Giving USA 2018

The Annual Report on Philanthropy for the Year 2017

G

Giving USA™

Shared intelligence. For the greater good.

A public service initiative of The Giving Institute

Researched and written by



IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY



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63rd Annual Issue

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Publisher



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Corrigendum

orrection: "Giving To and From Donor-Advised Funds," Giving USA: The Annual Report on Philanthropy for the Year 2016 (2017). Chicago: Giving USA Foundation, p. 69-88.

Corrigendum submitted by editors. The chapter on giving to donor-advised funds in Giving USA: The Annual Report on Philanthropy for the Year 2016 (2017) did not provide information about the public-facing report of Fidelity Charitable Gift Fund's aggregate contributions to its donor-advised fund accounts. While the aggregate contributions do not appear in Fidelity Charitable's 2016 Giving Report, as cited in Giving USA, aggregate contributions do appear in Fidelity Charitable's 2015 Annual Report, available here: https://www. fidelitycharitable.org/docs/2015-Annual-Report.pdf. The editors apologize for any confusion caused by this corrigendum.



Acknowledgments

ach year, the Indiana University Lilly Family School of Philanthropy ("the school"), Giving USA
Foundation, The Giving Institute, staff at Sentergroup, and many others work together to produce *Giving USA: The Annual Report on Philanthropy*, the most comprehensive and accurate benchmark for charitable giving in the U.S. Not content to rest on our laurels, the team behind *Giving USA* is always working to make the report more rigorous and more reader-friendly, from collecting data to researching and writing the chapters to the design of the report. None

of this would be possible without our shared commitment to moving the field of philanthropy forward.

I sincerely thank Giving USA Foundation Chair Aggie Sweeney, CFRE, and The Giving Institute Chair Rachel Hutchisson, for their commitment to this important project and for providing a vision of how *Giving USA* can continue

to best serve its readership. I am also grateful to our leadership at the school: Eugene R. Tempel Dean Amir Pasic, Executive Associate Dean for Academic Programs Patrick Rooney, and Associate Dean for Research and International Programs Una Osili are all dedicated to ensuring that the school offers the most timely, rigorous, and important research in the field of philanthropy, including the *Giving USA* report.

66 ... the team behind Giving USA is always working to make the report more rigorous and more reader-friendly, from collecting data to researching and writing the chapters to the design of the report.

Giving USA Acknowledgments

I thank Josh Birkholz, Giving USA Foundation Chair of the Advisory Council on Methodology, whose challenging questions and unique insight into the data strengthen our research. Additional thanks are due to all of the scholars, researchers, and leaders who give their time and expertise in their role as members of the Advisory Council on Methodology.

I am grateful to Jon Bergdoll, the school's statistician for his careful consideration of all data associated with the project. I also heartily thank Jon Durnford at DataLake, LLC, who worked with our team for the last two years to improve the quality and timeliness of our estimates.

A big "thank you" goes to Laura MacDonald, CFRE, and Wendy McGrady, Giving USA Foundation Co-Chairs of the Editorial Review Board. It was a pleasure to work with these co-chairs throughout the year, and I believe that our partnership resulted in chapters that truly reflect the academic rigor of the school and the expertise and experience of the Editorial Review Board (ERB). composed of volunteers from Giving Institute firms. Also, I am grateful to the members of the ERB that served as lead reviewers and chapter reviewers. These reviewers adapted to a new process this year and went the extra mile to ensure that the Giving USA chapters were as accurate, thorough, and helpful to a practitioner audience as possible. I would specifically like to thank Keith Curtis, the Immediate Past Chair of

Giving USA Foundation for reviewing our special section on donor-advised funds in the Giving to Public-Society Benefit chapter.

In recent years, *Giving USA* has partnered with current students and alumni of the school to author the chapters analyzing trends for the sources and uses subsectors. This year, I would like to thank both new and returning

organizations to acquire up-tothe-moment data and results to present in the report. We are grateful to these organizations and their representatives ... 29

authors, including: Josh Moore, Ruth Hansen, Marshawn Wolley, Thad Austin, Andy Williams, Rafia Khader, Adam Morgan, Bryan Fegley, Christianna Luy, Meg O'Halloran, Maarten Bout, Kinga Horvath, and Tessa Skidmore. In addition, I thank Oindrila Bhattacharyya and Kayla Allen-Brown, who worked to assure the quality of this edition of *Giving USA*. Finally, my gratitude goes out to Addison Kane, who provided editorial assistance.

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Giving USA works with respected organizations to acquire up-to-the-moment data and results to present in the report. We are grateful to these organizations and their representatives, including: David Wolcheck and Reina Mukai at Foundation Center; Jon Durnford at DataLake, LLC; John Van Drunen and Nicole Wallenfelsz at ECFA; Ann Kaplan at the Council for Aid to Education; the Association for Health Care Philanthropy; Carmen Perez, André Solórzano, and their colleagues at CECP; Chuck Longfield and Angele Vellake at

Blackbaud Institute; and Paul Arnsberger at the IRS. We thank these organizations for their partnership on this edition of *Giving USA*, as well as those in the future.

I am grateful for my generous and able colleagues at the school. This year, the school is particularly lucky to have Tessa Skidmore, MPA, as the Visiting Research Associate for *Giving USA*. Tessa has contributed to every aspect of *Giving USA* including authoring two chapters, and her tireless work ethic, proficiency, and enthusiasm deserve a special acknowledgement. In addition, I thank our research colleagues for their assistance and accommodation: Jacqueline Ackerman, Xiaonan Kou, Chelsea Clark, Sasha Zarins, Jennifer Staashelm, Silvia Garcia, and Xiao Han.

Finally, I thank my family and friends for providing the heroic levels of emotional and logistical support that make my commitment to this report possible.

Sincerely,

Anna Pruitt, Ph.D.

Managing Editor of *Giving USA*Indiana University Lilly Family School of Philanthropy



Foreword: Giving USA 2018

Americans achieved a philanthropic landmark in 2017: for the first time total charitable giving surpassed \$400 billion in a single year. A booming stock market and a generally strong economy combined to increase Americans' financial resources and their confidence in sharing those additional resources through their philanthropy.

Giving from individuals, bequests, foundations and corporations to U.S. charities surged to an estimated \$410.02 billion, an increase of 5.2 percent over

the previous year. Americans gave generously, and the growth was virtually across the board.

Reflecting the diverse and wideranging interests of donors, all four sources of giving and all but one of the major types of charitable organizations that receive contributions experienced increases.

In fact, three of the four sources of contributions and seven of the nine types of recipient organizations saw giving grow by 5 percent or more. Donations to the arts rose 8 percent.

The milestone year for giving reflected in part substantial increases in efforts by donors to set aside money for philanthropic organizations and causes, especially among donors at the top end of the economic spectrum. For many of those, increased income and wealth translated to more opportunities

6 Giving from individuals, bequests, foundations and corporations to U.S. charities surged to an estimated \$410.02 billion, an increase of 5.2 percent over the previous year.

Giving USA Foreword

to give. The rate of growth in giving to foundations—15.5 percent*—was three times as large as the growth rate for overall giving, due in part to several mega-gifts. Many national commercial donor-advised funds reported that 2017 was a record-breaking year. Donors did not forget those in need closer to home either, responding to a string of domestic disasters with locally focused giving, often through community-based organizations.

It was also a year of unexpected changes, including some that led many in the philanthropic sector to feel unsettled and prompted widespread interest in how new developments might affect charitable giving in 2017 and in the future. Among those were the advent of a new federal administration, giving in response to a tumultuous political climate, year-end giving, and tax policy changes approved in late December 2017.

While it is too soon to know the impact some of these changes may have on giving, in this year's *Giving USA* report, we help you begin to unpack and assess what happened with many of these issues, and what effect they may have on giving overall and on your organization.

With these changes, as with your daily work, *Giving USA* provides you with the solid knowledge of context, history, and patterns, leading to useful perspectives that can help advance your organization. Throughout the report, our experts and advisors offer sage insights and advice

for fundraisers and other philanthropic sector professionals and volunteers.

Giving USA Foundation, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy at IUPUI are pleased to continue our partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving. We are privileged to report on Americans' generosity, the forms it takes, how those patterns and trends unfold over time, and what that means for you.

As we celebrate this landmark in charitable giving and explore and incorporate these new data and insights, let us also come together to maintain the meaningful relationships that make these gifts possible and to sustain and build upon these gains for the good of all people.

Sincerely,

Aggie Sweeney, Chair

Giving USA Foundation

Rachel Hutchisson, Chair The Giving Institute

Amir Pasic,

Eugene R. Tempel Dean Lilly Family School of Philanthropy Indiana University

*derived from Foundation Center data

What *Giving USA*Can Do For You

Whether you're a director of development, CEO, board member, or perhaps consultant to charitable organizations, *Giving USA 2018* is an essential tool for success. It's more than an intelligence report—it's a guide to informed fundraising. *Giving USA 2018* is filled with opportunities to benchmark

You'll find valuable takeaways and suggested strategies, providing you an at-a-glance reference as you revisit Giving USA to refine your fundraising approach. your nonprofit against national trends. It also includes expert tips on how to put the data into immediate action, with "Good to Know" boxes that dive deeper into trends identified in the report.

NEW THIS YEAR: Practitioner Highlights at the beginning of each chapter. You'll find valuable

takeaways and suggested strategies, providing you an at-a-glance reference as you revisit *Giving USA* to refine your fundraising approach.

Turn research into results

Tracking how charitable giving has progressed over time—both nationally and at your own organization—provides an insightful backstory to your current circumstances and tools for planning the future. With that knowledge, you can:

 Make informed hypotheses about the market for giving on a national level. Use that data to forecast for the future, inform strategic planning,

Giving USA Giving USA

and create models for fundraising campaigns.

- Learn how donors are earmarking ways their gifts can be used and assess how they might apply to your organization.
- Incorporate data and key takeaways into proposals and donor communications.
- Improve your cases for support. Show where donations come from now and how that correlates with national data. Then, recommend ways to adjust fundraising efforts for maximum impact.
- Anticipate how national trends might impact your organization and develop plans to tap into them. Donors have more methods than ever—from apps to financial vehicles such as donoradvised funds—to make charitable gifts guickly and easily.

Stay savvy on economic trends

Giving USA helps unravel economic trends (like stock market performance, disposable personal income, GDP, and personal consumption) to show how they correlate to giving by source. Being knowledgeable about these trends can help you build rapport with people who closely monitor the economy and potentially boost donations.

Personal disposable income is a key variable to understand. Why? Because American individuals account for nearly three-fourths of all donations annually. Monitor this metric to see if expectations need to be shifted up or down in terms of revenue sources.

Evaluate your effectiveness

- Does your organization match national trends in terms of growth/decline? If overall giving went up 4 percent, and your subsector only saw 2 percent growth, or your category went up 8 percent, try to determine reasons for the mismatch.
- Where should you focus your outreach? Study the four sources of charitable donations—individuals. bequests, foundations, and corporations—then compare trends against your organization's historic sources of funding. Many nonprofits mistakenly believe that corporations and foundations comprise the bulk of charitable giving, but overwhelmingly, individuals/ households are the biggest source.
- Do your organization's stakeholders have the same level of understanding about **charitable giving?** If not, a short refresher might be in order.

It's also important to understand the scope and boundaries of what the report covers:

Can Giving USA tell me...?

- ✓ Combined giving estimates for the U.S. in 2017, with results based on econometric models rather than surveys (see Infographic, Key Findings, and the Numbers section)
- X Giving outside the U.S.
- X Regional and state-level giving
- ✓ Total charitable donation amounts given by each main giving source (see Sources of Contributions chapters)
- ✓ Total charitable donation amounts received by the nine major subsectors (see Uses of Contributions chapters)
- Cross-analysis of giving by source and use (such as the amount given to health by individuals)
- Giving amounts by specific sources or to specific organizations
- Contextual analysis of giving trends (see Sources of Contributions and Uses of Contributions chapters).
 Topics include:
 - Donor behavior
 - · Fundraising trends
 - Strategies of successful campaigns
 - Economic factors
- Amounts raised by specific fundraising methods

- Pathways of gifts made (such as through giving vehicles)
- ✓ Trendline data for over 40 years of giving in the U.S. (see the Data Tables Section, and the Numbers Chapter, with graphs also available in the digital Graph Pack)
- How Giving USA researchers gather the data and from what sources (see Methodology Section)
- What's predicted for 2018 giving and giving in the future

Giving USA 2018 should be a central tool for your fundraising planning — and ingrained in your organizational philosophy. Refer back to this book throughout the year as you communicate with donors, fine-tune your case for support, and plan for the future.

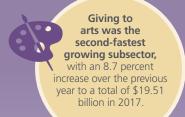
Written by Melissa James (The Curtis Group) with thanks to Jeffrey Byrne (Jeffrey Byrne + Associates), Keith Curtis (The Curtis Group), Donald Fellows (Marts & Lundy), and David King (Alexander Haas). For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

\$410.02 billion

Where did the generosity come from?*



^{*} All figures on this infographic are reported in current dollars unless otherwise noted.





Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent. 💰 31% Religion 🎧 \$127.37 billion

14% Education \$58.90 billion

12% Human Services 🏠 \$50.06 billion

11% To Foundations (\$45.89 billion

9% Health (1) \$38.27 billion

§ 7% Public-Society Benefit ♠ \$29.59 billion

5% Arts, Culture, and Humanities (\$19.51 billion

6% International Affairs \$22.97 billion

3% Environment/Animals () \$11.83 billion

111 2% To Individuals \$7.87 billion

Giving USA Foundation™, **The Giving Institute**, and the **Indiana University Lilly Family School of Philanthropy** are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



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This section includes an overview of U.S. giving trends in 2017 by donor and recipient type, including total amounts given and received and the rates of change in giving from 2016.

Giving USA Key Findings

Total estimated charitable giving in the United States rose 5.2 percent between 2016 and 2017 (3.0 percent, adjusted for inflation), to \$410.02 billion in contributions. This increase reflects growth in giving to all the major recipient subsectors.¹

5.2%

Giving by individuals totaled an estimated \$286.65 billion, rising 5.2 percent in 2017 (an increase of 3.0 percent, adjusted for inflation). Itemized giving comprised 84.4 percent of the total estimate for giving by individuals.² Giving by both itemizing and non-itemizing households increased, at 5.6 percent and 3.3 percent, respectively.

6.0%

Giving by foundations increased 6.0 percent, to an estimated \$66.90 billion in 2017 (an increase of 3.8 percent, adjusted for inflation). These figures are provided by the Foundation Center. Grantmaking by community foundations rose 11.0 percent from 2016. Grantmaking by operating foundations and independent foundations also increased, at 6.2 percent and 4.9 percent, respectively.³

2.3%

Giving by bequest totaled an estimated \$35.70 billion in 2017, increasing 2.3 percent from 2016 (a 0.2 percent increase, adjusted for inflation).

8.0%

Giving by corporations is estimated to have increased by 8.0 percent in 2017, totaling \$20.77 billion (an increase of 5.7 percent, adjusted for inflation). Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations. Corporate foundation grantmaking is estimated to have totaled \$6.09 billion in 2017, an increase of 4.5 percent (in current dollars) from 2016.⁴



Giving to religion increased 2.9 percent between 2016 and 2017, with an estimated \$127.37 billion in contributions. Inflation-adjusted giving to the religion subsector increased 0.7 percent in 2017.



Giving to education is estimated to have increased 6.2 percent between 2016 and 2017, to \$58.90 billion. Adjusted for inflation, giving to education organizations increased 4.0 percent.



Giving to human services increased by an estimated 5.1 percent in 2017, totaling \$50.06 billion. Adjusted for inflation, giving to human services organizations increased by 2.9 percent.

- **Giving to foundations** is estimated to have increased by 15.5 percent in 2017, to \$45.89 billion. Adjusted for inflation, giving to foundations increased 13.1 percent.
- **Giving to health** is estimated to have increased by 7.3 percent between 2016 and 2017 (an increase of 5.1 percent, adjusted for inflation), to \$38.27 billion.
- **7.8% Giving to public-society benefit organizations** increased an estimated 7.8 percent between 2016 and 2017, to \$29.59 billion. Adjusted for inflation, giving to public-society benefit organizations grew 5.5 percent.
- **8.7% Giving to arts, culture, and humanities** is estimated to have increased 8.7 percent between 2016 and 2017, to \$19.51 billion. Adjusted for inflation, giving to the arts, culture, and humanities subsector increased 6.5 percent.
- Giving to international affairs is estimated to be \$22.97 billion in 2017, a decline of 4.4 percent from 2016. Adjusted for inflation, giving to international affairs organizations declined 6.4 percent.
- **7.2% Giving to environmental and animal organizations** is estimated to have increased 7.2 percent between 2016 and 2017, to \$11.83 billion. Adjusted for inflation, donations to the environment/animals subsector increased 5.0 percent.
- Giving to individuals is estimated to have declined 20.7 percent (22.4 percent in inflation-adjusted dollars) between 2016 and 2017, to \$7.87 billion. The bulk of these donations are in-kind gifts of medications to patients in need, made through the patient assistance programs of pharmaceutical companies' operating foundations.

Unallocated giving was negative \$2.24 billion in 2017. This amount can be considered as the difference between giving by source and use in a particular year. This amount includes the difference between itemized deductions by individuals (and households) carried over from previous years. The tax year in which a gift is claimed by the donor (carried over) and the year when the recipient organization reports it as revenue (the year in which it is received) may be different.

Giving USA Key Findings

References

- 1 All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
- 2 Itemized and non-itemized giving calculations include mega-gifts and disaster giving. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
- 3 Data were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations are available in the Foundation Center's Key Facts on U.S. Foundations reports, available at the Foundation Center's website at www. foundationcenter.org
- 4 Data on corporate grantmaking were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations are available in the Foundation Center's Key Facts on U.S. Foundations reports, available at the Foundation Center's website at www.foundationcenter.org

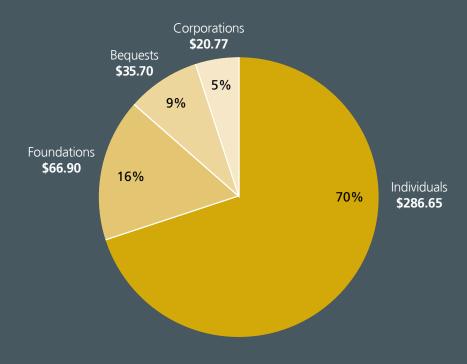


This section includes data and contextual information about U.S. giving trends, including:

- Giving USA pie charts on giving by source and to recipient organizations in 2017
- 40 years of trend data on total giving
- Graphed rates of change in giving in the last two years by source and to recipient organizations
- 40 years of trend data on giving by source and to recipient organizations
- Trends on giving by source compared with specific economic factors
- Trends on the number of U.S. charities

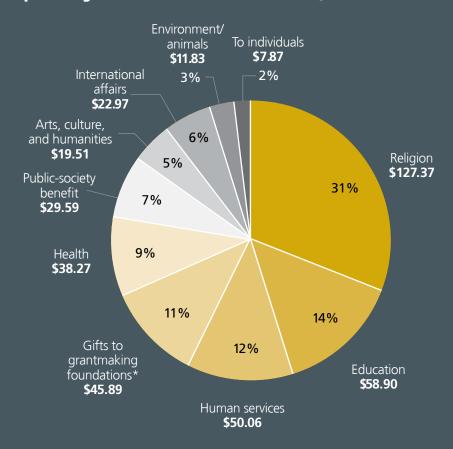


2017 contributions: \$410.02 billion by source of contributions



- Giving by individuals comprised 70 percent of total giving in 2017.1
- Giving by foundations—which includes grants made by independent, community, and operating foundations—amounted to 16 percent of all gifts made in 2017.²
- Giving by bequest accounted for 9 percent of all gifts made in 2017.
- Giving by individuals, bequest, and family foundations amounted to an estimated 86 percent of total giving in 2017.3
- Giving by corporations comprised 5 percent of total giving in 2017.

2017 contributions: \$410.02 billion by type of **recipient organization** (in billions of dollars—all figures are rounded)

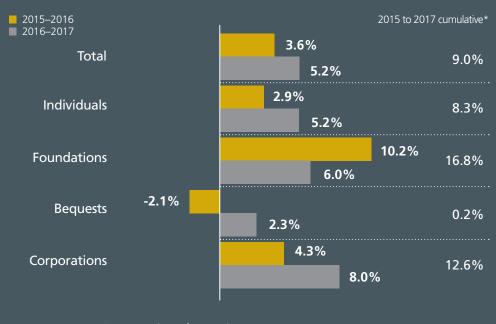


^{*} Estimate developed jointly by the Foundation Center and Giving USA

- Religious organizations received the largest share of charitable dollars in 2017, at 31 percent of the total.4
- The education subsector received the second-largest share of charitable dollars in 2017, at 14 percent of the total.
- Human services organizations received 12 percent of total charitable dollars in 2017, ranking third of total gifts received.

- Gifts to independent, community, and operating grantmaking foundations amounted to the fourth-largest share of charitable dollars in 2017 with 11 percent of the total.
- The health subsector received 9 percent of the total, ranking fifth of total gifts received.
- Public-society benefit organizations received 7 percent of the total and amounted to the sixth-largest share of charitable dollars.
- Gifts to the international affairs subsector received the seventh-largest share of gifts in 2017, with 6 percent of the total.
- The arts, culture, and humanities subsector received the eighth-largest proportion of charitable dollars in 2017, at 5 percent of the total.
- Environment/animals organizations received 3 percent of total charitable dollars in 2017, ranking ninth of total gifts received.
- Gifts made directly to individuals amounted to 2 percent of total charitable dollars in 2017.

Changes in giving by source: 2015–2016 and 2016–2017, 2015–2017 cumulative (in current dollars)

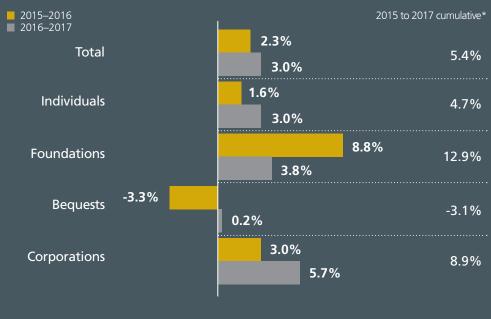


Percentage change from previous year

- The two-year change is calculated separately and is not the sum of the changes in the two years.
- Total charitable giving increased 3.6 percent in current dollars between 2015 and 2016, and increased 5.2 percent between 2016 and 2017.⁵
- The two-year change in total charitable giving between 2015 and 2017 is 9.0 percent in current dollars.
- Giving by individuals increased 2.9 percent in current dollars between 2015 and 2016. Giving by individuals grew by 5.2 between 2016 and 2017. The cumulative change in current-dollar giving by individuals between 2015 and 2017 is 8.3 percent.

- Current-dollar grantmaking by independent, community, and operating foundations increased 10.2 percent between 2015 and 2016. Foundation giving increased again between 2016 and 2017 at a rate of 6.0 percent. The cumulative change in current-dollar giving by foundations between 2015 and 2017 is 16.8 percent.6
- Giving by beguest decreased 2.1 percent in current dollars between 2015 and 2016. This decrease preceded an increase of 2.3 percent between 2016 and 2017. The cumulative change in current-dollar giving by bequest between 2015 and 2017 is an increase of 0.2 percent.
- Giving by corporations increased 4.3 percent in current dollars between 2015 and 2016. This increase precedes an increase of 8.0 percent between 2016 and 2017. The cumulative change in current-dollar giving by corporations between 2015 and 2017 is 12.6 percent.

