various churches. The Roman Catholic Church, for example, originally claimed that Freemasonry was a religion and secret organization and banned membership, but this was overturned in 1983. Recently the Freemasons have relaxed the aura of secrecy that has historically surrounded the organization in efforts to replenish membership ranks and to counter what they perceived as the widespread misconceptions about their organization among the general public.

In an effort to expand their social and charitable role, Freemasons have formed several other groups that are recognized among the largest U.S. civic organizations. The biggest of these is the Ancient Arabic Order of the Nobles of the Mystic Shrine—Shriners. Likewise, children's groups include De Molay for boys, and the Order of Job's Daughters and the Order of Rainbow for girls. Famous historical figures that were Freemasons include Benjamin Franklin, Wolfgang Amadeus Mozart, Henry Ford, Irving Berlin, Louis Armstrong, and Douglas MacArthur, along with George Washington and several other U.S. presidents.

Boy Scouts. One of the largest civic organizations in the world, the Boy Scouts is also the largest youth group; more than 99 million young males have been involved with the organization since its inception. Membership peaked at 4.8 million in 1972; the current membership contains 4.5 million youth and 1.2 million adult workers. The organization possesses a staff of about 1.1 million volunteers and a professional team of 4,000 scouters who provide training.

Founded in 1910, the Boy Scouts works to develop character, citizenship, and physical and mental fitness. It stresses duty to God, country, others, and self. The official Boy Scout slogan is "Do a good turn daily," and the motto is "Be prepared." Although the organization is

nonsectarian, scouts must acknowledge a duty to God in the scout oath.

A boy is admitted to scouting under the supervision of adult volunteer leaders. Scout troops consist of patrols, which are made up of five to eight boys. Patrol leaders and troop leaders are elected. As a scout progresses in age and rank, his role becomes increasingly self-governing, and he develops leadership skills through interaction with other scouts. Character and achievement are nurtured through community service, outdoor activities, and the attainment of merit badges, which are earned by studying and passing tests on certain subjects.

Many Boy Scouts are introduced to scouting through the Tiger Scouts, for boys aged 7, and the Cub Scouts, for boys between the ages of 8 and 10. In addition, the Girl Scouts acts as a sister organization and offers activities and goals similar to the Boy Scouts. The Girl Scouts of America has recently embarked on a campaign to promote itself as responsive to contemporary changes in U.S. society that affect girls, with programs focused on sports, science, and the eradication of violence toward youth. Both boys and girls can continue scouting activities through the Explorers, an organization for members aged 14 to 20.

The Boy Scouts was started in 1907 by Robert Baden-Powell, a British officer. After writing a book for adults about scouting, Powell received such a demand for his book that he decided to write *Scouting for Boys*. This manual became the primer for his Boy Scouts organization. The Boy Scouts of America was formed in 1910.

The Boy Scouts came under attack in the early 1990s for its refusal to admit atheists and homosexuals as scouts and scoutmasters. Levi Strauss, BankAmerica, and Wells Fargo halted their donations in defiance of the group's homosexual ban. President Clinton became the first U.S. president in recent history to not address the national Jamboree or send his vice president. In addition, the city of Chicago canceled its sponsorship of the group. Nevertheless, the organization prevailed in several lawsuits filed by nonmembers for refusing to admit atheists, claiming that as a private organization, it is free to establish its own membership criteria. Critics often noted, however, that the group is sponsored by public schools and municipal organizations and should be subject to anti-discrimination provisions. In other countries, the theological portion of the oath has been either eliminated or made optional. Lawsuits and controversy have continued into the late 1990s. In 1999, New Jersey struck down the ban on homosexuals after four other states had upheld it. The Supreme Court expected to rule early in the twenty-first century on whether the Boy Scouts' denial of admission to a class of people amounts to a constitutional violation.