Changes in giving by source: 2015–2016 and 2016–2017, 2015–2017 cumulative (in inflation-adjusted dollars, 2017 = \$100)

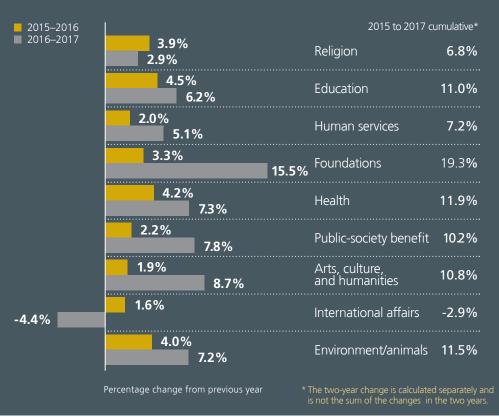


- Percentage change from previous year
- * The two-year change is calculated separately and is not the sum of the changes in the two years.
- Total charitable giving increased 2.3 percent in inflation-adjusted dollars between 2015 and 2016, and increased 3.0 percent between 2016 and 2017.⁷
- The two-year change in total charitable giving between 2015 and 2017 is 5.4 percent in inflation-adjusted dollars.
- Giving by individuals grew 1.6 percent in inflation-adjusted dollars between 2015 and 2016. Growth continued between 2016 and 2017 at a rate of 3.0 percent. The cumulative change in inflation-adjusted giving by individuals between 2015 and 2017 is 4.7 percent.

- Inflation-adjusted grantmaking by independent, community, and operating foundations increased 8.8 percent between 2015 and 2016. Foundation giving also increased by 3.8 percent between 2016 and 2017. The cumulative change in inflation-adjusted giving by foundations between 2015 and 2017 is 12.9 percent.8
- Giving by bequest decreased 3.3 percent in inflation-adjusted dollars between 2015 and 2016. This decrease preceded an increase of 0.2 percent between 2016 and 2017. The cumulative change in inflation-adjusted giving by beguest between 2015 and 2017 is a decline of 3.1 percent.
- Giving by corporations increased 3.0 percent in inflation-adjusted dollars between 2015 and 2016. Giving by corporations increased again between 2016 and 2017 at a rate of 5.7 percent. The cumulative change in inflation-adjusted giving by corporations between 2015 and 2017 is 8.9 percent.

Changes in giving by type of recipient organization: 2015–2016 and 2016–2017, 2015–2017 cumulative

(in current dollars)

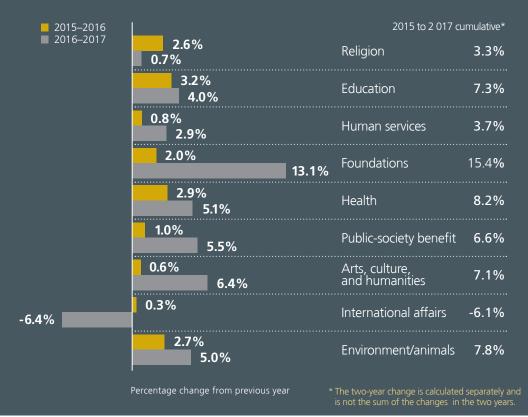


- Giving to religion realized an increase of 3.9 percent in current dollars between 2015 and 2016 and grew 2.9 percent between 2016 and 2017. Giving to religion increased 6.8 percent in current dollars between 2015 and 2017.9
- Giving to education increased 4.5 percent in current dollars between 2015 and 2016. Between 2016 and 2017, giving to education increased 6.2 percent. The two-year change in giving to education between 2015 and 2017 is an increase of 11.0 percent in current dollars.

- Giving to human services increased 2.0 percent in current dollars between 2015 and 2016 and grew 5.1 percent between 2016 and 2017. Giving to human services increased 7.2 percent in current dollars between 2015 and 2017.
- Giving to foundations increased 3.3 percent in current dollars between 2015 and 2016. Between 2016 and 2017, giving to foundations increased 15.5 percent. The two-year change in giving to foundations between 2015 and 2017 is an increase of 19.3 percent in current dollars.
- Giving to health realized an increase of 4.2 percent in current dollars between 2015 and 2016 and grew 7.3 percent between 2016 and 2017. Giving to health increased 11.9 percent in current dollars between 2015 and 2017.
- Giving to the public-society benefit subsector increased 2.2 percent in current dollars between 2015 and 2016. Between 2016 and 2017, giving to publicsociety benefit organizations increased 7.8 percent. The two-year change in giving to public-society benefit organizations between 2015 and 2017 is an increase of 10.2 percent in current dollars.
- Giving to the arts, culture, and humanities subsector increased 1.9 percent in current dollars between 2015 and 2016. Between 2016 and 2017, giving to arts, culture, and humanities organizations increased 8.7 percent. The two-year change in giving to arts, culture, and humanities organizations between 2015 and 2017 is an increase of 10.8 percent in current dollars.
- Giving to international affairs increased 1.6 percent in current dollars between 2015 and 2016 and decreased 4.4 percent between 2016 and 2017. Giving to international affairs decreased 2.9 percent in current dollars between 2015 and 2017.
- Giving to environmental and animal organizations increased 4.0 percent in current dollars between 2015 and 2016 and grew 7.2 percent between 2016 and 2017. Giving to environmental and animal organizations increased 11.5 percent in current dollars between 2015 and 2017.

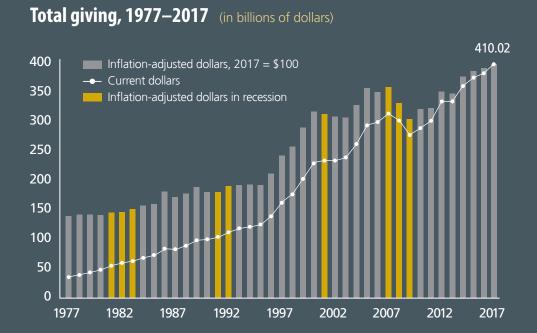
Changes in giving by type of recipient organization: 2015–2016 and 2016–2017, 2015–2017 cumulative

(in inflation-adjusted dollars, 2017 = \$100)

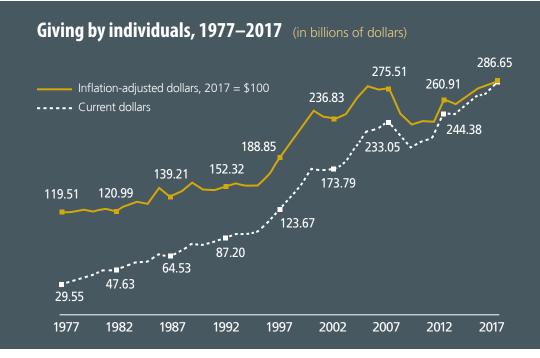


- Giving to religion realized an increase of 2.6 percent in inflation-adjusted dollars between 2015 and 2016 and grew 0.7 percent between 2016 and 2017. Giving to religion increased 3.3 percent in inflation-adjusted dollars between 2015 and 2017.¹⁰
- Giving to education increased 3.2 percent in inflation-adjusted dollars between 2015 and 2016. Between 2016 and 2017, giving to education increased 4.0 percent. The two-year change in giving to education between 2015 and 2017 is an increase of 7.3 percent in inflation-adjusted dollars.

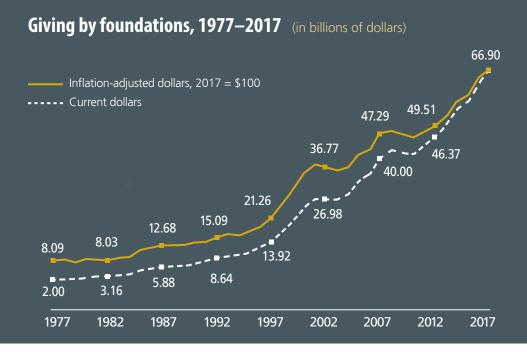
- Giving to human services increased 0.8 percent in inflation-adjusted dollars between 2015 and 2016 and grew 2.9 percent between 2016 and 2017. Giving to human services grew 3.7 percent in inflation-adjusted dollars between 2015 and 2017.
- Giving to foundations increased 2.0 percent in inflation-adjusted dollars between 2015 and 2016. Between 2016 and 2017, giving to foundations increased 13.1 percent. The two-year change in giving to foundations between 2015 and 2017 is an increase of 15.4 percent in inflation-adjusted dollars.
- Giving to health realized an increase of 2.9 percent in inflation-adjusted dollars between 2015 and 2016 and grew 5.1 percent between 2016 and 2017. Giving to health grew 8.2 percent in inflation-adjusted dollars between 2015 and 2017.
- Giving to the public-society benefit subsector increased 1.0 percent in inflationadjusted dollars between 2015 and 2016. Between 2016 and 2017, giving to public-society benefit organizations increased 5.5 percent. The two-year change in giving to public-society benefit organizations between 2015 and 2017 is an increase of 6.6 percent in inflation-adjusted dollars.
- Giving to the arts, culture, and humanities subsector increased 0.6 percent in inflation-adjusted dollars between 2015 and 2016. Between 2016 and 2017, giving to arts, culture, and humanities organizations increased 6.4 percent. The two-year change in giving to arts, culture, and humanities organizations between 2015 and 2017 is an increase of 7.1 percent in inflation-adjusted dollars.
- Giving to international affairs increased 0.3 percent in inflation-adjusted dollars between 2015 and 2016 and decreased 6.4 percent between 2016 and 2017. Giving to international affairs decreased 6.1 percent in inflation-adjusted dollars between 2015 and 2017.
- Giving to environmental and animal organizations increased 2.7 percent in inflation-adjusted dollars between 2015 and 2016 and 5.0 percent between 2016 and 2017. Giving to environment and animal organizations increased 7.8 percent in inflation-adjusted dollars between 2015 and 2017.



- Total giving reached \$410.02 billion in 2017, a 5.2 percent increase in current dollars and a 3.0 percent increase in inflation-adjusted dollars.¹¹
- Total charitable giving has increased in current dollars every year since 1977, with the exception of three years that saw declines: 1987, 2008, and 2009.¹² The annualized average rate of change in total giving in current dollars since 1977 is 6.3 percent, making the rate of change between 2016 and 2017 lower than the 40-year annualized average.
- Adjusted for inflation, total charitable giving has declined 8 times since 1977. The average annualized rate of change in total giving in inflation-adjusted dollars since 1977 is 2.7 percent, making the inflation-adjusted rate of change between 2016 and 2017 higher than average.
- The year 2009 was the last year of the Great Recession. For the years 2009 to 2017, the total growth in inflation-adjusted giving is 30.6 percent.
- In 2017, total giving, giving by corporations, giving by foundations, and giving by individuals matched or exceeded their previous inflation-adjusted highs. On the recipient side of giving, all but two charitable subsectors matched or exceeded their previous highs—giving to international affairs and giving to individuals have not yet surpassed their prior peaks.



- Estimated charitable giving by individuals (and households) was \$286.65 billion in 2017, an increase of 5.2 percent from 2016 (in current dollars). Adjusted for inflation, giving by individuals increased 3.0 percent in 2017.¹³
- The total amount estimated for giving by individuals in 2017 includes itemized and non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.
- For the year 2017, it is estimated that giving by itemizing individuals grew 5.6 percent and giving by non-itemizing individuals grew 3.3 percent.¹⁴
- Very large "mega-gifts," or gifts by individuals that require an adjustment to the econometric estimate, totaled \$4.1 billion in 2017.¹⁵

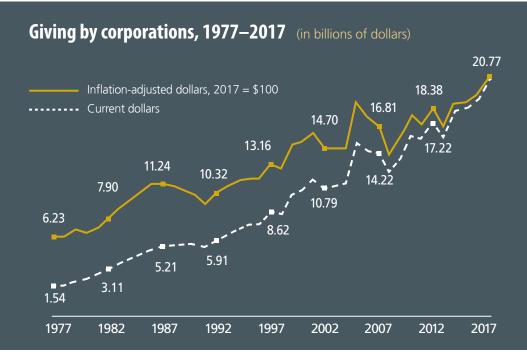


- Grantmaking by independent, community, and operating foundations increased 6.0 percent from 2016—to an estimated \$66.90 billion in 2017—according to figures provided by the Foundation Center. Adjusted for inflation, giving by foundations increased 3.8 percent in 2017.¹⁶
- Giving by all three types of foundations included in the estimate for 2017 grew:
 - Giving by independent foundations increased 4.9 percent;
 - Giving by operating foundations increased 6.2 percent; and
 - Giving by community foundations increased 11.0 percent.
- Giving USA estimates that, on average, giving by family foundations comprises 64 percent of giving by independent foundations each year. For 2017, this amount was \$31.68 billion.
- Giving by family foundations is estimated to be 47.4 percent of total foundation giving in 2017.¹⁷

Giving by beguest, 1977–2017 (in billions of dollars)

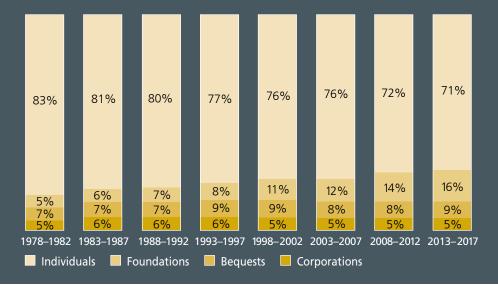


- Charitable giving by bequest is estimated to have increased 2.3 percent in current dollars between 2016 and 2017, to \$35.70 billion.¹⁸
- Adjusted for inflation, giving by bequest increased 0.2 percent in 2017.
- The total amount for giving by bequest in 2017 includes an estimate for charitable bequests from estates with assets of \$5 million and above (filing estates), estates with assets between \$1 million and \$5 million, and estates with assets below \$1 million. For 2017:
 - Estimated bequest giving from estates with assets of \$5 million and above amounted to \$18.59 billion;
 - Estimated beguest giving from estates with assets between \$1 and \$5 million amounted to \$6.92 billion; and
 - Estimated beguest giving from estates with assets below \$1 million amounted to \$10.19 billion.

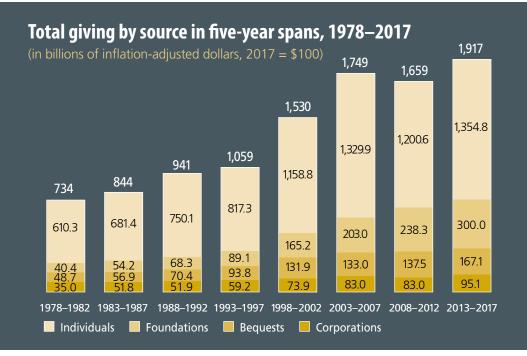


- Charitable giving by corporations increased by an estimated 8.0 percent from 2016, totaling \$20.77 billion in 2017. Adjusted for inflation, giving by corporations increased 5.7 percent in 2017.¹⁹
- Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.
- According to the Foundation Center, corporate foundation grantmaking rose 4.5 percent in 2017, amounting to \$6.09 billion.²⁰
- In 2017, U.S. Gross Domestic Product (GDP) increased 4.1 percent over 2016,²¹ and corporate pre-tax profits rose 4.1 percent.²² Both of these economic indicators have been found to positively affect corporate giving.
- Analysis of data from CECP's 2018 Giving in Numbers survey of leading global companies, conducted in association with The Conference Board, reveals that more than half (56 percent) of 207 of the largest U.S. and internationally based companies increased their giving from 2015 to 2017.²³

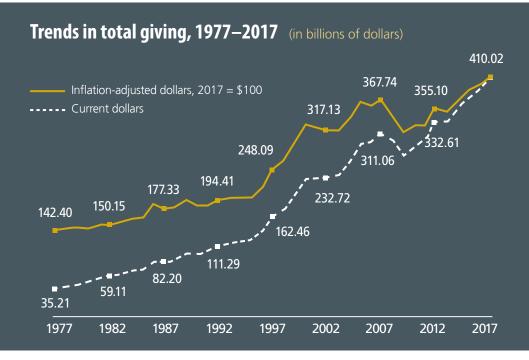




- Giving by individuals has declined considerably as a percentage of total giving over the last 40 years, from 83 percent in the first five-year period beginning in 1978 to 71 percent in the last five-year period beginning in 2013.²⁴
- Giving by foundations has grown substantially as a percentage of total giving over the last 40 years, from 5 percent in the first five-year period to 16 percent in the last five-year period.
- Giving by bequest has captured between 7 percent and 9 percent of total giving over the last 40 years, with its highest points in the 1993–1997, 1998-2002, and 2013-2017 periods.
- Giving by corporations has consistently comprised between 5 percent and 6 percent of total giving. The last four five-year periods received 5 percent of corporate giving.

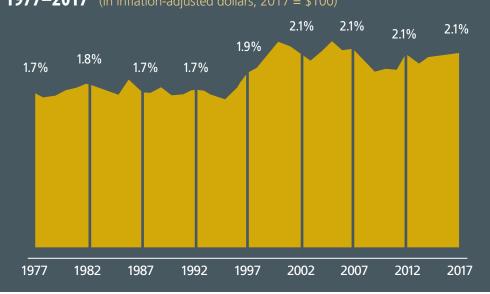


- Adjusted for inflation, the average rate of change in total giving by source between each five-year period in the last 40 years was 15.5 percent.²⁵ Total giving saw especially strong growth between the five-year periods beginning in 1993 and 1998. Between the five-year periods beginning in 1993 and 1998, total giving grew 44.4 percent. Between the five-year periods beginning in 1998 and 2003, total giving rose 14.3 percent.
- Giving by individuals grew the most between the five-year periods beginning in 1993 and 1998, at 41.8 percent, adjusted for inflation. This giving source realized a decline between the five-year periods beginning in 2003 and 2008, at -9.7 percent.²⁶
- Adjusted for inflation, giving by foundations increased the most between the five-year periods beginning in 1993 and 1998, at 85.3 percent. This giving source did not decline between any of these five-year periods.²⁷
- Giving by bequest saw its largest period of growth between the five-year periods beginning in 1993 and 1998, at 40.7 percent, adjusted for inflation. Giving by bequest did not decline in any five-year period in the last 40 years, though the source only grew 0.8 percent between the five-year periods beginning in 1998 and 2003.
- Adjusted for inflation, giving by corporations increased the most between the five-year periods beginning in 1978 and 1983, with a 48.0 percent increase. This giving source realized its smallest growth between the five-year periods beginning in 1983 and 1988, with an 0.1 percent increase, and the five year periods beginning in 2003 and 2008, which saw flat growth.²⁸



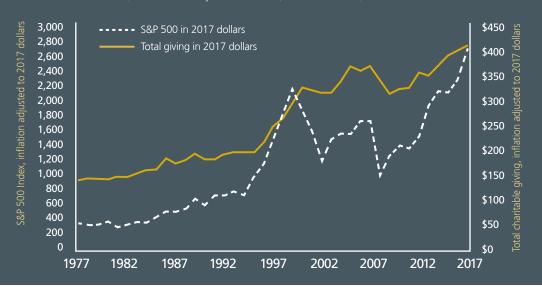
- Total charitable giving reached \$410.02 billion in 2017, increasing by \$20.38 billion in current dollars from 2016.²⁹
- The average year-to-year change in total giving between 1977 and 2017 was an increase of \$8.94 billion (in current dollars), making the current-dollar change in total giving between 2016 and 2017 much larger than the 40-year average.
- Because \$100 in 2017 was worth \$97.91 in 2016, the rise in the total amount given between 2016 and 2017 in inflation-adjusted dollars was less than it was in current dollars. Total giving increased \$12.08 billion in inflation-adjusted dollars between 2016 and 2017.
- The average year-to-year inflation-adjusted change in total giving between 1977 and 2017 was an increase of \$6.52 billion, making the inflation-adjusted change in total giving between 2016 and 2017 higher than the average for the 40-year period.
- Since 1978, total giving in current dollars grew the most in the 10-year period between 1978 and 1987, at 113.1 percent. The slowest 10-year period of growth for total current-dollar giving was 2008-2017, at 36.9 percent.
- Since 1978, total giving in inflation-adjusted dollars grew the most in the 10-year period between 1998 and 2007, at 38.5 percent. The slowest 10-year period of growth for total inflation-adjusted giving was 2008–2017, at 20.2 percent.

Total giving as a percentage of Gross Domestic Product, **1977–2017** (in inflation-adjusted dollars, 2017 = \$100)



- Several economic factors relate to how much donors give to charity each year, including Gross Domestic Product (GDP). GDP is defined as the market value of all goods and services produced within a country's borders during a specific period of time. It is one of the most important factors considered in measuring the status of a nation's economic health. 30
- GDP increased in inflation-adjusted dollars by 1.9 percent between 2016 and 2017.³¹ This rate of change compares with inflation-adjusted growth in total giving of 3.0 percent. Total giving as a percentage of GDP was 2.1 percent in 2017.
- Prior to the 40-year period between 1977 and 2017, total giving was consistently at or above 2.0 percent of GDP. This percentage fell to below 2.0 percent throughout most of the 1970s, 1980s, and 1990s. Total giving as a percentage of GDP rose to 2.0 percent or above through most of the 2000s, but then dropped to 1.9 percent in the years 2009 to 2011. Total giving as a percentage of GDP was 2.1 percent for five of the last six years (2012–2017).

Total charitable giving graphed with the Standard & Poors 500 Index, 1977–2017 (in inflation-adjusted dollars, 2017 = \$100)



- Research has found a statistically significant correlation between changes in total giving and values on the Standard & Poor's 500 Index (S&P 500). Because stock market values are an indicator of financial and economic security, households and corporations are more likely to give when the stock market is up.
- The direction of change and the robustness of growth in total giving generally lags slightly behind the S&P 500. However, policy changes that affect giving can mediate the connection between giving and stock values.
- The S&P 500 generally sees more dramatic changes from year to year than total giving. The inflation-adjusted range of change in the S&P 500 in the last 10-year period (2008 to 2017) was −40.8 percent to 27.7 percent.³² This compares with inflation-adjusted total giving ranging from a change of −8.0 percent to 9.2 percent during the same period.
- The S&P 500 grew 16.9 percent in inflation-adjusted dollars between 2016 and 2017. This compares with an increase in inflation-adjusted total giving of 3.0 percent.

Individual giving as a percentage of disposable personal income, **1977–2017** (in current dollars)



- Disposable personal income is tied to a household's total income, which is a key determinant in how much a household gives. For many households, how much they give depends on their spendable income, or disposable (personal) income. This type of income is that which is available after taxes have been paid.³³
- In 2017, disposable income increased 2.9 percent (in current dollars) from 2016. This compares with growth in disposable income of 2.6 percent between 2015 and 2016.34
- Individual giving as a percentage of disposable personal income (in current dollars) was 2.0 percent in 2017, a slight increase from the 1.9 percent rate that held constant from 2014 to 2016.
- In the last 40 years, individual giving as a percentage of disposable personal income was at its highest in 2000, when it reached 2.4 percent. Its lowest point was in 1995, when it dropped to 1.7 percent.

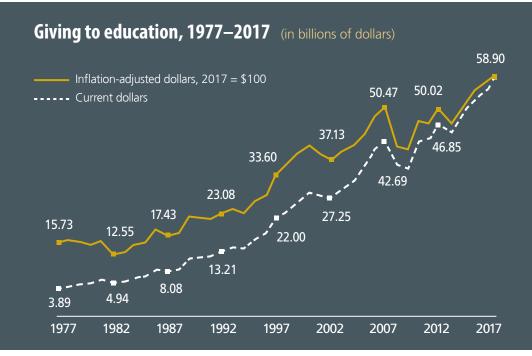
Corporate giving as a percentage of corporate pre-tax profits, 1977–2017 (in current dollars)



- Corporate pre-tax profits are a significant factor in how much corporations give each year, and changes in corporate giving closely follow corporate pre-tax profits.
- Giving by corporations, which includes grants from corporate foundations, is estimated to be 0.9 percent of corporate pre-tax profits for 2017.³⁵ This figure has stayed level since 2015, and is a slight increase over the 2014 rate of 0.8 percent.
- Corporate giving as a percentage of corporate pre-tax profits was at its highest point in the mid-1980s, when it reached 2.0 percent in 1986.
- In the last four decades since 1977, corporate giving as a percentage of corporate pre-tax profits has averaged 1.1 percent. During the same period, the annualized average rate of growth for corporate giving was 6.7 percent, and the annualized average rate of growth for corporate pre-tax profits was 6.1 percent.



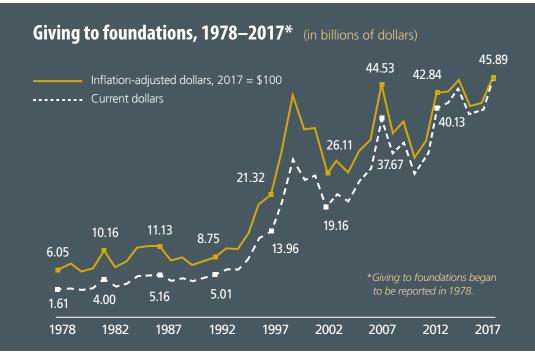
- Contributions to the religion subsector comprised 31 percent of all donations received by charities in 2017.³⁶
- Giving to religious organizations increased 2.9 percent in current dollars from 2016, totaling \$127.37 billion in 2017. Adjusted for inflation, giving to religion grew 0.7 percent.
- In 2017, contributions to religion totaled the highest inflation-adjusted amount recorded to date.
- Compared with 2016, the majority of religious organizations surveyed by the Nonprofit Research Collaborative reported increases in giving in 2017, at 61 percent.³⁷
- Online giving to religious organizations analyzed by the Blackbaud Index grew in 2017 and outpaced growth in giving through more traditional methods.³⁸



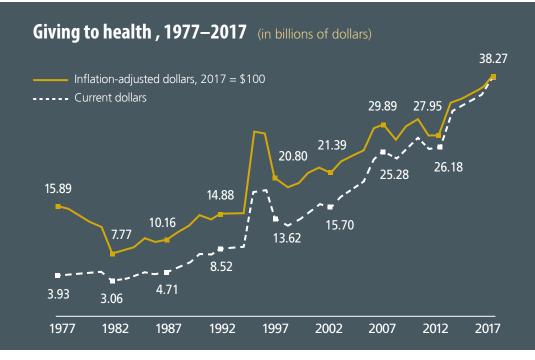
- Giving to the education subsector amounted to 14 percent of total giving in 2017.³⁹
- Contributions to education organizations grew 6.2 percent from 2016 to \$58.90 billion in 2017. Adjusted for inflation, giving to education organizations increased 4.0 percent.
- In 2017, contributions to education totaled the highest inflation-adjusted value recorded to date.
- According to the Council for Aid to Education, contributions to higher education institutions grew 6.3 percent in 2017.⁴⁰
- Compared with charitable organizations of all types, higher education institutions analyzed by the Blackbaud Index saw a greater increase in online giving between 2016 and 2017.⁴¹



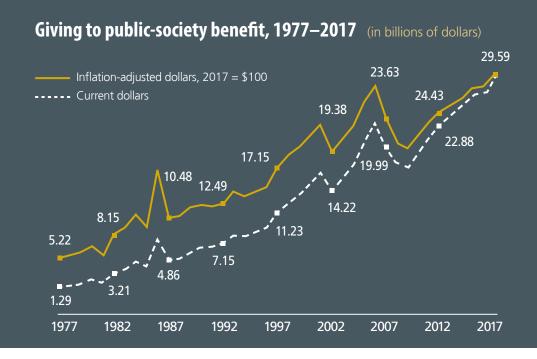
- Contributions to the human services subsector comprised 12 percent of all donations received by charities in 2017.⁴²
- Giving to human services organizations grew 5.1 percent in 2017, totaling \$50.06 billion. Adjusted for inflation, giving to human services increased 2.9 percent between 2016 and 2017.
- In 2017, contributions to human services totaled the highest inflation-adjusted amount recorded to date.
- The majority of human services organizations surveyed by the Nonprofit Research Collaborative reported increases in giving in 2017.⁴³
- Human services organizations analyzed by the Blackbaud Index saw a greater increase in online giving than giving through more traditional methods from 2016 to 2017. 44



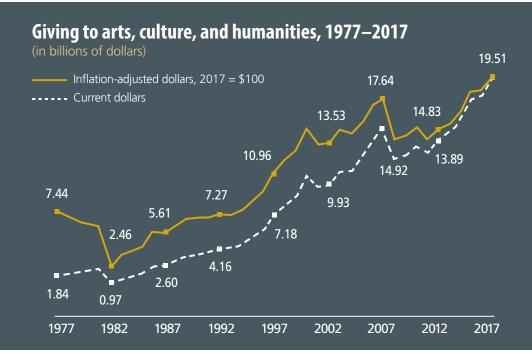
- Giving to foundations amounted to 11 percent of total giving in 2017.⁴⁵
- Contributions to foundations increased 15.5 percent from 2016 to \$45.89 billion in 2017. Adjusted for inflation, giving to foundations increased 13.1 percent.
- The estimate for giving to foundations includes gifts made to independent, community, and operating foundations.
- In 2017, giving to foundations reached its highest inflation-adjusted value recorded to date.
- Giving to foundations was boosted by several mega-gifts and bequests in 2017.⁴⁶



- Contributions to the health subsector comprised 9 percent of all donations received by charities in 2017.⁴⁷
- Giving to health organizations grew 7.3 percent in 2017, totaling \$38.27 billion. Adjusted for inflation, giving to health increased 5.1 percent between 2016 and 2017.
- In 2017, contributions to health totaled the highest inflation-adjusted value recorded to date.
- Compared with charitable organizations of all types, a greater proportion of health organizations surveyed by the Nonprofit Research Collaborative reported increases in giving in 2017 compared with 2016.⁴⁸
- Online giving to healthcare organizations analyzed by the Blackbaud Index grew 11.5 percent in 2017 over 2016.⁴⁹
- Large gifts to health went to support medical research, medical centers and hospitals, and health charities in 2017.⁵⁰



- Giving to public-society benefit organizations amounted to 7 percent of total giving in 2017.
- Contributions to the public-society benefit subsector increased 7.8 percent in 2017, totaling \$29.59 billion. Adjusted for inflation, giving to public-society benefit organizations increased 5.5 percent.⁵¹
- Total contributions to the public-society benefit subsector reached the highest inflation-adjusted value recorded to date in 2017.
- In 2017, online giving to public-society benefit organizations analyzed by the Blackbaud Index grew 15.0 percent compared with 2016, far outpacing giving through more traditional methods.⁵²
- More than half of public-society benefit organizations surveyed by the Nonprofit Research Collaborative reported an increase in charitable gifts received in 2017 over 2016.⁵³



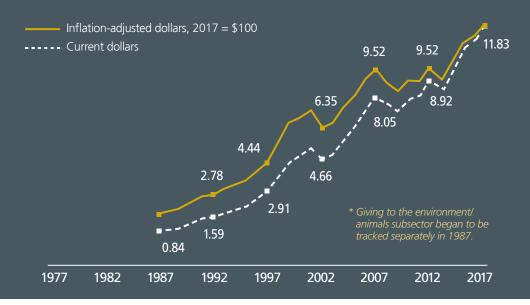
- Giving to the arts, culture, and humanities subsector amounted to 5 percent of total giving in 2017.⁵⁴
- Contributions to arts, culture, and humanities organizations increased by 8.7 percent from 2016 to \$19.51 billion in 2017. Adjusted for inflation, giving to these organizations increased by 6.4 percent.
- In 2017, total contributions to arts, culture, and humanities reached the highest inflation-adjusted value recorded to date.
- More than two-thirds of organizations in this subsector surveyed by the Nonprofit Research Collaborative reported increases in charitable receipts in 2017 compared with 2016.⁵⁵
- Online giving to arts organizations analyzed by the Blackbaud Index far outpaced giving through more traditional methods in 2017.⁵⁶





- Contributions to the international affairs subsector comprised 6 percent of all donations received by charities in 2017.⁵⁷
- Giving to international affairs organizations declined 4.4 percent in 2017, totaling \$22.97 billion. Adjusted for inflation, giving to international affairs declined 6.4 percent between 2016 and 2017.
- Total contributions to the international affairs subsector recorded the highest inflation-adjusted value in 2016 at \$24.54 billion.
- Compared with all other types of charitable organizations, international affairs organizations analyzed by the Blackbaud Index saw the largest growth in charitable receipts from 2016 to 2017.⁵⁸ However, online giving to international affairs organizations showed slower growth than online giving to charitable organizations overall in 2017.

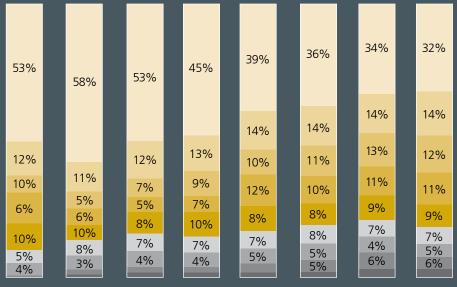
Giving to environment/animals, 1987–2017* (in billions of dollars)



- Giving to the environment/animals subsector amounted to 3 percent of total giving in 2017.59
- Contributions to environmental/animal organizations rose 7.2 percent from 2016 to \$11.83 billion in 2017. Adjusted for inflation, giving to these organizations increased 5.0 percent.
- In 2017, contributions to environment/animals totaled the highest inflationadjusted value recorded to date.
- A majority of environment/animal organizations reported increases in charitable receipts in 2017 over 2016, according to the Nonprofit Research Collaborative. 60
- Growth in online giving to environment/animal organizations analyzed by the Blackbaud Index was much stronger than growth in giving through more traditional methods in 2017.61

Giving by type of recipient: Percentage of the total in five-year spans, 1978–2017*

(adjusted for inflation, 2017 = \$100, does not include "unallocated")



1978–1982 1983–1987 1988–1992 1993–1997 1998–2002 2003–2007 2008–2012 2013–2017

Human services

- Giving to religious organizations has been declining as a share of total giving to recipient organizations since the five-year period beginning in 1983, when it reached 58 percent of the total. In the last five-year period, 2013–2017, religious giving comprised 32 percent of the total.⁶²
- The education subsector has received between 11 percent and 14 percent of total recipient contributions in the past four decades. Giving to education has been at its strongest in the last four five-year periods.

Religion Found
Education Healt

FoundationsHealthPublic-society benefit

Arts, culture, and humanities

[☐] International affairs

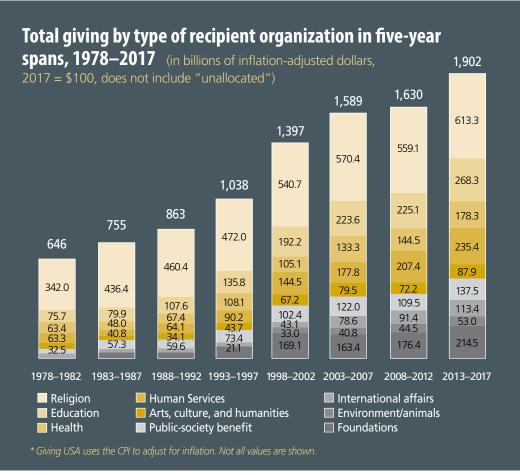
[■] Environment/animals

^{*} Giving to foundations began to be reported in 1978, and giving to environment/animals and international affairs began to be tracked in 1987. Not all percentages are shown. Giving USA uses the CPI to adjust for inflation.

Giving by type of recipient: Percentage of the total in five-year spans, 1978–2017*

(adjusted for inflation, 2017 = \$100, does not include "unallocated")

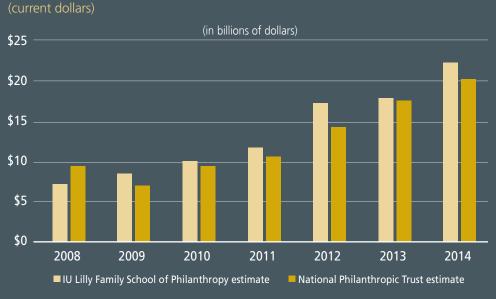
- The share of total giving to human services organizations stands at 12 percent for the five-year period beginning in 2013. Giving to this subsector dropped to single-digit percentage levels for the five-year periods beginning in 1983, 1988, and 1993, but rose to between 10 percent and 13 percent of the total for the last two decades.
- Foundations have received between 5 percent and 12 percent of total contributions over the last 40 years. As a share of the total, giving to foundations saw its highest levels of giving in the last four five-year periods.
- Giving to the health subsector has comprised between 6 percent and 10 percent of the total over the last four decades.
- The public-society benefit subsector has received between 5 percent and 8 percent of total recipient giving in the last 40 years.
- Giving to arts, culture, and humanities organizations has consistently totaled between 3 percent and 5 percent of all charitable dollars received by organizations over the last four decades.
- Giving to international affairs organizations began to be tracked in 1987. This subsector maintained or increased its share of total contributions received in all subsequent five-year periods.
- Giving to environment/animal organizations began to be tracked in 1987. Since then, giving to this subsector has steadily risen to 3 percent of total giving in the last three five-year periods.



Giving to all types of charitable organizations in the years 2013–2017 rose above giving in the years 2008–2012.⁶³

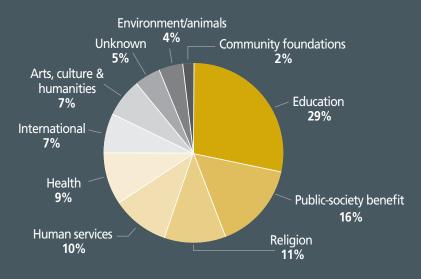
- Total giving saw its highest rate of change between the five-year periods beginning in 1993 and 1998, at 34.6 percent. Total giving realized its slowest rate of growth between the five-year periods beginning in 2003 and 2008, at 2.6 percent.
- In the last three five-year periods, giving to international affairs, human services, and environmental/animal organizations saw the highest rates of growth. Giving to religion realized the slowest rate of growth during the same period.
- Rates of growth between five-year periods have slowed for four subsectors since the period beginning in 2003: human services; health; international affairs; and environment/animals.





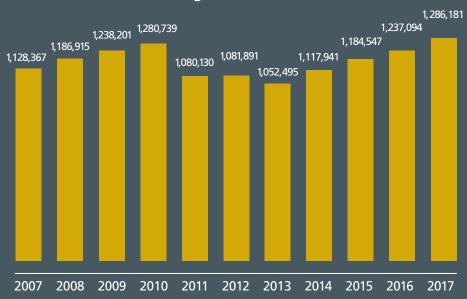
- New research by the Indiana University Lilly Family School of Philanthropy in partnership with the Giving USA Foundation™ estimates the total dollars contributed to donor-advised funds, 2008-2014.⁶⁴
- Contributions grew the fastest in 2012, with an increase of 48 percent in current dollars according to the school's estimate, and 35 percent in current dollars according to the estimate by National Philanthropic Trust (NPT).
- Total dollar amounts of contributions to donor-advised funds peaked in 2014 at \$22 billion according to the school's estimate, and \$20 billion according to the estimate by NPT (both in current dollars).

Average contributions by type of recipient organization for donor-advised funds, 2015



- New research by the Indiana University Lilly Family School of Philanthropy in partnership with the Giving USA Foundation™ estimates the average contributions by type of recipient organization for donor-advised funds in 2015.⁶⁵
- Education received the largest share of donor-advised fund dollars at 29 percent, higher than the percentage of charitable dollars that went to education in *Giving USA*'s measurements of overall charitable giving.
- Religion received the third-largest share of donor-advised fund dollars at 11 percent, lower than the percentage of charitable dollars that went to religion in *Giving USA*'s measurements of overall charitable giving.
- At 16 percent, giving to public-society benefit represented the second-largest share of donor-advised fund dollars, higher than the percentage of charitable dollars that went to public-society benefit in *Giving USA*'s measurements of overall charitable giving.





- The Internal Revenue Service (IRS) annually reports the number of charitable organizations registered under Section 501(c)(3) of the Internal Revenue Code. In 2017, the number of charitable organizations amounted to 1.29 million, a 4.0 percent increase over 2016.66
- The decline of 15.7 percent between the years 2010 and 2011 is explained by the Pension Protection Act of 2006. This act set the requirement for all nonprofit organizations (excluding religious organizations), regardless of size, to file tax returns beginning in 2007. In September 2011, more than 200,000 charitable organizations lost their tax-exempt status for failure to file legally required documents for three consecutive years. Most of these organizations were likely small and defunct. 67
- The number of organizations in the charitable sector generally varies from year to year. From 2007 to 2017, the average rate of growth was 1.9 percent. Removing the anomalous year of 2011, the average growth rate for the same period was 3.7 percent.68



Endnotes

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- Data were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations is available in the Foundation Center's Key Facts on U.S. Foundations reports, which can be found at the Foundation Center's website at www.foundationcenter.org.
- See the Foundation Center's Key Facts on Family Foundations reports at www.foundationcenter.org.
- 4. All data in this section are reported as estimates, which are subject to revision. The estimates for total charitable giving for the years 2013, 2014, 2015, and 2016 were revised in this edition from estimates reported in Giving USA 2017. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.

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- 12 These figures do not include changes in giving of less than one percent, which is considered a flat rate of change for *Giving USA* purposes.
- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
- 14 The 5.6 percent increase for giving by itemizing individuals/ households includes Giving USA's adjustment for mega-gifts and disaster giving. See the special "Disaster Giving in 2017" chapter of the report for more information.
- 15 See the "Brief summary of methods used" section of this report for more information.
- Data were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations is available in the Foundation Center's Key Facts on U.S. Foundations reports, which can be found at the Foundation Center's website at www.foundationcenter.org.
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- 18 All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
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- 24 All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA typically revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
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- 26 For the purposes of Giving USA, rates of change less than one percent are considered flat.
- 27 Data were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations is available in the Foundation Center's Key Facts on U.S. Foundations reports, which can be found at the Foundation Center's website at www.foundationcenter.org.
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- 37 The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked nonprofit leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www. npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
- This information was provided to Giving USA directly from Blackbaud in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www.blackbaud.com/nonprofit-resources/blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in Giving USA may vary from current figures.
- 39 All data in this section are reported as estimates, which are subject to revision. To .provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.

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- 48 Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www. npresearch.org
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- sources and uses in the "Brief summary of methods used" section of this report.
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- 60 Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www. npresearch.org
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- 65 Giving USA Special Report on The Data on Donor-Advised Funds: New Insights You Need to Know (2018). Chicago: Giving USA Foundation™. The Indiana University Lilly Family School of Philanthropy original research using IRS Form 990 Schedule I data and direct granting data from donor-advised

- fund sponsoring organizations. For 2015, we tracked \$7.0 billion in grants, or 49 percent of the estimated total of grants from donor-advised funds according to NPT (National Philanthropic Trust, 2017 Donor-Advised Fund Report, National Philanthropic Trust, 2017, https://www.nptrust. org/daf-report/index.html). Note that the "to Foundations" category for Giving USA cannot be directly compared to the "Community Foundations" for donor-advised funds because the aggregate Giving USA giving by type of recipient organization estimate also includes giving to private foundations, which are not included for grants from donoradvised funds. Donor-advised funds are prohibited from granting to private foundations.
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he year 2017 was historic in terms of the number and magnitude of disasters. Severe flooding and landslides took place in China, Bangladesh, Peru, Colombia, Democratic Republic of the Congo, Sri Lanka, and Sierra Leone.1

The United States experienced a series of major disasters in the latter part of 2017:

- Hurricane Harvey made initial landfall on August 26, 2017, killing 77 people and resulting in estimated damage of \$180 billion in Texas and Louisiana.2
- On September 10, 2017, Hurricane Irma made landfall in the U.S., killing 92 people and causing

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\$53.4 billion in damage in Florida and parts of Georgia;3

- Hurricane Maria made landfall in Puerto Rico on September 20, 2017, resulting in estimated damage of \$90 billion in the U.S. territory and the U.S. Virgin Islands;4
- A gunman opened fire on a crowd attending a music festival on the Las Vegas Strip, killing 59 people and injuring more than 500 others on October 1, 2017;5
- Beginning in early October 2017, a string of wildfires across several

- counties in Northern California killed 44 people and caused damage estimated at \$9 billion;6 and
- The Thomas Fire ravaged Southern California in December 2017, killing two people and resulting in damage of between \$1 billion and \$2.5 billion;7

Some of the most severe damage from international disasters occurred in the Caribbean and Mexico:

Hurricane Irma and Hurricane Maria made landfall on various Caribbean islands within two weeks of one

another in September 2017, resulting in combined damage estimated at \$140 billion across all affected regions;⁸ and

Also in September 2017, two powerful earthquakes—one in the southern state of Chiapas and another 100 miles outside Mexico City—struck Mexico, killing a combined 369 people and resulting in estimated damage between \$2 billion and \$4 billion.9

A wide range of organizations raised funds for disaster relief, including both traditional organizations such as the American Red Cross, the Salvation Army, and the United Way, and newer organizations such as community foundations and the Center for Disaster Philanthropy.

Disaster relief efforts by these and other organizations are discussed in the relevant chapters (see Chapter 7: Giving by Corporations, Chapter 11: Giving to Human Services, Chapter 12: Giving to Foundations, Chapter 14: Giving to Public-Society Benefit, and Chapter 16: Giving to International Affairs). This special section focuses on original research by the Indiana University Lilly Family School of Philanthropy and broader trends that emerged in 2017 disaster giving.

Disaster Giving Index for Hurricane Harvey

The Disaster Giving Index is compiled by the Indiana University Lilly Family School of Philanthropy and tracks philanthropic giving to both national and international disasters. Figure 1 compares giving to Hurricane Harvey with giving to selected major national and international disasters in the past two decades, including Hurricane Sandy (2012), Typhoon Haiyan (2013), and the earthquake in Nepal (2015). Donations are tracked over a period of six weeks after the initial disaster.

Hurricane Harvey was the first hurricane and major domestic disaster that took place in the United States in 2017. This timing, as well as the intense media attention surrounding the event, made it the most distinct disaster to track. Since Hurricane Irma and Hurricane Maria made landfall in the U.S. within 10 days of one another, some organizations combined fundraising efforts for the two hurricanes, making it difficult to distinguish between donations directed toward these disasters.

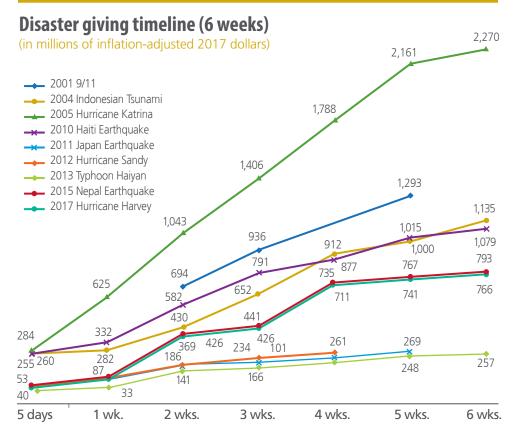
Despite contributions totaling \$1.07 billion in the three months following Hurricane Harvey's landfall, monetary and in-kind aid to Hurricane Harvey was lower than giving to Hurricane Katrina in 2005. However, charitable

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dollars directed toward Hurricane Harvey were higher than those collected for Hurricane Sandy. Hurricane Harvey had raised \$711 million four weeks after landfall, while Hurricane Katrina had raised \$1.79 billion, and Hurricane Sandy had raised \$261 million during the same time period.

Interestingly, disaster giving to Hurricane Harvey is most similar to the trendline for giving to the 2015 Nepal earthquake. In fact, total giving to the two disasters is within \$30 million dollars at each weekly checkpoint.

Giving to Hurricane Harvey may have been dampened by the fact that the hurricane was followed by so many disasters in a short period of time. According to research, giving to one disaster may crowd out giving to another disaster, if they occur shortly after each other.¹⁰



Source: Indiana University Lilly Family School of Philanthropy

Notes: Estimates for Hurricane Sandy are from *The Chronicle of Philanthropy* and NorthJersey.com. Estimates for 9/11 are from *The Chronicle of Philanthropy*.

Unique pattern of disaster giving recipients emerges

Earlier research by the Indiana University Lilly Family School of Philanthropy revealed that giving for primarily domestic disasters has tended to cluster in the human services and public-society benefit subsectors.11 This year, the distribution of disaster relief contributions to organizations the school contacted for Hurricane Harvey yielded a different pattern. According to the findings, 59.9 percent of Hurricane Harvey relief dollars went to human services organizations, while 30.6 percent went to foundations, and 4.3 percent went to public-society benefit organizations.

Community foundations played a particularly important role in disaster relief in 2017. More than 125,000 donors contributed in excess of \$112 million to the Hurricane Harvey Relief Fund, started by Houston, TX, Mayor Sylvester Turner and Harris County, TX, Judge Ed Emmett and managed by the Greater Houston Community Foundation. 12 Although it is difficult to draw direct comparisons between this fund and other funds established by city leaders and administered by community organizations, similar efforts from other disasters inform the significance of the Hurricane Harvey Relief Fund.