The highest rank attainable in the Boy Scouts is Eagle Scout. Many of the nation's most successful lead-

ers hold this distinction, including astronauts, former presidents, business leaders, and creators. Gerald Ford, Sam Walton (founder of Wal-Mart), Steven Spielberg, and H. Ross Perot were examples of Eagle Scouts still living in the early 1990s. The 104th Congress of the United States has boasted 23 Eagle Scouts, with 302 members total having participated in scouting.

American Legion. The American Legion is the largest private U.S. organization for veterans. It is comprised of veterans from both world wars and the wars in Korea, Vietnam, and the Persian Gulf. The Legion is concerned primarily with the social and political interests of veterans, but it also sponsors numerous community and charitable programs, such as the Family Support Network. This program was launched in 1990 for the Persian Gulf War troops and remains active for other troops stationed around the world. Its four stated major areas of focus are: rehabilitation of veterans through medical and educational benefits; national security; child welfare; and Americanism. The organization strongly promotes respect for the U.S. flag, having drafted the U.S. Flag Code in 1923 establishing guidelines for the proper uses and treatment of the flag. The American Legion also works to fund and promote other civic associations included in this industry group, such as the Boy Scouts.

The American Legion represents 2.9 million male and female members in nearly 15,000 posts worldwide, with a full-time staff of 300. Membership is contingent upon performance of honorable service in the U.S. armed forces. The Legion's sister organization, the American Legion Auxiliary, founded in 1920, had approximately 1 million members. Its participants are women who are close relatives of Legionnaires or of deceased veterans and women who have served in the armed forces during peacetime. The Sons of the American Legion (about 180,500 members in 1995) is comprised of male descendants of Legionnaires and deceased veterans.

Because of its membership size and the percentage of its members that are registered to vote, the American Legion has constituted a powerful political block. It has served as a loud voice for veterans' rights and military preparedness. It has been a leading proponent of legislation against desecration of the American Flag since the 1960s, continuing into the 1990s. It has helped veterans receive proper medical care for illnesses that may be related to wartime environments, such as nerve gas during the Persian Gulf War in 1991. In the 1990s, the Legion campaigned to increase hospital coverage funded by the Department of Veterans' Affairs to include veterans' dependents.

YMCA. The Young Men's Christian Association (YMCA) is one of the largest associations in the world. With 2,283 YMCAs, it is also the largest non-profit

community-service organization in the United States. The YMCA is a network of nonsectarian organizations that offer athletic, recreational, cultural, educational, and health-related services to their members and local communities. YMCAs provide vocational instruction, organize sports programs, offer civic training, give night classes, and host social events. YMCAs also make their facilities available to community groups and rent cafeterias and rooms to transients and local residents.

The YMCA was founded in England in 1844, while the first YMCA in the United States was started in Boston in 1851. The World Alliance of YMCAs is headquartered in Switzerland, serving more than 30 million international members in 120 countries. There were approximately 16.9 million members in the United States in 1999, up from 14.5 million just four years earlier. They rely on more 515,720 volunteers and 20,000 full-time staff, and are funded by a combined operating budget of \$3.1 billion, drawn from fees for Y programs, membership dues, charitable contributions, and resident fees. Its sister organization, the Young Women's Christian Association (YWCA), was formed in 1855 to meet young women's physical, intellectual, and spiritual needs. But after World War II, women and girls were admitted to the YMCA, as well. By 1996, almost one-half of YMCA members and staff in the United States were women; also, one-half of all members were 18 years or under. The 326 YWCAs provide shelter for women and their families, and spearhead campaigns for domestic-violence prevention. They offer programs and services to about 700,000 women and children annually.

United Way. Another of the biggest organizations in this industry is the United Way, which is largely a fundraising organization that gives money to national and community service groups. Raising \$3.1 billion annually by their over 300,000 volunteers, it provided money to more than 50,000 agencies of health and human services needs in 1997. Fifty-two million people contribute annually to about 2,200 local United Way agencies.