For instance, the Hurricane Sandy New Jersey Relief Fund, Inc., created by First Lady Mary Pat Christie, raised \$41 million after following Hurricane Sandy in 2012. Additionally, the Community Revitalization Fund launched by the Greater New Orleans Foundation raised \$25 million after Hurricanes Katrina and Rita in 2005. 13

In contrast, giving to traditional disaster relief organizations was substantial in 2017 but did not reach the same levels that it did in response to Hurricane Katrina. For example, giving to the American Red Cross reached \$2.1 billion following Hurricane Katrina, leading the largest-ever disaster response effort. ¹⁴ As of December 2017, the American Red Cross had raised \$493.3 million for Hurricane Harvey relief. ¹⁵ Nevertheless, donations to the American Red Cross in response to Hurricane Harvey

exceeded the \$311.5 million raised after Superstorm and Hurricane Sandy. 16 This shift follows a series of articles by ProPublica that have raised criticisms about the American Red Cross's use of resources and the accuracy of the organization's reporting in responding to other disasters. 17

Lessons from Hurricane Katrina shape response of animal organizations

The Indiana University Lilly Family School of Philanthropy tracked the growing role of animal welfare organizations in 2017 disaster relief efforts. In the school's research on Hurricane Harvey, animal-related nonprofits comprised 8 percent of responding organizations, representing 0.7 percent of total donations. Despite this relatively small share of overall giving, some large gifts were made to animal organizations. For example, celebrity chef and talk show host Rachel Ray donated \$1 million

6 Crowdfunding has provided individuals with a personalized approach to fundraising using social media, as well as a way to quickly raise cash for disaster recovery with relatively little effort.

to animal organizations in Texas and Louisiana through the Rachel Ray Foundation, including the Society for the Prevention of Cruelty to Animals (SPCA) of Texas and Austin Pets Alive!¹⁸

Large-scale animal recovery efforts also took place following 2017 disasters. Given that an estimated 250,000 domestic dogs died or were displaced as a result of Hurricane Katrina, many animal welfare organizations sought to preemptively evacuate areas affected by the hurricanes. 19 For instance, country singer Kenny Chesney's Love for Love City Foundation relocated 250 animals from the U.S. Virgin Islands to West Palm Beach, FL, among other recovery efforts for Hurricanes Irma and Maria.20 Notable efforts were also made to ensure pet owners could locate their animals after the hurricanes subsided.²¹

Online giving played an important role in disaster recovery

Recent research by Blackbaud Institute found that online giving was the first choice for individuals seeking to donate to disaster recovery efforts in recent years.²² The analysis also found that the rise in online banking and Internet connectivity is closely linked with gains in disaster giving using online, mobile, and social media platforms. Although it is too early to determine the full

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extent of how giving for 2017 disasters impacted online giving overall in 2017, Blackbaud Institute reported that the human services organizations it studied saw a 13.8 increase in contributions over the previous year in August 2017.

Crowdfunding platforms gain popularity

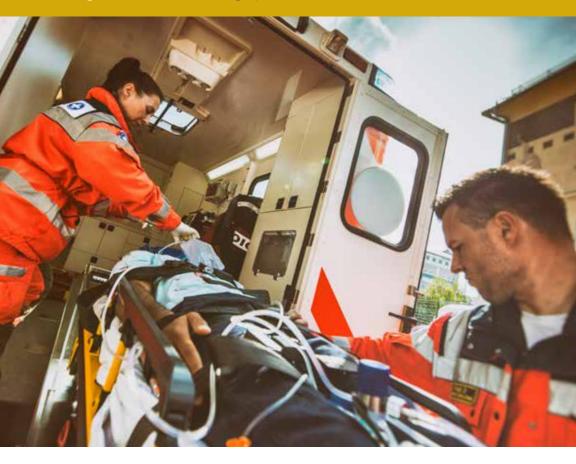
Crowdfunding has provided individuals with a personalized approach to fundraising using social media, as well as a way to quickly raise cash for disaster recovery with relatively little effort. According to a study by the Indiana University Lilly Family School of Philanthropy, more than 3,600 campaigns were created on the popular crowdfunding platform YouCaring during the six weeks following Hurricane Harvey. Additionally, in excess of \$4.5 million was raised through more than 850 campaigns on GoFundMe within

the first week after Hurricane Harvey made landfall.²³

Many celebrities used crowdfunding platforms to garner donations for disaster recovery in 2017, including:

- Houston Texans Football player J.J.
 Watt, who raised more than \$37 million from approximately 200,000 donors for Hurricane Harvey relief through YouCaring;²⁴
- Puerto Rican singer, actor, and author Ricky Martin, who raised more than \$4.6 million from approximately 53,000 donors for Hurricane Maria relief through YouCaring;²⁵ and
- Comedian Kevin Hart, who raised nearly \$1.5 million from approximately 9,000 donors for Hurricane Harvey relief through CrowdRise.²⁶

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GoFundMe, in particular, rose to prominence among crowdfunding platforms in the wake of 2017 disasters. In the two months after Hurricane Harvey, GoFundMe and its sister site CrowdRise funneled \$65 million to victims and charities.²⁷ GoFundMe was also responsible for \$11.9 million in contributions to the Las Vegas Victims' Fund (LVVF) following the Las Vegas shooting in October 2017, representing 38 percent of the \$31.4 million raised by LVVF.²⁸

Despite GoFundMe's success, some have questioned the site's business

model, since it earns revenue from disaster relief campaigns through user fees.²⁹ For much of 2017, GoFundMe required users to pay a 5 percent fee, and with its high number of disaster relief campaigns, those fees added up. For instance, the platform earned \$3.5 million in fees from Hurricane Harvey-related campaigns. GoFundMe has since moved from a mandatory 5 percent user fee to a 5 percent suggested "tip" for personal campaigns, although it will retain the mandatory fee for organizational users.

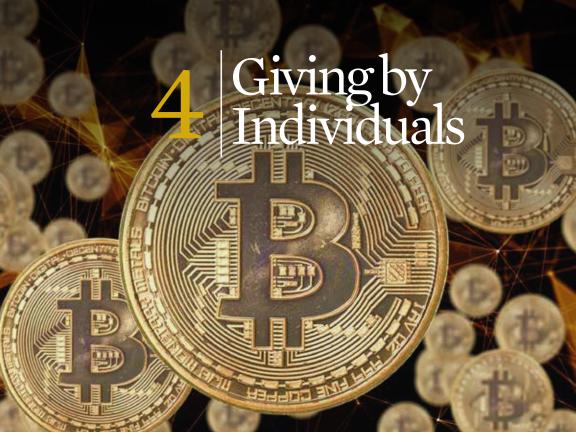
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- Estimated charitable giving by individuals was \$286.65 billion in 2017, an increase of 5.2 percent from 2016 (in current dollars). Adjusted for inflation, giving by individuals increased 3.0 percent in 2017.1
- The estimate for giving by individuals in 2017 includes itemized and non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.
- For the year 2017, giving by itemizing individuals grew an estimated 5.6 percent and giving by nonitemizing individuals grew an estimated 3.3 percent.²

Practitioner Highlights

- While economic conditions have long influenced individual philanthropy, factors such as the S&P 500, which saw tremendous growth, played a particularly important role in driving up household giving in 2017.³
- Individual donors continue to dominate American philanthropy.

 However, the causes donors support and the way they transmit their gifts is shifting dramatically to reflect social norms and the emerging impact of younger, more diverse generations.⁴
- Although tax policy changes that affect individuals could limit the extent to which nonprofit organizations benefit from the charitable deduction in the future, much uncertainty still exists on the full ramifications for the sector.⁵

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving by individuals in 2017

Giving USA's estimate for giving by individuals includes itemized and non-itemized charitable contributions.

Contributions include gifts of cash, securities, and property.

Charitable giving by individuals and households often depends on disposable personal income, or income available to persons for spending and saving.⁶

This is especially true for non-itemizing households, but it is also true for many households that itemize. In 2017, disposable personal income in the United States was up 2.9 percent over 2016.⁷ Personal consumption, the amount expended by consumers for goods and services, is similar to disposable personal income.⁸ In 2017, personal consumption expenditures in the U.S. increased 4.5 percent over 2016.⁹

Household giving is also influenced by personal income and asset health. In 2017, personal income in the U.S. increased 3.1 percent over 2016.¹⁰ The S&P 500, the primary influence on asset health, is very closely related to overall giving by individuals and households. In 2017, the S&P 500 skyrocketed 19.4 percent over 2016.¹¹

Growth in the S&P 500 has a greater effect on giving by itemizing households (those that claim charitable contributions on their tax returns) since these households are more likely to have assets impacted by the S&P 500.¹² This explains, at least in part, why giving by itemizing households is estimated to have increased by 5.6 percent in 2017.¹³ Giving by non-itemizing households also grew 3.3 percent between 2016 and 2017.

To provide context for giving by individuals in 2017 and recent years, the following sections detail individual and household giving trends covered by media and philanthropic research organizations.

Donor retention remains steady in 2017

The 2018 Fundraising Effectiveness Survey Report reveals that the donor-retention rate stayed level at 45.5 percent in 2017 compared with 2016.14 The report is conducted annually by the Association of Fundraising Professionals and the Center on Nonprofits and Philanthropy at the Urban Institute and draws on data from five donor software firms representing 13,601 U.S. charitable organizations. The gift retention rate, at 48.0 percent in 2017, increased slightly from 47.8 percent in 2016. Donor retention refers to the share of donors who made donations in both 2016 and 2017. Gift retention refers to the share of dollars raised in 2016 that were raised again in 2017.





Overall, analyzed organizations saw a 2 percent increase in charitable receipts in 2017, representing \$247 million in new dollars.¹⁵ Large organizations (those with more than \$500,000 in annual revenue) realized a 9.0 percent gain, while small organizations (those with less than \$100,000 in annual revenue) saw a decline of 8.2 percent. Medium-sized organizations experienced a 2.5 percent increase in revenue.

The value of gifts from new donors grew 23.6 percent for organizations included in the 2018 Fundraising Effectiveness Survey Report; this gain was offset by a 16.3 percent loss in giving from previously new donors, resulting in a net increase of 7.3 percent. 16 Recaptured donors, or those who had previously stopped giving, were

responsible for 9.9 percent growth in the value of gifts; however, repeat lapsed donors declined 16.3 percent, for a net loss of 6.4 percent. Meanwhile, the value of gifts from upgraded donors increased by 20.7 percent; these gains were mitigated by a decline of 19.3 percent in the value of gifts from downgraded donors, resulting in a net increase of 1.4 percent.

Among surveyed organizations, the donor growth rate, or number of new donors, was 0.7 percent in 2017.¹⁷ This means that for every 10 new donors, approximately 9.9 were lost. The total loss of donors in 2017 translated to a 96 percent gift attrition rate. That is, for every new \$10 gift, \$9.60 was lost. These losses amounted to \$5.8 billion for organizations included in the report.

Almost two-thirds of organizations report increased charitable receipts in 2017

The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners.

In early 2018, the NRC surveyed U.S. and Canadian nonprofits to

assess fundraising trends for the 2017 calendar year. 18 The survey asked leaders of public charities and foundations to report on overall changes in charitable revenue received, as well as changes in charitable receipts by different fundraising methods, among other questions.

For the year 2017, 63 percent of responding organizations reported that charitable receipts increased from 2016.¹⁹ This figure represents a 3 percent increase from the prior 12-month period. Table 1 shows fundraising methods frequently used for individual giving by responding organizations in 2017, as well as the percentage of organizations reporting that charitable revenue stayed the same or increased using these methods between 2016 and 2017.

Table 1

Percentage of survey respondents reporting use of different fundraising methods for individual giving in 2017 and change in charitable receipts by fundraising method between 2016 and 2017

Fundraising method	Percentage of respondents reporting use of fundraising method in 2017	Percentage of respondents reporting that charitable revenue increased or stayed the same using fundraising method, 2016–2017
Major gifts	94%	84%
Direct response/mail	87%	82%
Board giving	86%	88%
Special events	79%	84%
Email	79%	91%
Telephone	25%	76%
SMS/Text	13%	88%

Data: Winter 2018 Nonprofit Fundraising Study, April 2018, Nonprofit Research Collaborative, www.npresearch.org

Online giving up in 2017, driven by increases in monthly renewal giving and number of gifts

In spring 2018, M+R and NTEN released the 12th edition of the *Benchmarks* study, which investigates donor engagement and giving patterns among a sample of 154 nonprofits for the year 2017 in comparison with 2016.²⁰ The researchers analyzed nearly 4.7 billion email messages and more than 11.9 million online gifts totaling \$738 million.



Results of the email analysis revealed that, despite some declines in open and click-through rates, fundraising emails performed well: ²¹

- The size of nonprofit email lists grew 11 percent in 2017, a slightly higher rate than the 10 percent reported in 2016;
- Email click-through rates for fundraising appeals declined 6 percent in 2017;
- Email fundraising revenue grew 24 percent in 2017; and
- Email fundraising revenue represented 28 percent of all online fundraising revenue in 2017.

Findings from the online fundraising analysis showed growth for most metrics: ²²

- Overall online giving grew 23
 percent for reporting organizations
 in 2017 (compared with 15 percent
 in 2016), with monthly renewal
 giving increasing 40 percent;
- One-time online gifts grew 19 percent in 2017;
- The overall number of online gifts increased 28 percent in 2017; and
- Online donor retention (referring to donors who gave an online gift in 2016 and gave an online gift again in 2017) averaged 38 percent across all subsectors.

Finally, results of the social media analysis revealed: ²³

- Organizations reported growth in social media followers in 2017, with Instagram lists growing 44 percent, Twitter lists growing 15 percent, and Facebook lists growing 13 percent;
- No single organization type dominated growth in social media followers in 2017: rights organizations realized the highest growth in Instagram followers (56 percent); hunger/poverty organizations saw the highest growth in Twitter followers (42 percent); and public media organizations reported the highest growth in Facebook followers (27 percent); and
- The overall Facebook engagement rate (defined as the number of people clicking or commenting on a post as a percentage of total page fans that day) was 0.44 percent in 2017, with hunger/poverty organizations experiencing the highest engagement rate of 0.92 percent.
- 6 Organizations reported growth in social media followers in 2017, with Instagram lists growing 44 percent, Twitter lists growing 15 percent, and Facebook lists growing 13 percent.²³ 2 2

Multiple reports show fewer American households giving to charity

Despite utilizing different data sources and time periods in their analyses, several reports issued in 2017 found a similar trend: fewer American households are donating to charity.

In 2017, the Indiana University Lilly Family School of Philanthropy ("the school") launched Generosity for Life, a set of interactive, web-based tools and resources on U.S. charitable giving.²⁴ The Overview of Overall Giving report released in coordination with the launch found that the overall share of American households who donated to charity in 2014 decreased almost 11 percent compared with the percentage that donated in 2000. The school cited the Great Recession, the decline in American religiosity, and demographic shifts in the U.S. population as reasons for the decline. The report also noted that the percentage of households making charitable gifts held steady among certain groups, such as wealthier and older Americans.

In Part 1 of the *Vital Signs* series, Blackbaud Institute found a comparable pattern in recent years, reporting that the total number of American households contributing to charity declined 7



percent from 2010 to 2015.25 However, the value of donations from these households increased nearly 42 percent in current dollars, or 29.6 percent adjusted for inflation, during the same period. Additionally, the Chronicle of Philanthropy's How America Gives report revealed that 24 percent of Americans households made a charitable gift in 2015, compared with the 30 or 31 percent of American households who donated to charity from 2000 to 2006.26

Giving by ultra-highnet-worth donors continues to climb

The net worth of the 400 wealthiest Americans grew from \$2.4 trillion in 2016 to a record \$2.7 trillion in 2017, according to the annual Forbes 400 list. 27 Each Forbes 400 member was worth an average of \$6.7 billion in 2017, up from \$6 billion in 2016. Entry onto the 2017 list required a minimum of \$2 billion, an increase of nearly 18 percent from the \$1.7 billion required in 2016.

The top five Americans on the Forbes 400 list remained unchanged in 2017.28 Philanthropist Bill Gates, whose net worth rose from \$81 billion in 2016 to \$89 billion in 2017, led the pack for the 24th consecutive year, followed by wellknown donors Jeff Bezos, Warren Buffett, Mark Zuckerberg, and Larry Ellison. Other members included:

- 22 newcomers. The fortunes of the individuals making the Forbes 400 list for the first time in 2017 derive from a variety of sources, including technology, financial management, and food and beverages. Of these newcomers. 14 are self-made entrepreneurs and three are immigrants.29
- 50 women. Although the number of female Forbes 400 members did not grow, the combined wealth of

the women on the list in 2017 is substantially greater than in 2016. The 50 women on the 2017 list are worth a combined \$305 billion, a 17 percent increase in the combined wealth of the 51 women on the 2016 list.³⁰

14 individuals under 40. While 67 is the average age of 2017 Forbes 400 members, 14 individuals on the list are under age 40. Of these 14 members, Mark Zuckerberg is the wealthiest, with a net worth of \$71 billion, and Evan Spiegel is the youngest, at age 27.31

Details from a number of reports and media sources on giving by wealthy Americans are presented in the following sections.

Philanthropists from tech industry make largest contributions

For 18 years, *The Chronicle of Philanthropy* has compiled an annual list of the 50 most generous donors in the United States, including individuals/ families and estates. Totals are calculated based on gifts and pledges of cash, land, and stock to American nonprofits, without double counting payments of past pledges.³² Philanthropy 50 donors contributed \$14.7 billion in 2017, up from \$5.6 billion in 2016 and the highest amount since 2008, when the Great Recession began to constrain charitable giving.³³

The Philanthropy 50 includes 17 individuals on the Forbes 400 list of the wealthiest Americans. These 17 donors gave nearly \$10.3 billion in 2017.³⁴ Individuals/families whose wealth derived from technology donated a collective \$8.7 billion, comprising about 60 percent of total contributions from Philanthropy 50 donors in 2017.³⁵ At approximately 62 percent, foundations received the largest share of total dollars given by Philanthropy 50 donors.

Individuals/families whose wealth derived from technology donated a collective \$8.7 billion, comprising about 60 percent of total contributions from Philanthropy 50 donors in 2017.35

The large increase in total contributions from Philanthropy 50 donors in 2017 is primarily due to the health of the U.S. economy and the strength of the stock market in recent years.³⁶ Growth in giving by wealthy Americans was also boosted by several younger philanthropists, who are expected to continue building their fortunes and contributing to charity well into the future. This represents a departure from spikes in previous Philanthropy 50 totals, which were driven by bequests or the extreme generosity of a single donor.

Consistent with these trends, relatively young couples who acquired their wealth in the technology industry took the top three spots in the Philanthropy 50.37 For the fourth time, Bill and Melinda Gates were number one on the list, having donated \$4.8 billion to their foundation in 2017. The Gateses were followed by Mark Zuckerberg and Priscilla Chan, who gave \$2 billion to their foundation and donor-advised fund, and Michael and Susan Dell, who contributed \$1 billion to their foundation.

Majority of wealthy Americans give, but strategies differ by generation

Of the more than 800 high-net-worth and ultra-high-net-worth individuals participating in the 2017 U.S. Trust Insights on Wealth and Worth survey, 74 percent reported donating to nonprofit organizations.³⁸ Additionally, 69 percent of respondents reported volunteering for charitable causes, and 24 percent reported serving on a nonprofit board. The survey revealed that wealthy Millennials

6 6 Of the more than 800 high-networth and ultra-high-net-worth individuals participating in the 2017 U.S. Trust Insights on Wealth and Worth survey, 74 percent reported donating to nonprofit organizations.38 > >

(born 1981–1996) tend to approach philanthropy more holistically than wealthy individuals from other generations.

Although they are less likely to make direct financial contributions, wealthy Millennials are more likely to consider their work and investments as part of their contributions to society.39 Two-thirds of Millennial respondents reported seeking a career they felt passionate about, while only one-third of Generation X (born 1965–1980) and 16 percent of Baby Boomer (born 1946–1964) respondents reported the same desire. Millennial respondents also showed the greatest interest in impact investing at 52 percent, compared with 37 percent of Generation X and 29 percent of Baby Boomer respondents.

Good to Know

Gifts from major donors have longovershadowed gifts from mid-level donors. 40 Organizations can employ a variety of tactics to focus on the forgotten middle. Successful mid-level gift programs rely on:

- Dedicated staff time:
- A designated purpose for mid-level donors' collective giving; and
- Opportunities to confer "insider" status on these this donor group.

Organizations that spend as much or more time nurturing relationships with mid-level donors than soliciting contributions are likely to be rewarded with a robust and sustainable source of contributed revenue.

Studies show gender and generational differences in social cause engagement and philanthropy

Numerous organizations utilized the recent social and political landscape as a backdrop against which to release research on the variation in approaches to social cause engagement and charitable giving among individuals of different genders and generations. This section highlights the results of these studies.

Millennials feel country is headed in wrong direction since U.S. presidential election, identify civil rights as most important social issue

The Millennial Impact Report, researched by Achieve and sponsored by the Case Foundation, is an annual study of American Millennials' engagement with social causes.41 The 2017 Millennial Impact Report study was conducted in three phases. In contrast to previous studies, which began by collecting quantitative data, the 2017 study started with qualitative data collection specifically, interviews about Millennials' perspectives on social issues—that informed subsequent phases. The second phase of the study measured behaviors related



to these social issues through survey research, while the final phase utilized ethnographic research to obtain more in-depth information from a sub-sample of survey respondents.

The 2017 Millennial Impact Report study, which focused on how millennials' engagement with social causes has changed since the 2016 U.S. presidential election, presented the following insights:⁴²

- Millennials feel the country is headed in the wrong direction;
- Civil rights/racial discrimination is the social issue most important to Millennials, followed by employment and healthcare reform (tied);
- Millennials identify voting for political representatives with similar views, signing petitions (including online), and posting/sharing on social media as



the top actions they have taken on behalf of social issues important to them;

- While the majority of Millennials have not changed the frequency of their engagement with social causes since the presidential election, those who have increased their cause engagement far outnumber those who have decreased their cause engagement;⁴³
- The frequency or amount of their charitable donations, the number of hours they volunteer, and the number of nonprofit boards on which they serve ranked as the top three behaviors Millennials have increased since the election; and
- Millennials are confident in their own ability, as well as the ability of

organizations, to achieve social change.

While the preceding findings pertain to Millennials overall, the 2017 Millennial Impact Report also breaks down how Millennials' attitudes toward social issues and engagement with social causes varies among different genders, races/ethnicities, ages, and levels of educational attainment. For example, Millennials who are female, younger, and have lower levels of educational attainment are less likely to be satisfied with the current direction of the country.44 Additionally, immigration is the most important social issue to Hispanic/Latino(a) Millennials, unlike Millennials from other racial/ethnic groups, among which immigration does not rank as one of the top three most important issues.

Relationship between parents' giving and adult children's giving stronger among daughters than sons

The Women Give 2018 report, researched and written by the Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy, explores how parents transmit generosity to their children and whether this transmission differs for sons and daughters. ⁴⁵ The study on which the report is based uses generational data from the Philanthropy Panel Study module of the Panel Study of Income Dynamics. The sample consisted of 3,700 adult children ages 19 through 65. Each child's charitable giving was averaged over the three to seven years the child appeared in the data.

Key findings from *Women Give 2018* are as follows:⁴⁶

- Adult children whose parents give are 9 percentage points more likely to donate to charity than adult children whose parents do not give.
- Parental giving is associated with a 13 percentage point increase in daughters' giving, compared with a 4 percentage point increase in sons' giving, demonstrating a stronger relationship between parents' and daughters' giving than parents' and sons' giving.
- While the frequency of parents' giving is important for all children, it matters more for daughters than sons.

Daughters are 12 percentage points more likely to give if their parents give frequently than if their parents give infrequently, while sons are only 5 percentage points more likely to give if their parents give frequently than if their parents give infrequently.

Gender differences in the relationship between parents' and children's giving are substantially greater among children with higher-wealth parents than children with lowerwealth parents. Among children with higher-wealth parents, daughters are 27 percentage points more likely to give if their parents give than if

6 Adult children whose parents give are 9 percentage points more likely to donate to charity than adult children whose parents do not give. 46 > 2

their parents do not give. In contrast, among children with higher-wealth parents, sons' likelihood of giving is the same regardless of whether their parents give.

The report provides several possible explanations for the stronger linkages between parents' giving and daughters' giving.⁴⁷ These reasons include parental role modeling of giving having a stronger effect on daughters than sons, and giving being part of the caregiving role into which daughters are socialized.



Approaches to philanthropy vary between Millennial women and Boomer women

The 2017 Fidelity Charitable Women and Giving report examines the impact of gender and generation (specifically Millennials and Baby Boomers) on Americans' motivations for and approaches to philanthropy. 48 The report is based on a 2016 survey of more than 3,200 donors who itemized charitable deductions on their 2015 tax returns.

Fidelity's Women and Giving survey revealed several generational differences among female donors:⁴⁹

- Millennial women tend to give impulsively compared with Boomer women, who are more likely to make donations strategically;
- Giving among Boomer women tends to be more focused compared with Millennial women, who are more likely to donate to a wider range of causes and support both domestic and international issues;
- Millennial women are more likely than Boomer women to discuss their philanthropy and encourage others to donate to the causes they support;
- Millennial women are more likely to engage in newer methods of giving (such as crowdfunding and pointof-sale solicitations), while Boomer women tend to prefer traditional forms of giving like in-kind donations and direct financial contributions; and
- Boomer women tend to be more satisfied with their philanthropy than Millennial women.

The report suggests that variation in giving patterns among female donors of different generations could be related to how gender roles have evolved in response to changes in society over the past 40 years (e.g., women having more of a say in household decisions, including donations).⁵⁰ The report also indicates that Millennial and Boomer women may take varying approaches to philanthropy based on their life stage (e.g., retired versus working) and available resources.

New research released on efforts to build the next generation of philanthropists

As organizations considered the future of the nonprofit sector, youth involvement in American philanthropy began to grow in the late 1980s and early 1990s. ⁵¹ Since this time, initiatives that teach youth about community issues and allow them to make funding decisions aimed at addressing these challenges have proliferated among organizations such as foundations, schools, and local government.

To help children better understand the concept of philanthropy, programs have also been created to more formally educate youth about civil society and the importance of giving.⁵² For example, through a coalition led by the Council of Michigan Foundations, Learning to Give was established in 1997 to provide K-12 teachers with professional development, classroom curricula, and other materials to facilitate philanthropic behavior and experiences for students.⁵³

Website tracks youth philanthropy programs

As part of a collaborative effort to build awareness of and promote best-practice sharing among youth philanthropy programs, the Foundation Center launched YouthGiving.org in 2016.⁵⁴ After extensive data collection, YouthGiving.org reported in December 2017 that there were 855 known programs in 34 countries using various strategies to empower youth with the ability to make philanthropic funding decisions.⁵⁵

Grants from these programs, ranging in size from \$100 to \$50,000, have totaled more than \$19 million since 2001. ⁵⁶ Of these youth-driven grants, 48 percent have supported community-based programs and 40 percent have funded human services. ⁵⁷ YouthGiving. org states that the site's data is collected from multiple locations, including information directly reported by foundations, IRS Forms 990 and 990-PF, foundation websites, news articles, and other public sources. ⁵⁸

Study demonstrates effect of experiential philanthropy on higher education participants

In recent years, U.S. colleges and universities have also invested substantial resources in philanthropic education, including experiential philanthropy.⁵⁹ A form of service learning, experiential philanthropy integrates academic study with handson experience to introduce students to the practice of philanthropy and to encourage continued giving throughout their lives. Despite increased use of this pedagogic strategy, few analyses have been conducted on the efficacy

of experiential philanthropy in higher education. Thus, Lindsey McDougle (Rutgers University), Danielle McDonald (Northern Kentucky University), Huafang Li (Rutgers University), Whitney McIntyre Miller (Chapman University), and Chengxin Xu (Rutgers University), sought to evaluate the impact of experiential philanthropy on students' academic learning and personal development in a 2017 study.

The study utilized pre- and post-course survey data from 973 undergraduate and graduate students who completed the Mayerson Student Philanthropy Project at Northern Kentucky University—one of the oldest and

most developed university-based experiential philanthropy programs from 2009 to 2013.60 The researchers. found that, overall, students who participated in an experiential philanthropy course reported primarily positive effects on both their academic learning and personal development. The study also showed differential effects of course participation based on academic discipline and student characteristics. Specifically, students majoring in the natural sciences, engineering, and general studies, as well as underclassmen, males, and white students, were less likely to report gaining value from participation in an experiential philanthropy course.



New research identifies education and religion as top recipients of donoradvised fund contributions

There have been few reports about the types of organizations that donors support by making grants from donoradvised funds. The Data on Donor-Advised Funds: New Insights You Need to Know, researched and written by the Indiana University Lilly Family School of Philanthropy and published by Giving USA Foundation in February 2018, found that organizations receiving the most charitable dollars from donoradvised funds differed from nationwide granting patterns, and aligned more

66... religious organizations were the recipient of 14 percent of donor-advised fund grant dollars, although giving to religion represented 32 percent of total giving from 2012 to 2015.62

closely with the giving patterns of highnet-worth donors.⁶¹

The Data on Donor-Advised Funds report showed that the education subsector received 28 percent of dollars granted from donor-advised funds between 2012 and 2015, while giving to education only comprised 15 percent of all charitable contributions during this time, according to Giving USA.62 Conversely, religious organizations were the recipient of 14 percent of donoradvised fund grant dollars, although giving to religion represented 32 percent of total giving from 2012 to 2015. The report is significant because it contains original research on where donor-advised fund grant dollars go, a question that has previously been largely unanswered. Noting strong growth in each category from 2008 to 2014, the report also provides new aggregate estimates for donor-advised fund assets, number of accounts, and total contributions.

Cryptocurrency gains momentum as mechanism for charitable giving

Although several organizations had already begun accepting cryptocurrency—an exclusively digital currency that operates independently of a central bank to generate new units and verify transactions—the use of cryptocurrency for charitable donations skyrocketed in 2017.63 Fidelity Charitable reports that individuals donated almost \$70 million in cryptocurrency to the organization's charitable accounts in 2017—close to ten times the \$7 million that donors contributed in 2016. Although Fidelity does not indicate how much of this amount was in Bitcoin or other types of cryptocurrency, Bitcoin was especially popular since its value rose from \$1,000 in January 2017 to \$20,000 in December 2017.

In addition to the increased value of Bitcoin, Fidelity indicates that the surge in cryptocurrency donations in 2017 may have also been due to a strategy on behalf of investors to lower their tax burden.⁶⁴ Since the sale of cryptocurrency, or the conversion of one type of digital currency to another, is subject to taxation, investors can reduce the capital gains taxes they owe by donating appreciated assets

to charity. This incentive, as well as the transparency and ease of global fund transfers that cryptocurrency offers, provides an opportunity for nonprofits to leverage the technology to support their mission. 65 However, volatility in the value of cryptocurrency and the implications for organizational recordkeeping present simultaneous challenges.

Anonymous Bitcoin owner donates \$53 million

One investor made particularly extensive use of cryptocurrency for philanthropic purposes in 2017. When Bitcoin's value reached a high-water mark in December, an anonymous donor by the pseudonym of "Pine," shared his/ her intention of giving 5,057 Bitcoins to charity on Reddit and created a simple website through which organizations could submit funding applications.⁶⁶ After receiving more than 10,000 requests, the "Pineapple Fund" donated a total of \$53 million, ranging from grants of \$250,000 to \$5 million, to 59 organizations. Although the Pineapple Fund did not identify specific causes of interest, 18 of the grants were awarded to organizations that address digital privacy concerns or advance opensource technology initiatives.⁶⁷ Fifteen healthcare organizations also received grants, as well as seven nonprofits focused on conservation.

While Pine gave some of his/her Bitcoin windfall to longstanding groups such as

the American Civil Liberties Union, 28 grants were awarded to organizations founded in the last 10 years, including the Open Medicine Foundation and the Sustainable Ocean Alliance.68 This contrasts with giving patterns of many large donors, who tend to favor well-established organizations. Other unique features of the Pineapple Fund's grantmaking included few restrictions (Pine only requested that organizations provide periodic updates) and extreme transparency (the fund's website included links to a blockchain ledger confirming Bitcoin deposits to grant recipients). Pine has stated that he/she will likely donate more to charity if the value of Bitcoin grows again in the future, but noted that he/she would give more gradually and evaluate funding outcomes.

Philanthropist sells painting to invest in criminal justice reform

Other large donors also employed unconventional strategies to promote social change in 2017. Agnes Gund, a banking heiress and president emerita of the Museum of Modern Art, sold her iconic 1962 Roy Lichtenstein "Masterpiece" painting to establish a fund that supports criminal justice reform.⁶⁹ The Art for Justice Fund, created with \$100 million of the proceeds from the sale of the painting,



will be administered by the Ford Foundation, which has partnered with Rockefeller Philanthropy Advisors to manage the fund's grantmaking.70 The fund will invest in existing organizations that utilize proven strategies to reduce the number of incarcerated individuals in the United States and boost education and employment opportunities for people leaving detention centers.71

In addition to Gund's seed money, the Art for Justice Fund hopes to raise another \$100 million over the next five years from art sales and other donations to encourage policy changes and to finance arts-related programming that humanizes the issue of mass. incarceration.⁷² Founding donors who have committed financial contributions include Laurie Tisch, chairwoman of the Whitney Museum of American Art: Kenneth Chenault, chief executive

of American Express, and his wife Kathryn; philanthropist Jo Carole Lauder; financier Daniel Loeb; and Brooke Neidich, trustee of the Whitney Museum of American Art.73

Although Gund has a long history of philanthropy, having funded arts programs in New York public schools and efforts to increase diversity in the arts since the 1970s, the Art for Justice Fund represents her first foray into criminal justice reform.74 Gund cited witnessing the barriers her African-American grandchildren have faced as they have grown up as motivation for creating the fund.75 Gund also stated that she was deeply moved by Michelle Alexander's 2010 book The New Jim Crow: Mass Incarceration in the Age of Colorblindness and Ava DuVernay's 2016 documentary 13th about blacks in the American prison system.

Tax policy changes could impact individual giving

The Tax Cuts and Jobs Act, passed by Congress in December 2017, as well as a little-known rule regarding hedge fund managers' offshore activity, may have impacted charitable giving by individuals in 2017. Partially due to the complexity of separating the effects of policy changes from those resulting from other factors, such as the strength of the U.S. economy, data is not currently available on the full extent of these policies' effects on philanthropy. However, researchers, reporters, and other experts have provided helpful insight on the potential implications of tax legislation on individual giving in 2017, which are detailed in the following sections.

Tax Cuts and Jobs Act increases standard deduction, decreases top marginal tax rate, caps state and local tax deduction

The Tax Cuts and Jobs Act contained three primary provisions, among others, that may affect charitable giving by individuals/households:

Increased the standard deduction from \$6,350 to \$12,000 for individuals and from \$12,700 to \$24,000 for couples. 76 Nearly doubling the standard deduction may substantially reduce individual/household giving due to a projected

increase in the number of taxpayers who take the standard deduction, thus becoming ineligible for the charitable deduction.⁷⁷

- Decreased the top marginal tax rate for individuals and couples from 39.6 percent to 37 percent.⁷⁸ Decreasing the top marginal tax rate could lead to a slight decline in individual/household giving by reducing the financial incentive to give.⁷⁹
- income, sales, and property tax deduction at \$10,000.80 Capping the state and local tax deduction may decrease individual/household giving by reducing the number of individuals who itemize, as well as affect to whom high-income households give.81 (Officials in high-tax states have been considering workarounds to changes in the state and local tax deduction that would allow households to donate to charitable entities established by state and local governments).82

Tax legislation may have driven year-end giving in 2017

Although the full extent of year-end giving by individuals/households in 2017 has not yet been determined, charities across the country encouraged donors to give prior to the Tax Cuts and Jobs Act going into effect on January 1, 2018.

For example, Independent Sector suggested that charities notify donors of

the tax policy changes and advise them to take advantage of the charitable deduction before the close of 2017.⁸³ Some community organizations reported a surge in charitable giving at the end of the year. For instance, the Greater Cedar Rapids Community Foundation in Cedar Rapids, IA, saw double the amount of contributions in December 2017 compared with December 2016.⁸⁴ The Greater Chicago Food Depository also reported receiving gifts from supporters who were originally planning to donate in 2018.

Jobs Act, a lesser known rule
(Section 457A – Nonqualified
Deferred Compensation from
Certain Tax Indifferent Parties)
also provided a select group of
ultra-high-net-worth donors the
chance to reduce their tax burden
by contributing to charity. 85

Obscure tax rule presents unique opportunity for charitable giving

In addition to the Tax Cuts and Jobs Act, a lesser known rule (Section 457A – Nonqualified Deferred Compensation from Certain Tax Indifferent Parties) also provided a select group of ultrahigh-net-worth donors the chance to reduce their tax burden by contributing



to charity. The 2008 rule required hedge fund managers who earned fees outside the United States, on which they did not pay taxes, to repatriate that revenue by the end of 2017.85

The measure was likely to affect an estimated \$100 billion in previously tax-deferred income, which organizations such as Fidelity Charitable expected to encourage philanthropy. 86 While the extent of charitable giving as a result of Section 457A is not yet known, it is likely that larger nonprofits—such as universities and hospitals with hedge-fund managers serving on the board—saw a windfall from the measure, as opposed to smaller organizations whose donors were unlikely to be affected by the rule. 87

United States drops in World Giving Index

The Charities Aid Foundation (CAF) World Giving Index 2017 compiles data from 139 countries on donations and other philanthropic activity over a five-year period (2012–2016).88 The annual report uses data from Gallup's World View World Poll, which surveys representative samples of individuals living across the country, including rural areas. Respondents reported on their philanthropic behavior in the past month.

The CAF World Giving Index 2017 shows a decline in global giving from the 2016 report.⁸⁹ With a score of 56 percent, the U.S. ranked fifth in overall philanthropic activity in 2017, down

from second in 2016. Myanmar topped the rankings for the fourth straight year with a score of 65. Table 2 provides a summary of the top five countries on the World Giving Index in 2017.

The Index reveals that the percentage of Americans who helped a stranger in 2017 held constant at 73 percent. 90 However, the percentage of Americans who donated money dropped from 63 percent in 2016 to 56 percent in 2017. The percentage of Americans who volunteered their time also dropped from 46 percent in 2016 to 41 percent in 2017. In terms of the percentage of individuals reporting each behavior, the U.S. ranked as follows in 2017:

- 7th for helping a stranger;
- 7th for volunteering; and
- 13th for giving money.

Table 2
Top five countries listed on the World Giving Index 2017

2017 Ranking	Country	2017 WGI Score (%)	2016 WGI Score (%)	
1	Myanmar	65	70	
2	Indonesia	60	56	
3	Kenya	60	52	
4	New Zealand	57	59	
5	United States of America	56	61	

Data: CAF World Giving Index 2016 and CAF World Giving Index 2017, Charities Aid Foundation, 2017 and 2018, www.cafonline.org

Key findings from annual studies summarized

Table 3 presents data from the IRS on charitable deductions claimed on itemized individual tax returns for the years 2013 through 2015.



Table 3

IRS statistics on charitable deductions claimed on itemized individual tax returns, 2013–2015

IRS statistics on charitable deductions claimed on itemized individual tax returns Tax years: 2013–2015 www.irs.gov/taxstats					
	2013	2014	2015		
Percentage of itemized individual tax returns with deductions for charitable gifts (cash only)	75%	75%	74%		
Average charitable deductions taken on itemized individual tax returns (cash only)	\$4,441	\$4,708	\$4,897		

Chapter authored by Tessa Skidmore, MPA, Visiting Research Associate at the Indiana University Lilly Family School of Philanthropy.

Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Grant Forssberg, Laura MacDonald, and Ashley Thompson.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
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- Grantmaking by independent, community, and operating foundations increased 6.0 percent from 2016—to an estimated \$66.90 billion in 2017. Adjusted for inflation, giving by foundations increased 3.8 percent in 2017.1
- Giving grew by all three types of foundations included in the estimate for 2017:
 - Giving by independent foundations increased 4.9 percent;
 - Giving by operating foundations increased 6.2 percent; and
 - Giving by community foundations increased 11.0 percent.
- Giving USA estimates that, on average, giving by family foundations comprises 64 percent of giving by independent foundations each year. For 2017, this amount was estimated to be \$31.68 billion, or 47.4 percent of total giving by all foundations included in the foundation giving estimate.²

Practitioner Highlights

- Giving from community foundations increased the most in 2017, rising by 11.0 percent following a 6.3 percent increase in assets in 2016.3
- The current political environment is shaping funding considerations for foundations: 80 percent of foundation leaders agree that philanthropy will be more important to society than ever. 4 Another survey of foundation leaders reported that recent and proposed changes to government policies have had an impact on the focus areas and funding strategies of their organizations.5
- Foundations focused on issues of equity in 2017, including the disparity between the few charitable dollars available in rural areas compared with major cities. Some foundations are already making headway in this area, with initiatives underway in rural regions of the United States, including the Plains and Upper Midwest.⁷

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of Giving USA and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving by foundations in 2017

Estimates released by Giving USA in this edition show that giving by foundations totaled \$66.90 billion in 2017, a 6.0 percent increase (in current dollars) over 2016.8 Giving by foundations has seen a steady increase since 2011, when the sector bounced back from declines realized after the Great Recession.

(2007–2009). Following sharp increases in 2014 and 2016, growth in giving by foundations in 2015 and 2017 has been relatively moderate.

Giving USA's estimate for giving by foundations is based on data provided by the Foundation Center and includes grants made by independent, community, and operating foundations. Independent foundations are sometimes called private foundations, and this category also includes family foundations. The estimate does not include giving by corporate foundations, which is provided in the "Giving by Corporations" chapter.

Foundation Center estimates that total giving by independent, community, and operating foundations in 2017 is \$66.78 billion.⁹ The share of giving by each foundation type is included in Figure 1. The share of total grantmaking by each foundation type in 2017 was roughly the same as in 2016, according to revised estimates issued by Foundation Center. Independent foundations contributed the vast majority of grantmaking dollars in 2017, at 74.1 percent. Operating foundations granted 12.9 percent of the total in 2017, and community foundations granted 13.0 percent of the total in 2017.

Independent foundations increased their giving by an estimated 4.9 percent, to \$49.5 billion in 2017—slower than the 7 percent growth reported in 2016. Overall, roughly three-fifths of independent foundations responding to

Foundation Center's 2017 Foundation Giving Forecast Survey indicated that they had increased their giving. 11
Factors contributing to growth in giving may be the strong performance of the stock market in 2016. Assets of independent foundations were up only slightly (1.1 percent) in 2016; however, gifts to independent foundations increased 4.3 percent compared with the previous year, which may have been another contributing factor to growth. Independent foundations, including family foundations, account for the vast majority of foundation giving each year.

Community foundation giving grew 11.0 percent in 2017 over 2016, to \$8.67 billion. 12 Sixty-three percent of community foundations responding to the Foundation Center's 2017 Foundation Giving Forecast Survey reported having increased their giving that year. 13 Community foundations benefited from an increase of roughly 7 percent in their assets in 2016,



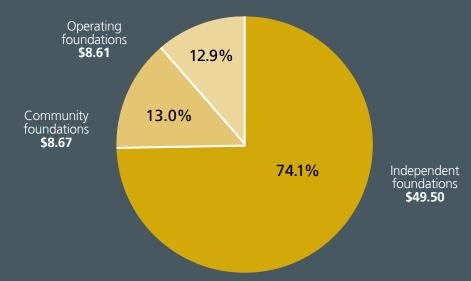


although they reported a slight decrease in gifts received. Among community foundations, large and mid-size foundations reported faster growth, while smaller community foundations reported more modest growth for 2017.

Operating foundations increased grantmaking by an estimated 6.2 percent, to \$8.61 billion in 2017.¹⁴ Grantmaking by these foundations slowed in 2017, compared with 2016, which saw an increase in operating foundation grantmaking of 31.4 percent.¹⁵

Figure 1
Share of foundation grantmaking by foundation type (independent, community, and operating) in 2017 Foundation Center data

(in billions of dollars, totaling \$66.78 billion)



Note: Numbers are rounded in the figure.

Data provided by Foundation Center. For more information about Foundation Center data, visit www.foundationcenter.org. Note that the Foundation Center total is smaller than the *Giving USA* total because the Foundation Center total does not include disaster giving data estimated by the Indiana University Lilly Family School of Philanthropy for 2017. See more about how *Giving USA* calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.

Among private foundations, smaller grantmakers give more of their assets, report finds

In the 2017 Report on Private Foundation Investment Performance, Foundation Source found that smaller foundations' endowments declined slightly in 2016. Foundation Source surveyed 876 private foundations with less than \$50 million in assets to compile the report. Private foundation endowments of less than \$1 million shrank by an average of 1.4 percent. However, private foundation endowments of \$10 to \$50 million grew by an average of 6.8 percent. The average asset growth rate of all private foundations surveyed was 5.9 percent.

In its companion report, the 2017 Annual Report on Grantmaking, Foundation Source surveyed 883 private foundations with less than \$50 million in assets.¹⁷ According to the survey, foundations with

smaller endowments reported giving a significantly higher percentage of their assets in 2016 than larger foundations (see Table 1). By law, foundations are required to pay out at least 5 percent of the average market value of their net investment assets each year.

Foundations with smaller endowments also reported giving more grants for general operating support.¹⁸ While a

6 6 By law, foundations are required to pay out at least 5 percent of the average market value of their net investment assets each year. 2 2

third of grants provided by foundations with more than \$10 million in assets were allocated for this purpose, about half of the grants given by foundations with less than \$10 million in assets supported general operations. Finally, the grantmaking report found that funding to specific subsectors increased across the board, except for arts, culture, and

Table 1
Average distribution rates of private foundations by endowment size in 2016

Endowment Size	Average Distribution Rate		
Less than \$1 million	13.2%		
\$1 million-\$10 million	8.3%		
More than \$10 million	6.9%		

Data: 2017 Annual Report on Grantmaking, Foundation Source, 2017, https://www.foundationsource.com/resources/library/2017-annual-report-on-grantmaking

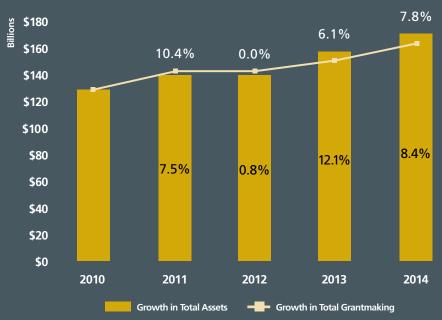
humanities, which declined by less than a percentage point.

Most of the largest private grantmakers give at the required threshold, analysis reveals

A 2017 Chronicle of Philanthropy analysis of the grantmaking and overhead expenses of 29 of the largest private foundations (with at least \$1.5 billion in assets) found that most, but not all, of these foundations distributed funds at or just above the 5 percent rate required by law between 2010

and 2014.¹⁹ With the exception of 2012, when the largest private foundations' total assets grew by only 0.8 percent, total asset growth ranged between 7.5 and 12.1 percent during this period.²⁰ Growth in total grantmaking by the largest private foundations tracked closely with total asset growth (see Figure 2). Although some commentators have called for increased grantmaking requirements, foundation leaders insist that additional spending will draw down endowments, crippling their ability to support social needs in perpetuity.²¹

Figure 2
Growth in total assets and total grantmaking among the
29 largest private foundations (in billions of dollars)



Data: Alex Daniels, "How Big Foundations Stay Big: An Interactive Guide to Giving Rates" *The Chronicle of Philanthropy*, March 7, 2017, www.philanthropy.com

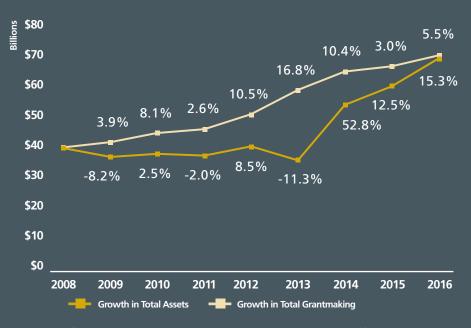
Community foundations' assets and grantmaking grew in 2016

In 2017, CF Insights released findings from its *Columbus Survey 2016*, to which 253 community foundations responded regarding their operations during the 2016 fiscal year.²² Together, responding community foundations held \$76.3 billion in assets and made

\$7.2 billion in grants in 2016. Across all respondents, total assets increased by 5.2 percent in 2016. The increase in total assets for the 100 largest community foundations in the sample (with at least \$250 million in assets) was slightly higher at 5.5 percent. The 100 largest community foundations distributed 9.9 percent of their available funds in 2016. Additionally, grantmaking among the 100 largest community foundations increased by 15.3 percent (see Figure 3).