Other Groups. The Knights of Columbus is a U.S. fraternal order of Roman Catholic men promoting itself as "the strong right arm of the Church." It was founded in 1882 by Michael J. McGivney, a Connecticut priest. Best known for their charity work within communities, it provides social activities, insurance, and other benefits for its members. It also sponsors athletic events, contributes to various charitable and educational projects, and works to promote Catholic interests. The group had approximately 1.6 million members in more than 12,000 local councils throughout the Americas in the late 1990s.

The Humane Society of the United States includes about 7 million supporters and established, with Salomon Brothers Asset Management, the Humane Equity Fund in

the late 1990s, which refuses to invest in firms whose practices the Humane Society considers to be detrimental to the welfare of animals. The Humane Society has contributed \$8 million to the fund.

Other organizations include university fraternities and sororities, the Elks Club, Lions Club, and the Parent-Teacher Association.

FURTHER READING

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SIC 8651

POLITICAL ORGANIZATIONS

This classification includes membership organizations established to promote the interests of a national, state, or local political party or candidate. Also included are political groups organized to raise funds for a political party or individual candidates. Fund-raising organizations operating on a contract or fee basis are classified in **SIC 7389: Business Services, Not Elsewhere Classified**.

NAICS CODE(S)

813940 (Political Organizations)

INDUSTRY SNAPSHOT

The most prominent type of political organization is the political action committee, or PAC, which gradually came to replace the smaller localized political parties so prevalent in the nineteenth and early twentieth centuries. PACs are organized to pool the financial resources of a group of individuals or institutions with a common interest in order to disperse those funds toward political activities or candidates deemed by the PACs’ organizers as conducive to the ends sought. PACs are usually, but not always, organized by corporations or people within an industry, such as oil companies, dairy farmers, banking institutions, or labor organizations. PACs contribute funds to politicians in hopes of gaining their support for

legislation to advance the PACs’ interests; some of the larger PACs focus on gun control, equal rights, or abortion rights. Corporate PACs have long been the leading contributors to political campaigns. Election-campaign funding has become a hot political topic in recent years, as many questioned the political influence that PACs and other interests wield in the political process.

A 1974 law passed by Congress fueled a dramatic increase in the formation of PACs. In 1986 there were 608 PACs, but by the end of 2002 the number of PACs had grown to almost 4,600. PACs delivered \$282 million in contributions to federal candidates for the 2002 elections, up from \$259.8 million in 2000. The majority of these contributions (75 percent) went to candidates for the U.S. House of Representatives. Republican candidates enjoyed \$145.3 million in contributions, while Democrats trailed with \$136.5 million. PACs raised a total of \$685.3 million during the 2001-02 election cycle, a 13 percent increase from 1999-2000.

In recent years ideological or issue-oriented PACs have become popular. In contrast to groups that contribute directly to candidates, these PACs donate funds to organizations aligned with their interests in an effort to sway public opinion. Such organizations typically produce radio and television commercials and direct mail campaigns on controversial issues, including the right to abortion, prayer in schools, and gun control. Unlike corporate and labor union PACs, which may use money from the treasuries of their members, ideological PACs foot their own administrative costs. Because these groups are not contributing directly to candidates, they are not bound by many of the usual limitations on PACs.

ORGANIZATION AND STRUCTURE

PACs fall into five general categories: those formed by unions; trade associations and industry groups; corporations; cooperatives; and ideological PACs, which pursue specific political causes. For the most part, PACs may only solicit their own members for contributions. PACs are heavily regulated by the Federal Election Commission (FEC) and must keep accurate and detailed records of receipts and expenditures. One of the most efficient ways of collecting donations for PACs is through automatic deductions from members’ paychecks—the checkoff method. PACs may donate up to \$35,000 to a particular candidate in an election season and \$15,000 to a national party committee, as well as a maximum of \$5,000 to another PAC.

Although some commentators applaud the fact that PACs involve citizens in the political process, others argue that PACs rarely offer opportunities for people to do more than donate money. Most PACs have small boards or committees deciding how the contributions will be spent or which candidates will receive contributions.