Figure 3

Growth in total assets and total grantmaking among the 100 largest community foundations (in billions of dollars)



Data: "Results of the Columbus Survey 2016," CF Insights, 2017, http://columbussurvey.cfinsights.org

Foundation leaders react to new political reality

A 2017 report from the Center for Effective Philanthropy, Shifting Winds: Foundations Respond to a New Political Context, revealed that while some foundation leaders were uncertain. or pessimistic about the effects of the Trump Administration's policy proposals on philanthropy, others were more hopeful.²³ The report is based on a survey completed in the first three months after President Trump's inauguration. Respondents represented more than 160 foundations, whose annual giving ranged from \$5 million to more than \$500 million. Three quarters of respondents were from private foundations, while the remainder represented community foundations.



Key findings from the *Shifting Winds* report are as follows:²⁴

- Three percent of foundation leaders surveyed thought the Trump Administration would have a positive effect on their work;
- Almost half (48 percent) felt the administration would hinder their ability to execute their organization's mission;
- About a quarter (24 percent) indicated the administration would both help and hinder their work; and
- Seventeen percent were uncertain about the impact of the administration on their organization.

The most common perceived challenges cited by foundation leaders related to healthcare, immigration, and the environment.²⁵ However, foundation leaders identified opportunities for increased civic engagement across the political spectrum, including in the administration's emphasis on rural economic opportunity, workforce development through infrastructure projects, school choice, and local government autonomy.

The report also detailed ways some grantmakers intend to change their approach in response to the Trump Administration.²⁶ More than a quarter of respondents reported they would change their goals and over a third indicated they would change their grantmaking or outreach strategies.

For instance, more than 40 percent of respondents reported that they plan to advance collaboration between both funders and grantees, as well as engage in advocacy at the local and state policy levels. Similarly, more than a third of respondents plan to fund community movements to promote various policy changes. Finally, about a quarter plan to collaborate more closely with the business sector and all levels of government.

Foundation leaders emphasize importance of philanthropy for American society

Following the 2016 presidential election, foundation leaders from across the political spectrum have expressed their belief in the importance of philanthropy in U.S. society. For example, Exponent Philanthropy asked their membership about the role of philanthropy in America following the change in administration through a *Pulse Check* survey.²⁷ Of the more than 300 foundation leaders who responded, 80 percent expected philanthropy to become even more important.

Fewer foundation leaders thought the administration change merited adjustments to their daily operations; less than a quarter of respondents indicated they would change their giving amounts or allocations.²⁸ Foundation leaders who did anticipate operational changes reported such changes would result from fears of federal government divestment, while others felt higher market returns would enable their organization to give more.

Foundation leaders who identify as conservative have been cautious about drawing any conclusions about the new administration.²⁹ However, foundation leaders who support conservative think tanks and advocacy organizations, such as those at the Lynde and Harry Bradley Foundation and the Adolph Coors Foundation, have stated the presidential election would unlikely change their funding priorities or strategies. Other conservative foundation leaders, such as those at the M.J. Murdock Charitable Trust, emphasized the role of philanthropy in bridging the political divide.

Funders support efforts to advance equity

Throughout 2017, foundations invested significant resources to ensure all Americans have equal access to social, economic, and educational opportunities. In April 2017, the NoVo Foundation announced the creation of a \$90 million fund to support women and girls of color.³⁰ The fund will be directed toward efforts such as the prevention of sexual violence and the mitigation of racism. The NoVo Foundation will focus a large portion of funding on the South due to the high concentration of women and girls of color in the region.

In July 2017, the San Francisco Foundation (CA) announced an \$11.5 million commitment—the largest in the foundation's history—to efforts aimed at achieving racial and economic equity in the Bay Area.31 As part of the initiative, the foundation plans to make larger and longer-term investments in grantees working to protect undocumented immigrants, secure rights for laborers, influence criminal justice policies, and provide affordable housing opportunities.

66 ...the [San Fransisco Foundation] plans to make larger and longerterm investments in grantees working to protect undocumented immigrants, secure rights for laborers, influence criminal justice policies, and provide affordable housing opportunities.³¹)

Finally, in December 2017, the Joyce Foundation committed \$150 million over three years to projects that promote racial equity and economic opportunity.32 Funding will be directed toward organizations in Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin, and will focus on K-12 and higher education, clean and affordable drinking water, representative arts and cultural programming, criminal justice reform, reduction of gun violence, and protection of voting rights.

Foundation investments seek to reduce prejudice and promote cultural understanding

Foundations have established a series of programs to reduce prejudice and promote cultural understanding. In March 2017, the Doris Duke Charitable Foundation granted more than \$1.7 million to 11 arts and cultural organizations through the foundation's "Building Bridges Program" aimed at addressing bias against Muslims.33 In April 2017, the Omidyar Network committed \$100 million to counter misinformation and curb hate speech across the globe.34 One of the initiative's first grantees was the Anti-Defamation League, which established the Center for Technology and Society to mitigate harmful rhetoric and harassment online.

In June 2017, The W.K. Kellogg Foundation gave \$24 million to fourteen communities across the U.S. to help change the narrative about racial equity, to heal historical wounds related to racism, and to address systemic legal, economic, and social barriers to equity.35 The communities—representing Alabama, Alaska, California, Illinois, Louisiana, Michigan, Minnesota, New York, Texas, and Virginia—will use the funding to implement the Kellogg Foundation's Truth, Racial Healing, and Transformation framework.



Foundations work to further equity in higher education

Grantmakers have also focused on improving higher education opportunities for people of color. In January 2017, the Charles Koch Foundation gave the Thurgood Marshall College Fund (TMCF) \$26 million to establish the Center for Advancing Opportunity, which will provide financial aid to undergraduate and graduate students, as well as grants to faculty to promote research and dialogue on criminal justice reform, education, entrepreneurship, and other strategies to advance economic opportunities in underserved communities.36 TMCF serves publicly supported institutions designated as historically black colleges and universities, as well as other institutions that serve predominantly African-American students.

In March 2017, Strada Education
Network gave the Jackie Robinson
Foundation a \$6.5 million grant to
support 30 Jackie Robinson Fellows
scholarships.³⁷ The foundation focuses on
providing higher education opportunities
to people of color, particularly those with
limited financial resources.

In December 2017, Lumina
Foundation announced \$2.5 million
in grants to support equity in higher
education.³⁸ The funding included: a
\$1 million partnership with Rockefeller
Philanthropy Advisors to research the
racial climate on college campuses; a
\$1 million investment in colleges and
universities that have demonstrated
success in promoting equity on
their campuses; and \$500,000 for
organizations to develop trainings
to promote racial equity at higher
education institutions.

Funders support efforts to increase news literacy and public trust in journalism

As allegations of "fake news" proliferated and public trust in journalism eroded in 2017, grantmakers sought to advance the responsible consumption of information. Several funders, including the Ford Foundation, Democracy Fund, Knight Foundation, Tow Foundation, and Craig Newmark Philanthropic Fund, joined Facebook, Mozilla, AppNexus, and Betaworks to develop the News Integrity Initiative, a \$14 million effort to promote news literacy and trust in journalism.³⁹ The project, based in the journalism department at the City University of New York, will focus on educating citizens about how to critically analyze news and information.

The Knight Foundation, which focuses on journalism due to its connection with the newspaper industry, also established the Knight Prototype Fund, a \$1 million effort to support projects that mitigate false information and improve public trust in journalism. 40 The fund awarded approximately \$50,000 each to 20 nonprofit organizations across the country to support initiatives dedicated to civic literacy. The foundation approved another \$2.5 million in grants for similar projects at major universities and media outlets. 41



Knight Foundation announces major commitments to local journalism

Additionally, the Knight Foundation announced several large grants to organizations aimed at rebuilding trust in and support for local journalism. In February 2017, the foundation committed \$4.8 million to the Knight-Lenfest Initiative designed to help local media organizations thrive in the digital age. 42 Launched in 2015, the initiative supports newspapers in Dallas, TX; Miami, FL; Minneapolis, MN; Philadelphia, PA; Seattle, WA; San Francisco, CA; Houston, TX; and Milwaukee, WI.

Building on an approach the foundation previously used to assist newsrooms in transitioning to digital information delivery a decade ago, the Knight Foundation also established the Knight Community Information Lab. 43 Using a human-centered design process, four community foundations—the Baltimore (MD) Community Foundation, Cleveland (OH) Foundation, Community Foundation of Boulder County (CO), and Lancaster County (PA) Community Foundation—will test ideas to address information gaps in their regions, such as launching campaigns to promote digital literacy and supporting new online sources dedicated to local journalism.

Grantmakers commit to preventing and mitigating climate change

In May 2017, the MacArthur Foundation announced a \$19 million round of grants intended to encourage public engagement in climate change discussions, promote low-carbon business practices and energy sources, and reduce current levels of greenhouse-gas emissions.⁴⁴ MacArthur has invested \$120 million in its Climate Solutions "big bet" since the initiative launched in 2015.

At the end of 2017, the Hewlett Foundation announced a five-year, \$600 million global commitment to preventing climate change through the adoption of renewable energy. The funds will be directed toward efforts in the world's largest carbon-emitting regions: the United States, China, India, and the European Union. Grants

will support research, policy analysis, technical assistance, advocacy, public-private partnerships, and leadership convenings. Around the same time, the Barr Foundation announced a \$5 million commitment to climate change resilience. 46 Funding from the foundation will support efforts to prepare Boston's buildings, infrastructure, and population for potential long-term environmental changes.

Bloomberg invests in efforts to reduce coal use

In April 2017, Bloomberg Philanthropies allocated \$3 million to support job training and diversified economic development in communities in Appalachia and the western United States that have previously relied on the coal industry.⁴⁷ The foundation also announced a CrowdRise campaign to attract additional funds to spur

Foundation announced a five-year, \$600 million global commitment to preventing climate change through the adoption of renewable energy. The funds will be directed toward efforts in the world's largest carbonemitting nations—the United States, China, India, and the European Union.



economic development, job growth, and environmental stewardship efforts.

Six months later, Bloomberg
Philanthropies invested \$64 million in support of the Sierra Club's Beyond
Coal campaign and other organizations working to expand the U.S. clean energy market. 48 Bloomberg Philanthropies first funded the Beyond Coal campaign—which started in 15 states and has since expanded to 45 states—in 2011. The foundation's new investment will be used to attract support from private businesses and elected officials for policies related to air quality, as well as solar and wind energy.

Impact investing gains momentum

The Global Impact Investing Network's *Annual Impact Investor Survey* 2017 found that many foundations are adopting impact investment strategies or are already engaged in impact investing.⁴⁹ The term "impact investment," which refers to the practice of leveraging endowments to produce both financial profit and positive social or environmental change, originated at the Rockefeller Foundation's Bellagio Center in 2007.⁵⁰

The 23 foundations that responded to the survey managed nearly \$4 billion in impact investments in 2016—a more than \$600 million increase since 2015.⁵¹ Respondents included the Annie E. Casey, Ford, Kresge, MacArthur, McKnight, Packard, and Rockefeller Foundations. The more than 100 fund managers surveyed indicated that about half of their foundation clients already allocated a portion of their assets to impact investments in 2016, while the other half were developing, or at least considering, an impact investment strategy.⁵²

Large foundations create impact investment portfolios

In April 2017, the Ford Foundation announced the allocation of \$1 billion of its assets for impact investing—the largest commitment of foundation

assets to the practice yet.⁵³ The assets will be used to advance the Ford Foundation's work to reduce poverty and inequality around the world. For instance, the foundation will invest in companies that offer affordable housing and expand financial services for low-income communities.

In February 2017, the Surdna Foundation announced its own \$100 million commitment to impact investment.⁵⁴ Similar to the Ford Foundation, the Surdna Foundation will use the investments to promote economic opportunity and advance the practice of impact investing among other private foundations. The Ford and Surdna Foundations joined other large foundations that have committed significant assets to impact investment (see Table 2).

Table 2
Foundation commitments to impact investing

Foundation	Current amount	Start date
Kellogg⁵⁵	\$100 million	August 2007
Surdna ⁵⁶	\$100 million	February 2017
Packard ⁵⁷	\$180 million	January 2006
McKnight ⁵⁸	\$200 million	June 2014
Heron ⁵⁹	\$280 million	December 2016
Kresge ⁶⁰	\$350 million	September 2015
MacArthur ⁶¹	\$500 million	November 2015
Ford ⁶²	\$1 billion	April 2017

Funders support rural development

The 2017 report Turning the Tide on Persistent Rural Poverty: Blueprint for a Path Forward by NeighborWorks America—a congressionally chartered nonprofit focused on affordable housing and community development—contends that more private and philanthropic investment is required in rural areas. 63 During the 2016 fiscal year, NeighborWorks and its partners, which include commercial lenders, community development organizations, and philanthropic funders (including the Kresge, Ford, MacArthur, and Robert Wood Johnson Foundations), invested more than \$3.1 billion in rural communities.64

However, Turning the Tide on Persistent Rural Poverty: Blueprint for a Path Forward suggests that more resources are needed to create meaningful change in the poorest parts of the country. ⁶⁵ The report noted that 85 percent of persistently poor counties in the United States are located in rural areas. Counties are defined as persistently poor if 20 percent or more of their population's income is below the federal poverty line for 30 consecutive years.

Reports call for more investment in the rural south

In the 2017 As the South Grows report series, the National Committee for Responsive Philanthropy (NCRP) and Grantmakers for Southern Progress noted a lack of philanthropic funding in rural areas of the southern United States—



specifically the Alabama Black Belt, Mississippi Delta, Eastern Kentucky, South Carolina Lowcountry, Eastern North Carolina, and Southern Louisiana. 66

NCRP analyzed giving data from the Foundation Center to compare regional differences in funding to support marginalized populations (i.e., racial minorities such as African Americans and Hispanics; immigrants; women and girls; gay and transgender individuals; and people with limited economic opportunities). ⁶⁷ The analysis also included grants to fund the promotion of broad social change, such as policy advocacy, community organizing, and economic development.

Between 2010 and 2014, foundations granted an average of \$46 per resident in rural areas of the southern U.S.⁶⁸ During

the same period, foundations spent \$451 per resident nationally. In urban areas, per capita grantmaking was significantly higher (see Table 3). In addition to calling for further support of the rural South, NCRP urged funders to focus on the aforementioned marginalized populations and change strategies.

Foundations look to improve quality of life in rural areas

Private foundations made substantial investments to improve the quality of life in rural regions of the United States in 2017. In April 2017, the Helmsley Trust committed \$16 million to purchase advanced, non-invasive scanning equipment for hospitals located in rural portions of lowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.⁶⁹ The Helmsley Trust

Table 3
Grantmaking across select regions of the United States, 2010–2014

Region	Per capita grantmaking	
Southern Louisiana (excluding New Orleans Parish)	\$31	
Alabama Black Belt and Mississippi Delta	\$41	
Eastern Kentucky and South Carolina Lowcountry	\$43	
Eastern North Carolina	\$67	
Chicago, IL	\$1,149	
New York, NY	\$1,966	
San Francisco, CA	\$4,095	

Data: "As the South Grows," National Committee for Responsive Philanthropy, www.ncrp.org

has invested more than \$300 million to improve rural healthcare in these states since 2010.⁷⁰

Near the end of 2017, the Lilly Endowment announced a five-year, nearly \$40 million grant to support the Wabash Heartland Innovation Network's goal of making a ten-county region in North Central Indiana an international hub for agricultural technology and advanced manufacturing.⁷¹ The grant will fund efforts by higher education institutions and private industry to research and develop new technologies, as well as to prepare workers for jobs in these fields. The grant also includes a \$10 million place-making fund to improve quality of life in the region.

Funders promote urban community development

Foundations invested in long-term efforts to spur economic development in communities across the United States in 2017. In December 2017, the Kresge Foundation announced \$16 million in impact investments in Community Development Finance Institutions and Development Finance Agencies.⁷² The investments will support a range of projects throughout the country, including sustainable food systems, renewable energy, affordable housing, and community walkability.

Earlier in 2017, the Kresge Foundation partnered with the Ford, JPB, and



Robert Wood Johnson Foundations and the California Endowment to create a \$90 million pool of grants and capital that will be shared by six cities— Atlanta, GA; Chicago, IL; Denver, CO; Los Angeles, CA; Memphis, TN; and San Francisco, CA—as part of the Strong, Prosperous and Resilient Communities Challenge (SPARCC).⁷³

Organized by the Enterprise Community Partners, Natural Resources Defense Council, Low Income Investment Fund, and Federal Reserve Bank of San Francisco, SPARCC is a three-year

initiative that will provide \$1 million in technical assistance funds to each city, as well as access to \$14 million in programmatic grants and \$70 million for social investment loans.⁷⁴ Investments will be made in infrastructure projects related to transit, health, housing, and climate resilience that ensure equitable benefits for all residents.

Foundations partner with anchor institutions to increase opportunities for marginalized communities

A 2017 report by the Funders' Network for Smart Growth and Livable Communities, *Anchored in Place: How Funders Are Helping Anchor Institutions Strengthen Local Economies*, describes how funders have realized success in economic development by leveraging the strengths of anchor institutions.⁷⁵ Anchor institutions are entities tied to their communities through purpose, finances, or connection to residents that provide direct benefits (i.e., employment or educational opportunities) or indirect benefits (i.e., improved infrastructure or increased visitation to the area).

Funders have partnered with anchor institutions such as universities, healthcare systems, recreational sites, cultural institutions, and local governments to identify methods of increasing economic opportunities for individuals from marginalized communities. ⁷⁶ Examples of successful methods include affordable transit

passes for university employees and students, job training and placement programs, incentives to purchase goods and services from local businesses, and loan pools for entrepreneurs.

The report highlighted five case studies in Albuquerque, NM; Baltimore, MD; Chicago, IL; Denver, CO; and the Twin Cities (MN), where members of the Funders' Network such as the Annie E. Casey, Surdna, MacArthur, Heron, and McKnight Foundations worked with anchor institutions to boost economic development.⁷⁷

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Good to Know

Organizations that demonstrate existing ties to the community can attract attention from foundations looking for signs that a grant will be successful.⁷⁸ Many foundations show interest in organizations that can leverage resources within their community to strengthen their reach, such as:

- University partnerships that might dedicate resources or offer learning opportunities for students, thereby helping to reach the organizations' goals while also expanding educational opportunities to students:
- Local healthcare systems that can amplify messages to ensure that community members are aware of available services and programs; and
- Local governments that can provide additional sources of long-term funding and potentially inform future legislation based on successful programs.

Cities with larger populations and larger nonprofit sectors more likely to receive community and economic development grants, study finds

A 2016 study, Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development, by Keith Wardrip (Federal Reserve Bank of Philadelphia), William Lambe (Federal Reserve Bank of Atlanta), and Mels de Zeeug (Federal Reserve Bank of Atlanta) identified factors that made areas more attractive to foundations that provide community and economic development grants.79 The research team analyzed nearly 169,000 community and economic development grants made by the largest 1,000 foundations between 2008 and 2013. Community and economic development projects

were defined as efforts to improve the financial situation of residents and local businesses, as well as quality of life, in an area.

The researchers found that community size and location played the biggest role in determining the likelihood of funding for community and economic development projects.80 Urban areas with larger populations, as well as communities with higher poverty rates, generally received more support. Cities in the western half of the United States attracted more funding than those in the South, Midwest, and Northeast. The strength of the local philanthropic sector also played a role: communities with a large foundation headquarters and several nonprofits focused on economic development were more likely to receive community and economic development grants.

Table 4
Top recipients of community and economic development grants per capita
(in 2013 dollars)

Rank	Rank Metropolitan area Grant amount per ca	
1	Battle Creek, MI	\$393
2	San Francisco-Oakland-Fremont, CA	\$217
3	Omaha, NE-Council Bluffs, IA	\$215
4	Jonesboro, AR	\$158
5	Pittsburgh, PA	\$157

Data: Keith Wardip, William Lambe, and Mels de Zeeuw, "Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development," *The Foundation Review*, 2016, 8(3), https://doi.org/10.9707/1944-5660.1313

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Good to Know section and Practitioner Highlights written by Giving USA Editorial Review Board members Nina Giviyan-Kermani and Sandi Reinardy.

Endnotes

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Giving USA



- Charitable giving by bequest is estimated to have increased 2.3 percent in current dollars—to \$35.70 billion—between 2016 and 2017.1
- Adjusted for inflation, giving by beguest increased 0.2 percent in 2017.
- The total amount for giving by beguest in 2017 includes an estimated amount for charitable bequests from estates with assets of \$5 million or more, estates with assets between \$1 million and \$5 million, and estates with assets less than \$1 million. For 2017:
 - Estimated beguests from estates with assets of \$5 million or more amounted to \$18.59 billion.
 - Estimated beguests from estates with assets between \$1 million and \$5 million amounted to \$6.92 billion.
 - Estimated beguests from estates with assets less than \$1 million amounted to \$10.19 billion.

Practitioner Highlights

- Continued solid growth (10.9 percent) in giving from estates with assets of less than \$1 million in 2017 suggests that intentional strategies should be developed to encourage not only major donors, but annual donors also, to consider bequests.²
- The increased share of nonprofits reporting that they received planned gifts (84 percent in 2017, compared with 69 percent in 2016), indicates that planned giving is viewed as a strategy to assure the future for many charities.3
- With more than nine out of ten organizations now reporting that they are actively pursuing planned gifts, competition for planned gifts is increasing.4

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of Giving USA and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving by beguest in 2017

Giving USA's estimate for giving by beguest includes itemized and nonitemized charitable contributions. Contributions include gifts of cash, securities, and property. Bequest giving tends to fluctuate year to year, primarily due to very large gifts made in some years and not in others. It is typical for a handful of large gifts to substantially impact bequest giving in a particular year.

Each year, the amount that decedents leave in charitable bequests largely reflects estate values, which may include wealth from homes, investments, and other types of property. The increase in giving by bequest in 2017 incorporates:

- An estimated change of 0.5 percent in bequest giving from estates with assets greater than \$5 million⁵ that filed estate taxes in 2017 compared with 2016;⁶
- An estimated change of -4.1 percent in bequest giving from estates with assets between \$1 million and \$5 million; and
- An estimated change of 10.9 percent in bequest giving from estates with assets less than \$1 million.

About 5 percent of estates leave a charitable bequest each year. Despite recent estate tax law changes, there appears to have been no measured change in the percentage of estates that have left a bequest in recent years, according to *Giving USA*'s estimates for giving by estates that file tax returns, as well as estates that do not.

To provide context for giving by bequest in 2017 and recent years, this chapter begins with an explanation of the impact recent tax law changes have had on bequest giving. That section is followed by the most recent charitable bequest trends revealed by the media and philanthropic research organizations in 2017 and 2018.

Details about charitable bequest filings by different estate income groups follows and is shown in Tables 1 and 2 of this chapter. The chapter ends with a review of current research on bequests and data from Internal Revenue Service (IRS) tax records on charitable trusts and bequests.

Historical impact of tax law changes on charitable bequests

Estate, gift, and generation-skipping transfer taxes are forms of taxation on the transfer of wealth between individuals. Gifts to charities are one of a relatively small number of deductions that can reduce gross taxable estates. Charitable bequests can also reduce an estate's income tax if the donor names



Giving USA Giving by Bequest



a charity as the beneficiary of an IRA, commercial annuity, or other assets that are treated as Income in Respect of a Decedent (IRD). Additionally, individuals may direct that charitable bequests be paid first from IRD in their will.⁹

There are two main components of estate tax rules: the exemption threshold and the maximum tax rate. ¹⁰ The exemption threshold is the amount of assets held in an estate that are exempt from taxation. The maximum estate tax rate is the highest rate the IRS can tax the remaining components of an estate's assets. Most economic studies agree that the estate tax influences the size and number of charitable bequests. Higher tax rates have been shown to increase the dollar value of bequests, such that the amount donated to charities exceeds the amount of tax

revenue that would have been collected had there been no charitable deduction or a lower tax rate.

Early precursors of the modern estate tax were used primarily to finance wars. The first federal tax on wealth transfer at death was levied in 1797 to build naval assets and was eliminated in 1802. An inheritance tax helped to finance the Civil War between 1862 and 1870. An estate tax has been in existence continuously since 1916, although there have been several modifications over the years.

Between 2002 and 2009, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) gradually reduced the estate tax rate and increased the estate tax filing threshold, resulting in an uncertain environment for estate

planning.¹² For the year 2010 only, the estate tax was repealed. In January 2013, the American Taxpayer Relief Act of 2012 established a permanent revision of estate tax law, with a top rate of 40 percent and an exemption amount indexed for inflation.¹³ For 2016, the exemption threshold for estates was \$5.45 million.¹⁴ As a result, the number of taxable estates declined dramatically. In 2000, 2 percent of estates were taxable. In 2015, the IRS reported that taxable estates in 2013 represented two-tenths of one percent of Americans who had died.¹⁵

The estimate *Giving USA* produces for estates that do not file estate tax returns but contain charitable bequests has grown over the last few years. This growth is due to changes in the filing threshold, resulting in fewer estates that file tax returns and claim charitable beguests. Between 2001 and 2014, the number of estates filing returns with deductions for charitable bequests declined more than 85 percent (from 18,718 to 2,636). 16 The estate tax filing threshold increased incrementally from \$675,000 in 2000 to \$5.12 million in 2012.17 The exemption threshold is now indexed to inflation and was \$5.49 million for 2017.18

While the number of estate tax filings for charitable bequests declined considerably over these years, the deduction amounts claimed did not decline as dramatically. This trend is due to the fact that the very largest estates account for the largest proportion of

charitable bequest amounts claimed in a given year—generally more than half the total. IRS tax records indicate that the total deduction amount claimed by all estates filing in 2016 was \$18.5 billion, compared with an average of \$16.63 billion annually from 2001 to 2015.¹⁹

Changes to the estate tax under the Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act passed by Congress in December 2017 doubled the exemption for the estate, gift, and generation-skipping taxes.²⁰ With inflation considered, the exemption amount for individuals is \$11.18 million for individuals and \$22.36 million for couples beginning in 2018. Estates tend to react more slowly to policy changes than other sources of giving, in part because wills may be written far in advance of an individual's passing and not modified to reflect policy changes; it can take several years for estates to be fully processed and bequests to be fulfilled; and beguest giving is generally unpredictable given that people do not plan when they will pass away.21 While estate giving tends to be less responsive to policy changes in the short term, some research suggests that fewer estates being subject to the estate tax could lower lifetime giving, as well as decrease charitable bequests in the coming years.22

Giving USA Giving by Bequest

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Good to Know

The Tax Cuts and Jobs Act has radically altered the tax and estate planning universe.²³ The implications of the law are still being understood, and there is a great deal of uncertainty about what future beguest patterns may look like.

With the increase in the estate tax threshold, charities must pivot their messaging about bequest giving. It is no longer about minimizing tax liability. It is about creating a legacy for the future, nurturing a donor's vision, and fulfilling that vision through bequest planning.

While tax laws may change, a donor's belief in the mission of an organization does not. The more charities engage donors in their mission, the more likely bequests will continue to be a major source of income in the years ahead.



Large bequests announced in 2017

Each year, *The Chronicle of Philanthropy* releases a list of the 50 Americans who made the largest gifts and pledges.²⁴ Giving by Philanthropy 50 donors in 2017 totaled \$14.7 billion, more than two-and-a-half times the \$5.6 billion reported for the year 2016. This figure includes gifts made during life (*inter vivos*), as well as estate gifts. In 2017, gifts from five estates accounted for \$1.35 billion. As a comparison, three entries on the 2016 list were estate gifts, totaling \$543 million.

A bequest of approximately \$850 million from Henry Hillman of Pittsburgh, PA, was the largest estate gift and fourth-largest gift overall on the Philanthropy 50 in 2017.²⁵ Although Mr. Hillman regularly appeared on the *Forbes 40* list of wealthy individuals, he preferred to avoid publicity for his extensive philanthropic support of local institutions. Mr. Hillman's bequest was allocated to several Hillman family philanthropies, primarily for the benefit of nonprofits in the greater Pittsburgh area.

Charitable bequests totaling approximately \$202 million from David Rockefeller (New York, NY) contributed to the second-largest legacy giving amount on the Philanthropy 50 in 2017.²⁷ A grandson of John D. Rockefeller, David Rockefeller was the former Chairman

and Chief Executive of Chase Manhattan Bank and a passionate art collector.²⁸ His testamentary gifts include \$25 million to the Council on Foreign Relations, \$15 million to the Mount Desert Land & Garden Preserve, and \$15 million to the David Rockefeller Fund, among others.

Other notable bequests on the 2017 Philanthropy 50 include:

- \$140 million from the estate of Porter Bynum (Charlotte, NC) to fund scholarships at Wake Forest University, Queens University of Charlotte, and Wingate University;²⁹
- \$95 million from the estate of Huguette Clark (New York, NY) to the Bellosguardo Foundation to establish an arts center in Santa Barbara, CA;³⁰ and
- \$60 million from the estate of Allen and Lenabelle Davis (La Canada, CA) to California Institute of Technology to fund endowed chairs for faculty.³¹

In some cases, nonprofits noted as the recipient of bequests in a particular year, including organizations represented on the Philanthropy 50, must wait one or more years after the death of the donor to receive the gift. The complexity of resolution of an estate affects the length of time an organization must wait for a gift to be paid. For the same reason, the gift amounts noted above are estimates. Sometimes, contingent on the provisions in a donor's will, the transfer may take decades.

Artist bequeaths entire estate to museum

In April 2017, the Albright-Knox Art Gallery announced that Venezuelan-American artist María Sol Escobar (better known as Marisol), who gained prominence as a pop artist in the 1960s and died in 2016, left her entire estate to the Buffalo, NY, museum.³² The Albright-Knox received more than 100 sculptures from across Marisol's 60-year career, as well as 100 works on paper, numerous photographs and slides, and a selection of works by other artists.³³ The estate also included Marisol's New York City apartment, worth an estimated \$4 million to \$5 million.³⁴

Marisol's bequest is the largest single donation of art in the Albright-Knox Art Gallery's history.³⁵ Marisol chose the Albright-Knox as the beneficiary of her estate since it was the first museum to acquire the artist's work, and she maintained a close relationship with the institution henceforth. To acknowledge the gift, the Albright-Knox will name a gallery in Marisol's honor in the new museum the institution is building as part of a major expansion project.

NRC reports increased planned giving receipts in 2017

The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector.³⁶ In 2018, this collaboration included Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In 2018, the survey asked nonprofit leaders of public charities and foundations to report on trends for the year 2017, including changes in charitable receipts and the number of donors by specific donor type.

The Winter 2018 Nonprofit Fundraising Survey includes a section on bequests.³⁷ In 2017, 84 percent of responding organizations reported receiving planned gifts (including both new commitments and actual fund disbursement), up from 69 percent in 2016.

Additional insights on respondents receiving bequests include:³⁸

- 57 percent reported increased planned giving receipts in 2017, consistent with rates for 2015 and 2016;
- 37 percent reported an average planned gift amount between \$25,000 and \$100,000 in 2017,

- consistent with the average range for 2016; and
- 92 percent reported actively pursuing planned gifts in 2017.

IRS statistics on estates claiming charitable deductions in 2016

In late 2017, the IRS released estate tax data for returns filed for the year 2016.³⁹ Estates most often file Form 706 the year after the decedent's death. Most forms filed in 2016 were for individuals who died in 2015, for which the taxable threshold was \$5.43 million (gross). Since 2013, the maximum estate tax rate has been 40 percent. Because the exemption threshold exceeds the threshold for the highest marginal tax rate, the taxable portion of most estates was subject to a flat 40 percent tax.⁴⁰

In 2016, 12,411 estates filed returns with the IRS.⁴¹ Of these returns, 21.9 percent claimed a charitable deduction. Estates worth \$50 million or more claimed the largest proportion of all estates filing charitable deduction claims, at 49.3 percent, followed by estates worth between \$20 million and \$50 million, at 34.4 percent. Table 1 shows the percentage of estates that claimed a charitable deduction, by estate size, for 2016.

The total value of estates for tax purposes was \$192.2 billion in 2016.⁴² The total value of the charitable

bequests made on these returns was \$18.5 billion. Estates worth \$50 million or more claimed by far the largest proportion of the total amount of charitable deductions in 2016 (61.0 percent), followed by estates worth between \$20 million and \$50 million (16.6 percent).

Table 2 shows the proportion of total charitable deduction amounts claimed by estate size for 2016. Note that *Giving USA* creates estimates for both filing and non-filing estates, so the IRS results are lower than the 2016 bequest giving estimates reported in this edition of *Giving USA*.

Table 1
Percentage of all estates that claimed a charitable deduction, by estate size, 2016

	Number of filing estates	Number claiming charitable deduction	Percentage claiming charitable deduction
All filing estates	12,411	2,714	21.9%
Estates under \$5 million	1,218	232	19.0%
Estates \$5 million to under \$10 million	7,052	1,276	18.1%
Estates \$10 million to under \$20 million	2,635	624	23.7%
Estates \$20 million to under \$50 million	1,073	369	34.4%
Estates \$50 million or more	434	214	49.3%

Data: "SOI Tax Stats - Estate Tax Statistics Filing Year Table 1," IRS, retrieved April 2018, www.irs.gov

Table 2
Percentage of total charitable deduction amounts claimed by all estates, by estate size, 2016

	Charitable deduction claim total (in thousands)	Percentage of claims to total charitable deductions
All filing estates	\$18,494,489	_
Estates under \$5 million	\$110,212	0.6%
Estates \$5 million to under \$10 million	\$1,926,398	10.4%
Estates \$10 million to under \$20 million	\$2,090,661	11.3%
Estates \$20 million to under \$50 million	\$3,078,764	16.6%
Estates \$50 million or more	\$11,288,455	61.0%

Data: "SOI Tax Stats - Estate Tax Statistics Filing Year Table 1," IRS, retrieved April 2018, www.irs.gov

Research finds presence of bequest motive, link between benefits and bequests

A 2017 study by Siha Lee (University of Wisconsin-Madison) and Kegon T. K. Tan (University of Wisconsin-Madison) suggests that bequests are an important factor in the savings patterns of older adults.⁴³ The study employed a sample of 1,638 retirees born between 1905 and 1921 from the Health and Retirement Study, Assets of Health Dynamics of the Oldest Old, which surveyed retirees in 1993, 1995, 1998, and biannually thereafter until 2012.

Lee and Tan made use of an unexpected change in the way Social Security benefits were calculated in the 1970s that impacted individuals born between 1911 and 1916 retiring at the normal age of 65 or later (referred to as the Social Security Notch) to determine the impact of benefits on bequests. 44 The study found that an increase in benefits resulted in a substantial rise in bequest amounts. The findings are especially noteworthy because the research design allowed the authors to distinguish between bequest motive and precautionary savings.



IRS data on bequests and deferred giving

Beyond charitable bequests, there are several different types of deferred giving vehicles, which include trusts, gift annuities, and life insurance.⁴⁵ A trust is a legal document that designates a third party, a trustee, to hold the assets of an estate or grantor. The grantor can designate one or several individuals or entities as beneficiaries, including charities. Charitable trusts, as defined by the IRS, are described below.

Tax deductions for giving to charitable trusts are taken during the tax year the transaction was completed and the trust was created.46 Trusts, therefore, act similarly to foundations and donoradvised funds, as they collect assets and distribute funds to beneficiaries at specified intervals. The primary difference, however, is that with charitable trusts, a non-charitable beneficiary receives income at some point during the duration of the trust agreement. Trusts are therefore ideal for individuals and estates who wish to provide income for noncharitable beneficiaries and charitable organizations alike.

The IRS provides the following definitions for different types of trusts that provide income to charities, whether during the life of the trust or when the trust terminates.⁴⁷ This

information is shown below. For more information, go to http://www.irs.gov/uac/SOI-Tax-Statts-Split-Interest-Trust-Statistics

Charitable remainder annuity trusts distribute income in a series of fixed payments to one or more non-charitable beneficiaries for a defined period of time, after which the remaining value of the trust is transferred to a charitable beneficiary.

Trusts are ... ideal for individuals and estates who wish to provide income for non-charitable beneficiaries and charitable organizations alike.

Charitable remainder unitrusts

distribute a percentage of the fair market value to one or more noncharitable beneficiaries for a defined period of time, after which remaining value of the trust is transferred to a charitable beneficiary.

Charitable lead trusts distribute a sequence of payments to a charitable beneficiary for a period of time, after which the remaining trust assets are transferred to a non-charitable beneficiary.

Pooled income funds allow donors to donate assets to a charity. The pooled

Giving USA Giving by Beguest

assets are invested as a group and each donor receives income based on the ratio of his or her contribution to the total value of the investment pool. After the death of the donor, his or her prorated share of the investment

pool is withdrawn and given to the charitable organization.

Table 3 presents three years of data released annually by the IRS about charitable bequests and deferred giving.

Table 3 Three years of IRS statistics on bequests and deferred giving

Estate tax returns filed (2014–2016)			
	2014	2015	2016
Federal estate tax filing threshold*	\$5.34 million	\$5.43 million	\$5.45 million
Total number of estate tax returns filed	11,931	11,917	12,411
Number of estate tax returns with charitable deduction	2,743	2,636	2,718
Charitable deductions itemized on returns	\$18.7 billion	\$20.0 billion	\$18.5 billion
Percentage of estates filing estate tax return claiming a charitable deduction	22.1 percent	22.1 percent	21.9 percent
Percentage of gross estate value from all estate tax returns claimed in charitable deductions	10.9 percent	11.9 percent	9.6 percent

^{*} Exemption amounts are indexed for inflation, beginning with \$5.0 million in 2011 as the base year. In 2017, the exemption amount was \$5.49 million and in 2018 it is \$11.18 million. Data: "SOI Tax Stats - Estate Tax Statistics," IRS, retrieved April 2018, www.irs.gov

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Good to Know section and Practitioner Highlights written by Giving USA Editorial Review Board members William C. McMorran, Diana Newman, and Lisa Wolf.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
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- Charitable giving by corporations increased an estimated 8.0 percent in 2017, to \$20.77 billion. Adjusted for inflation, giving by corporations increased 5.7 percent in 2017 compared with 2016.1
- Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.
- Corporate foundation grantmaking rose 4.5 percent in 2017, amounting to \$6.09 billion.²
- In 2017, U.S. Gross Domestic Product (GDP) and corporate pre-tax profits increased 4.1 percent over 2016.3 Both of these economic indicators have been found to positively affect corporate giving.

Practitioner Highlights

- According to multiple sources, giving by corporations spiked in part due to disaster relief in 2017.⁴
- The 2017 Cone Communications CSR Study suggests that 63 percent of U.S. citizens look to companies to take the lead on social and environmental issues.⁵
- Most executives believe that corporate citizenship is most effective when integrated into business strategies, and that corporate citizenship should include goals such as enhancing companies' reputations and developing new products.⁶

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving by corporations in 2017

Giving USA's estimate for corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.

Giving by corporations and their foundations is largely dependent on companies' profits and the economic environment in which they operate. In general, when the economic climate is positive, corporations tend to give more. There may be some lag time, however, between corporate profitability and charitable giving. Additionally, corporate

giving patterns may reflect business cycles and profits, which vary by industry and company type. For example, some corporations may save their profits in good times to give during economic downturns, while other companies may give immediately as a result of current economic conditions.

Despite the potential for volatility, giving by corporations has grown for four consecutive years.⁷ Revised *Giving USA* estimates indicate increased corporate giving of 4.3 percent in current dollars between 2015 and 2016. Corporate giving grew by 1.0 percent in 2015, after spiking 15.1 percent in 2014.

Certain economic factors are consistently linked to corporate giving patterns. These factors include U.S. GDP and corporate pre-tax profits. In 2017, GDP increased 4.1 percent.⁸ This increase was higher than in 2016, when GDP rose 2.8 percent. Corporate pre-tax profits also grew 4.1 percent in 2017, following flat change between 2015 and 2016.⁹

Estimated corporate foundation giving was up 4.5 percent in 2017.¹⁰ Revised Foundation Center estimates for 2016 show that giving increased 5.7 percent over 2015. Despite a slight decline in gifts received by corporate foundations in 2016 (-0.6 percent), assets increased nearly 7 percent.

About half of corporate foundations responding to Foundation Center's 2017 Foundation Giving Forecast Survey

reported having increased their giving in 2017.¹¹ Mid-size foundations (awarding between \$100,000 and \$5 million annually) reported an increase in giving, while the largest corporate foundations (awarding more than \$25 million annually) held steady, with little to no change in giving in 2017.

Historically, some corporations have contributed additional funds to their foundations during years with stronger earnings to ensure more stable giving levels in years when earnings are weaker. Thus, a robust increase in gifts to corporate foundations may not directly translate into an equivalently marked gain in corporate foundation giving. Similarly, declines in giving to corporate foundations may not be reflected in corporate grantmaking totals for the same year.





The Committee Encouraging Corporate Philanthropy's (CECP) 2018 *Giving in Numbers* survey of leading global companies, conducted in association with The Conference Board, reported that more than half (56 percent) of the 207 largest U.S. and internationally based companies increased their giving during the 2015–2017 period. ¹² Among these companies, 31 percent increased their total giving by 25 percent or more.

The following sections detail recent corporate giving trends reported by the media and philanthropic research organizations, beginning with a detailed overview of CECP's 2018 *Giving in Numbers* survey on corporate contributions made in the years 2015–2017 by a matched-set sample of the largest global companies.

Majority of the largest companies increased giving from 2015 to 2017

According to CECP, in association with The Conference Board, 56 percent of companies increased total giving from 2015 to 2017, representing growth of 15 percent.¹³ These preliminary findings, and those detailed in the following sections, are based on CECP's annual *Giving in Numbers* survey of leading global companies, conducted in association with The Conference Board. This survey is the industry's leading analysis of corporate philanthropy, with 250+ of the world's largest companies reporting on 2017 contributions.

Companies participating in the survey had aggregate revenues of \$11.3 trillion

and median revenues of \$17.1 billion in 2017.¹⁴ The sample includes 207 of the largest U.S.-based (92 percent of reporting companies) and internationally based companies with more than \$2 billion in annual revenue. According to the survey, this growth shows that the business case for societal engagement is strong, with companies increasingly seeing community investment as essential to their operations.

According to CECP, in association with The Conference Board,
56 percent of companies increased total giving from 2015 to 2017, representing growth of
15 percent.¹³

Almost six out of ten companies increased their giving from 2015 to 2017.15 The healthcare industry drove the largest increases in total giving during this timeframe. With 82 percent of healthcare companies expanding giving, the healthcare industry accounted for 62 percent of the aggregate increase in giving between 2015 and 2017. Overall, this industry increased its median total giving by 87 percent. Almost all of the increase in total giving by the healthcare industry came from pharmaceutical companies (representing 91 percent of this industry's increase in giving).

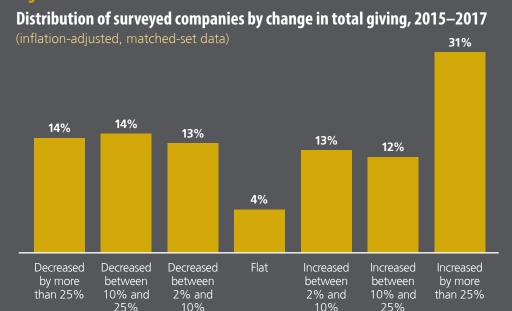
Pharmaceutical companies maintained their structure of cash and in-kind giving (including product donations) in 2017.

The highest proportion of companies that increased their giving during the 2015–2017 period came from the communications industry (88 percent). However, this industry's share of the aggregate increase in giving was not as high as that of the healthcare industry (11 percent of the aggregate increase).¹⁶

Among companies that decreased their giving, the financial industry accounted for the largest share of the aggregate decrease between 2015 and 2017, at 27 percent.17 A large percentage of banking subindustry companies decreased giving due to budget cuts. In 2017, the aggregate decrease in giving was more distributed across industries than in previous years. The materials and industrials industries each accounted for 15 percent of the aggregate decrease. The highest proportion of companies that decreased giving came from the energy industry, with 88 percent of companies decreasing giving.

Among the 207 reporting companies, 31 percent increased giving more than 25 percent during the 2015–2017 period. Of companies that decreased their giving, 14 percent decreased total giving by more than 25 percent. Figure 1 shows the full distribution of companies by change in total giving between 2015 and 2017.

Figure 1



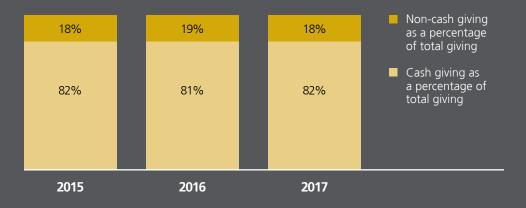
Note: These data include a matched set of 207 companies that responded to the *Giving in Numbers* survey each year from 2015 to 2017. Data: CECP, in association with The Conference Board, 2017, *Giving in Numbers* survey on 2017 contributions, www.cecp.co

Cash giving continued to represent the largest proportion of corporate contributions from 2015 to 2017. In 2017, cash giving comprised an average of 82 percent of total giving by companies in the three-year matched set—the same share as 2015, as illustrated in Figure 2.19 Although noncash giving accounted for a smaller average proportion of companies' total giving in 2017 at 18 percent, most companies continued to make noncash contributions.²⁰ The percentage of companies reporting non-cash contributions increased from 59 percent in 2015 to 64 percent in 2017.



Figure 2

Breakdown of cash and non-cash giving for surveyed companies, 2015–2017 (matched-set data)



Note: These data include a matched set of 207 companies that responded to the *Giving in Numbers* survey each year from 2015 to 2017. Percentage of cash and non-cash giving represent average percentages.

Data: CECP, in association with The Conference Board, 2018, Giving in Numbers survey on 2017 contributions.

Reasons for changed giving levels in 2017

In general, there are many reasons companies increase or decrease their contributions from year to year.²¹ These changes may be driven by internal strategies and decisions, as well as external forces like fluctuations in the economy or customer demands. Corporate respondents to the CECP 2018 *Giving in Numbers* survey cited numerous factors for changes in corporate giving in 2017 compared with 2016.

The most commonly cited reasons for increases were: ²²

- Increase in disaster relief contributions;
- Strategic review of societal investment areas; and
- Increase in product or property donations.
- The most commonly cited reasons for decreases were: 23
- Changes in the business: declining business performance for companies with budgets tied to financial results; and
- Decline in product or property donations.

Almost 30 percent of companies that maintained their giving level in 2017 versus 2016 cited expected increases

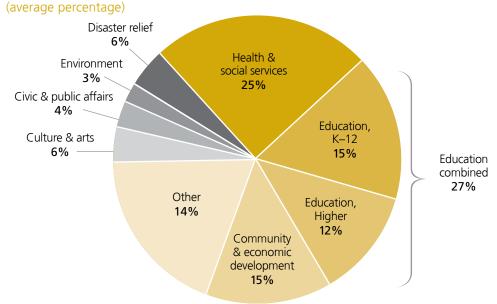
between 2 percent and 10 percent in 2017.²⁴ Twenty-one percent stated they did not expect significant changes in giving in 2017.

Funding by program area in 2017

Respondents to CECP's 2018 *Giving* in *Numbers* survey were asked to classify their 2017 total giving into nine discrete program areas.²⁵ Companies typically seek to align giving with their area of business and core competencies. For companies reporting

on their program-area allocations, the greatest average percentage of contributions (nearly 28 percent) funded education: 15 percent went to K–12 education and 12 percent went to higher education.²⁶ Similar to previous years, health and social services programs also received a large portion of corporate gifts, at 25 percent. Figure 3 shows average programarea allocations across all companies that reported on their program-area allocations for 2017 contributions.

Figure 3
Program-area allocations for 2017 contributions made by surveyed companies



Note: The sample size for these data was 166 companies. Note that these program areas do not correspond with *Giving USA* recipient subsectors, and thus the findings cannot be directly compared.

Data: CECP, in association with The Conference Board, 2018, Giving in Numbers survey on 2017 contributions, www.cecp.co

Predictions for 2018 corporate giving

All companies responding to CECP's 2018 Giving in Numbers survey were asked to predict how their 2018 contributions will change from 2017, broken down by contribution type: total giving, direct cash, foundation cash, and non-cash.²⁷ Overall, predictions for 2018 point toward increased giving levels. Thirty-six percent of responding companies predict increased total giving in 2018, while 31 percent of responding companies predict that giving levels will stay the same. Regarding predictions for specific contribution types, most notably, more than half of companies (53 percent) reported that they do not expect a change in non-cash giving in 2018.



The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners.

In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess



fundraising trends for the 2017 calendar year.²⁸ The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. The survey generated a convenience sample of 1,222 responses, including 146 from Canada.

The vast majority of surveyed organizations reported soliciting corporations/ corporate foundations in 2017 (89 percent).²⁹ Table 1 shows survey results for changes in year-to-year giving by corporations in 2016 and 2017.

Table 1

Percentage of survey respondents reporting changes in amounts received from corporations, 2016–2017

	Direction of change	All of 2016	All of 2017
Amount received from corporations and their foundations	Up	45%	46%
	Same	35%	35%
	Down	20%	19%

Data: Winter 2018 Nonprofit Fundraising Survey, Nonprofit Research Collaborative, April 2018, www.npresearch.org; Winter 2017 Nonprofit Fundraising Study, May 2017, Nonprofit Research Collaborative, www.npresearch.org

Corporations respond to disasters with cash and non-cash giving

The substantial corporate response to the series of major disasters that occurred in 2017 included both cash and non-cash donations, such as contributions of expertise and use of production facilities to help survivors. In 2017, the U.S. Chamber of Commerce Foundation tracked corporate giving and pledges to disaster relief efforts following Hurricanes Harvey, Irma and Maria; the North Bay (CA) wildfires; the Mexico City earthquake; and the mass shooting in Las Vegas, NV.³⁰ The corporate response to major 2017 disasters is outlined in Table 2.

Table 2
Corporate disaster response as of December 2017

Disaster	Number of Companies	Donations/Pledges
Hurricane Harvey	372	\$246 million
Hurricane Maria	71	\$42.6 million
Hurricane Irma	103	\$95.6 million
North Bay wildfires	43	\$12.0 million
Mexico City earthquake	42	\$22.1 million
Las Vegas shooting	20	\$7.4 million

Data: Data were provided by the U.S Chamber of Commerce Foundation in March 2018. Data on corporate aid for disaster relief is available on the U.S. Chamber of Commerce Foundation website, https://www.uschamberfoundation.org/corporate-citizenship-center/corporate-aid-trackers



Companies of all sizes make creative in-kind donations for disaster relief

Approximately 69 companies committed to contributing \$1 million or more to relief efforts within days of Hurricane Harvey.31 For instance, Walmart pledged \$20 million in a combination of cash, products, and matching donations. Inkind donations included the following: 32

- Anheuser-Busch produced 410,000 cans of drinking water instead of beer;
- Mattress Mack, a furniture store in Houston, TX, provided food and shelter for 400 people;
- Airbnb facilitated in excess of 1,000 listings to host evacuees while waiving service fees; and

Google developed an SOS Alert app to provide news to people in affected areas.

Corporations also responded quickly to the mass shooting in Las Vegas, NV, with contributions including cash donations to victims' families, as well as in-kind services.33 Examples include:

- The Ultimate Fighting Championship (UFC) gave \$1 million to the families of victims;
- MGM Resorts International offered hotel rooms at the Bellagio for victims' families;
- Allegiant Air provided free flights for victims and their families: and
- Domino's Pizza provided free pizza to first responders and police.

Corporations respond to new tax policies

Passage of the Tax Cuts and Jobs Act at the end of 2017 was an important development for corporate philanthropy. This legislation reduced the top marginal tax rate for corporations to a flat rate of 21 percent, down from a maximum rate of 35 percent.³⁴ In response, some corporations showed an interest in increasing their giving, often in a targeted fashion.

Several companies, both nationally and regionally, increased their giving, directly citing the decrease in corporate taxation. For instance, Wells Fargo announced that it planned to increase giving by 40 percent to \$400 million in 2018, with a

goal of allocating two percent of aftertax profits to corporate philanthropy beginning in 2019.³⁵

Regional banks such as First Financial and PNC also responded to the new legislation by increasing charitable contributions. Through a \$3 million gift, First Financial created the First Financial Foundation, an action the institution attributed to the Tax Cuts and Jobs Act.³⁶ PNC Bank also contributed \$200 million to its foundation due to passage of the new legislation.³⁷

Despite these examples, increased corporate giving may not be the new norm. *The Washington Post* reported that most of America's 20 largest companies planned to use some of their revenue windfall from the tax policy changes to pay higher dividends to shareholders.³⁸



Attitudes toward corporate social responsibility continue to evolve

Corporate Social Responsibility (CSR) encompasses programs, environments, and social and governance frameworks that mediate businesses' interactions with society. Broadly, CSR professionals utilize corporate resources to achieve both business and social objectives. However, scholars note that definitions, theoretical frameworks, and measurements of CSR remain contested.³⁹ For the purposes of *Giving USA*, the following sections focus on cash and non-cash corporate giving.

According to the Boston College *State* of *Corporate Citizenship 2017* report, corporate objectives with respect to CSR have shifted over time, evolving from a reflection of corporate values to reputation management, and increasingly now to generating new customers and products.⁴⁰ This section explores recent developments related to corporate giving in an effort to highlight important aspects of corporate philanthropy in 2017.

Corporate executives link CSR to business strategy

The Boston College *State of Corporate Citizenship 2017* (BCSCC) report found that the majority of corporate executives felt that integrating corporate

citizenship into business goals was more likely to lead to business success.⁴¹ The BCSCC report collected survey responses from 796 corporate executives from predominantly U.S.-based companies in 2016, with the majority of executives employed at companies with revenues exceeding \$1 billion.

Among the corporate citizenship initiatives executives integrated into business strategy, improving risk management, enhancing reputation, and developing innovative new products

The BCSCC report also revealed that companies that invest in corporate citizenship efforts for four or more years realized significantly greater success than companies that invested in these efforts for shorter periods of time.⁴²

and services proved most beneficial in helping companies achieve their business goals.⁴² The BCSCC report also revealed that companies that invest in corporate citizenship efforts for four or more years realized significantly greater success than companies that invested in these efforts for shorter periods of time.

Approximately 40 percent of respondents to the BCSCC survey identified corporate giving as one of the top eight contributors to overall

corporate success.⁴³ Nearly 70 percent of respondents reported that they expect corporate giving to increase over the next three years. The report showed that corporate executives believe consumer data protection, employee concerns, and environmental issues will be the highest corporate citizenship priorities in the future.

Report shows employees want to volunteer more but do not understand the impact

The 2017 *Deloitte Volunteerism Survey* gathered insight on volunteerism, as well as its effect on employees' career and personal development and on the community.⁴⁴ The survey found that 89 percent of respondents (1,000 U.S. adults employed either full-time or part-time who had volunteered in the preceding 12 months) felt that company-sponsored volunteer opportunities corresponded with a better working environment.

While the majority of employees did not see volunteerism as improving or enhancing their career opportunities or facilitating skill development, 69 percent of employees expressed a desire to volunteer more. Respondents were interested in other benefits of volunteerism, such as boosting employee morale and offering a sense of purpose. The report also revealed that 75 percent of Millennial respondents and 61 percent of all respondents would volunteer more if they understood the impact.

Corporations increasingly expected to address social and environmental issues

In addition to responding to disasters in 2017, the CEOs of major U.S. companies announced ambitious projects that utilize corporate capabilities to address social and environmental issues.⁴⁶ For instance:

- Microsoft committed \$50 million to developing artificial intelligence that will aid in cutting carbon emissions by 75 percent by 2030;
- Ford and GM dedicated billions to the production of all-electric vehicles; and
- Kimbal Musk developed a social enterprise to improve food access through urban farming.

Research indicates that consumers not only approve of corporations taking such actions, but have come to expect that companies will use their resources for the greater good.

Consumers look to companies to take lead on important topics, study finds

The 2017 Cone Communications CSR Study found that 63 percent of U.S. citizens expect companies to take the lead on social and environmental issues. ⁴⁷ According to the survey on which the report is based, expectations for CSR are broadening, with 70 percent



of Americans believing that companies should tackle issues beyond the scope of their business operations. Additionally, 78 percent of respondents felt that standing up for important social justice issues is a responsible business practice.

The 2017 Cone Communications CSR Study also found that African Americans are more likely to have stronger opinions with respect to CSR and social justice issues relative to the general population. 48 As a demographic group, African American survey respondents demonstrated stronger beliefs and willingness to act in key areas:

 Belief that companies should stand up for social justice issues (90 percent versus 78 percent for the general population);

- Purchasing a product because the company stood up for an issue of concern (95 percent versus 87 percent for the general population); and
- Refusing to purchase a product after learning the company supported an issue contrary to their beliefs (81 percent versus 76 percent for the general population).

Report shows Generation Z is socially conscious, prefers positive messaging

The 2017 Cone Gen Z CSR Study: How to Speak Z surveyed 1,000 Americans ages 13 to 19 about their perspectives on CSR.⁴⁹ Expected to represent 40 percent of all consumers globally by 2020, the survey on which the study is based found



that Generation Z is socially conscious, with 94 percent of respondents believing that companies have a role to play in addressing urgent issues (compared with 87 percent of Millennials).

The study also found that CSR messaging is important, with 65 percent of survey respondents claiming to use this information in purchasing decisions. Additionally, the study revealed that Generation Z is less confrontational, both online and offline, and favors positive engagement over an adversarial approach.⁵⁰

Perception of CSR important to companies' success, according to new research

In a 2017 study, Seung Pil Lee (Hankuk University of Foreign Studies) and Kathy Babiak (University of Michigan) conducted an experiment to test the impact of communicating the measured societal value (i.e., outcomes for the community) of CSR initiatives.⁵¹ Lee and Babiak found that articulating measured societal value can increase donations to nonprofits and reduce negative perceptions of companies' CSR efforts.

CSR disclosure matters in investment decisions

Markus Arnold (University of Bern), Christopher Horner (University of Bern), Patrick Martin (Indiana University), and Donald Moser (University of Pittsburgh) conducted an experiment with more than 80 experienced investment professionals to understand how disclosure of CSR information impacts their investment recommendations to clients, as well as their own investment decisions. 52 All of the investment professionals were given identical financial information about a fictional company. A selection of the investment professionals also received CSR information about the company.

The study found that investment professionals' average amount of personal investments was 29 percent higher when exposed to CSR data.53 Additionally, the average amount of their recommended investments to clients was 23 percent higher when provided with financial information and CSR data than with financial information. alone. The researchers concluded that investment professionals' belief in the societal benefits of CSR and that CSR improves financial performance were both contributing factors in their decisions to invest in higher rates personally and to recommend a company to clients.

Corporate cause sponsorships exhibit slow, steady growth

While corporate sponsorships for charitable causes are not included in *Giving USA* data, sponsorships are a tool companies use to engage with and give back to the community. In December 2017, ESP Properties took over a survey about corporate sponsorship that had previously been administered by IEG.⁵⁴ The 33rd annual survey, *What Sponsors Want & Where Dollars Will Go In 2018*, provides an industry review and forecast of corporate sponsorship spending.

The survey found that North American companies' spending on sponsorships

increased by 3.6 percent to \$23.1 billion in 2017.55 Sponsorship for charitable causes specifically rose to \$2.05 billion in 2017, a 3.0 percent increase over 2016. When considering objectives for sponsorships, however, only 29 percent of survey respondents identified showcasing community and social responsibility as a top priority in 2017. Nevertheless, corporate cause sponsorships are predicted to grow by 4.4 percent to a total of \$2.14 billion in 2018.

Q

Good to Know

As corporate giving becomes more motivated by reputation management and attracting new customers, nonprofits would be served well by managing corporate relationships the same way they manage individual relationships.⁵⁶ It is no longer enough to visit a corporate foundation website and submit a grant. Instead, focus on building a relationship to best understand the corporation's specific philanthropic goals and structuring solicitation and stewardship strategies that reflect this understanding.

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Good to Know section and Practitioner Highlights written by Giving USA Editorial Review Board members Lisa Buckley and Helen Starman.

Endnotes

- 1 All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, *Giving USA* revises its estimates for at least the last two years. See more about how *Giving USA* calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report. This amount includes an estimate for giving in support of disaster relief efforts in 2017. See the "Brief Summary of Methods Used" section of this report for more information.
- Note that Giving USA does not use this specific figure in its corporate giving estimate as other adjustments are made. See the "Brief Summary of Methods Used" section of the report for additional detail. Data were provided by the Foundation Center in April 2018 and are subject to revision. Data on giving by and to foundations is available in the Foundation Center's Key Facts on U.S. Foundations reports, available at the Foundation Center's website at www. foundationcenter.org.
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- 10 Data were provided by Foundation Center in April 2018 and are subject to revision.
- 11 This summary paragraph was written by Foundation Center, May 2018.
- 12 Each year, CECP, in association with The Conference Board, presents an in-depth analysis of the results of an annual survey of corporate giving trends in the publication Giving in Numbers, released free-ofcharge to the public each fall. The report answers pressing questions reported by 250+ companies about the state of their corporate giving, rates of giving internationally, employee engagement, program management, and more. Giving in Numbers survey, CECP, in association with The Conference Board, 2018, www.cecp.co. Note that not all companies answered all questions. Also, note that some of the data refer only to a matched set of companies that have participated in the survey in each year from 2015 to 2017, per the identified sample sizes in the references. Caution should be used in comparing results between Giving USA and CECP because CECP's study is focused on businesses with more than \$2 billion in annual revenue, while Giving USA includes businesses of all sizes. In

- addition, CECP's sample is global, while Giving USA focuses solely on companies based in the United States.
- 13 Same as note 12
- 14 Same as note 12, n=229.
- 15 Same as note 12, n=207. Giving increase consisted of at least 2 percent between 2015 and 2017. Giving decrease consisted of at least -2 percent between 2015 and 2017.
- 16 Same as note 12
- 17 Same as note 12
- 18 Same as note 12, n=28.
- 19 Same as note 12. These data include a matched set of 207 companies that responded to the Giving in Numbers Survey each year from 2015 to 2017. Percentage of cash and non-cash giving represents average percentages.
- 20 CECP, in association with The Conference Board, collects total contribution data in three giving types disbursed during the 12 months of the survey year: Direct Cash includes cash giving from corporate headquarters or regional offices; Foundation Cash includes cash giving from the corporation foundation; and Non-Cash includes product donations, pro bono services, and other non-cash contributions (e.g., computers, office supplies, etc.) assessed at Fair Market Value.
- 21 Same as note 12
- 22 Same as note 12
- 23 Same as note 12
- 24 Same as note 12
- 25 Same as note 12, n=166
- 26 Same as note 12, n=166.
- 27 Same as note 12
- 28 Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org.
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- 30 "Corporate Aid Trackers," U.S. Chamber of Commerce Foundation, retrieved April 2018, https://www.uschamberfoundation.org/corporatecitizenship-center/corporate-aid-trackers; The corporate response to Hurricanes Katrina and Rita remains the largest corporate response to disaster(s) by corporations within six months of the event.
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Giving USA follows the National Taxonomy of Exempt Entities (NTEE) system to classify most types of charitable organizations on the recipient side of giving. The exceptions are giving to religion and giving to foundations. For more information about how organizations are categorized within the charitable subsectors, refer to the following NTEE summary table. To look up a specific organization, go to the National Center for Charitable Statistics website at http://nccs.urban.org/.

Giving USA



The arts, culture, and humanities subsector includes the following categories:

A-Arts, culture, & humanities

- arts & culture (multipurpose activities)
- media & communications
- visual arts
- museums
- performing arts
- humanities
- historical societies & related historical activities

The education subsector includes the following categories:

B-Education

- elementary & secondary education (preschool–grade 12)
- vocational/technical schools
- higher education
- graduate/professional schools
- adult/continuing education
- libraries
- student services & organizations

The environment/animals subsector includes the following categories:

C-Environment

- pollution abatement & control
- natural resources conservation. & protection

Giving USA Summary of the National Taxonomy of Exempt Entities

- botanic/horticulture activities
- environmental beautification & open spaces
- environmental education & outdoor survival

D-Animal-related

- animal protection & welfare
- humane societies
- wildlife preservation & protection
- veterinary services
- zoos & aquariums
- specialty animals & other services

The health subsector includes the following categories:

E-Health care

- hospitals, nursing homes, & primary medical care
- health treatment, primarily outpatient
- reproductive health care
- rehabilitative medical services
- health support services
- emergency medical services
- public health & wellness education
- health care financing/insurance programs

F-Mental health & crisis intervention

- addiction prevention & treatment
- mental health treatment & services
- crisis intervention
- psychiatric/mental health
- halfway houses (mental health)/ transitional care

G-Diseases, disorders, & medical disciplines

- birth defects & genetic diseases
- cancer
- diseases of specific organs
- nerve, muscle, & bone diseases
- allergy-related diseases
- specifically named diseases
- medical disciplines/specialties

H-Medical research

 identical hierarchy to diseases/ disorders/medical disciplines in major field "G." Example: G30 represents American Cancer Society & H30 represents cancer research

The human services subsector includes the following categories:

I- Crime & legal-related

- police & law enforcement agencies
- correctional facilities & prisoner services
- crime prevention
- rehabilitation of offenders
- administration of justice/courts
- protection against/prevention of neglect, abuse, & exploitation
- legal services

J-Employment

- vocational guidance & training (such as on-the-job programs)
- employment procurement assistance
- vocational rehabilitation
- employment assistance for the handicapped
- labor unions/organizations
- labor-management relations

Giving USA Summary of the National Taxonomy of Exempt Entities

K-Food, agriculture, & nutrition

- agricultural services aimed at food procurement
- food service/free food distribution
- nutrition promotion
- farmland preservation

L-Housing & shelter

- housing development/construction
- housing search assistance
- low-cost temporary shelters, such as youth hostels
- homeless/temporary shelter
- housing owners/renters organizations
- housing support services

M-Public safety, disaster preparedness & relief

- disaster prevention, such as flood control
- disaster relief (U.S. domestic)
- safety education
- civil defense & preparedness programs

N-Recreation & sports

- camps
- physical fitness & community recreation
- sports training
- recreation/pleasure or social clubs
- amateur sports
- Olympics & Special Olympics

O-Youth development

- youth centers (such as boys/ girls clubs)
- scouting
- youth mentoring
- agricultural development (such as 4-H)

- business development, Junior Achievement
- citizenship programs
- religious leadership development

P-Human services

- multipurpose service organizations
- children & youth services
- · family services
- personal social services
- emergency assistance (food, clothing)
- residential/custodial care
- centers promoting independence of specific groups, such as senior or women's centers

The international affairs subsector includes the following categories:

Q-International, foreign affairs, & national security

- international exchange programs
- international development
- international relief services (foreign disaster relief)
- international peace & security
- foreign policy research & analysis (U.S. domestic)
- international human rights

The public-society benefit subsector includes the following categories:

R-Civil rights, social action, & advocacy

- equal opportunity & access
- voter education/registration
- civil liberties

Giving USA Summary of the National Taxonomy of Exempt Entities

S-Community improvement & capacity building

- community/neighborhood development
- community coalitions
- economic development, urban & rural
- business services
- community service clubs (such as Junior League)

T-Philanthropy, voluntarism, & grantmaking foundations

- philanthropy associations/societies
- private (independent & operating) foundations, funds (e.g., women's funds), community foundations, & corporate foundations*
- community funds & federated giving
- voluntarism promotion
- donor-advised funds

U-Science & technology

- scientific research & promotion
- physical/earth sciences
- engineering/technology
- biological sciences

V-Social science

- social science research/studies
- interdisciplinary studies

W-Public & societal benefit

• public policy research, general

- government & public administration
- transportation systems
- public utilities, including telecommunications
- consumer rights/education/ protection
- military & veterans organizations
- financial institutions

The religion subsector includes the following categories:

X-Religion/spiritual development

- houses of worship of all types, including churches, mosques, & synagogues
- religious media & communications
- interfaith coalitions

Not included in Giving USA's estimates:

Y-Mutual & membership benefit

- insurance providers & services (other than health)
- pension/retirement funds
- fraternal beneficiary funds
- cemeteries & burial services

Z-Unknown

- 799 unknown
- * Giving USA does not create estimates for giving to foundations using the NTEE system. See the "Brief summary of methods used" section of this report for more information.



- Contributions to the religion subsector comprised 31 percent of all donations received by charities in 2017.1
- Giving to religious organizations increased 2.9 percent in current dollars from 2016, totaling \$127.37 billion in 2017. Adjusted for inflation, giving to religion grew 0.7 percent in 2017.
- Contributions to religion totaled the highest inflation-adjusted amount recorded to date in 2017.

Practitioner Highlights

- Charitable giving to faith-based organizations continues to grow, even while religious affiliation declines. With higher numbers of non-religiously affiliated individuals than ever before, nonprofits need to assess how they can connect with both religious and nonreligious donors to remain successful in cultivating new donors and maintaining their donor base.2
- Religious giving trends indicate that regular attendance directly correlates to donating; if congregants are not attending services, they are not contributing. Congregations with declining attendance can continue to share their impact and seek donations through a strong web and social media presence to combat this trend.³
- Online giving is becoming an increasingly common way for congregants to stay connected to religious organizations, enabling automatic weekly donations versus relying solely on contributions from collection plates.4

istorically, Giving USA has defined giving to religion narrowly, focusing only on congregations, missions, religious media, and other related organizations. Giving USA has not included those organizations whose mission is religious in nature but also work to fulfill other needs in the religion subsector. As an example, although The Salvation Army considers itself "an integral part of the Christian Church," Giving USA categorizes the organization within the human services subsector according to the NTEE coding system.⁵

Another illustration is the Lutheran Theological Seminary in Philadelphia.6 This religious school is categorized as an educational institution for the purposes

of Giving USA, despite its religious ties. If Giving USA were to include giving to all houses of worship and all religiously oriented charities, up to 75 percent of

all charitable giving could be considered religious in nature.⁷

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to religion in 2017

Giving to religion marked its seventh consecutive year of growth in 2017.8 In the last five-year period (2013 to 2017), giving to this subsector grew at an annualized average rate of 3.8 percent. Giving to religion failed to outpace the five-year annualized average growth rate of 4.3 percent for total giving. However, the two-year (2016–2017) growth rate in giving to religion was a healthy 6.8 percent.

Other reports issued in 2018 note generally positive trends in giving to religious organizations in 2017. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA*

data. Some highlights on giving to this subsector in 2017 include:

- According to the Nonprofit Research Collaborative's (NRC) Winter 2018 Nonprofit Fundraising Survey, 61 percent of religious organizations reported increased giving in 2017 over 2016.9
- In spring 2018, Blackbaud reported that among its sample of nearly 8,900 nonprofits, giving to faith-based organizations realized an increase of 4.8 percent between 2016 and 2017. Faith-based organizations saw the greatest year-over-year monthly increase in overall charitable revenue in the three-month period ending in July 2017 (8.5 percent). Giving to this subsector declined, however, in the three-month period ending in September 2017 (-1.4 percent). 11

To provide additional context for giving to religion in 2017 and recent years, the following sections detail trends, related campaigns, and news for this subsector.

6 6 Giving to religion marked its seventh consecutive year of growth in 2017.8 In the last five-year period (2013 to 2017), giving to this subsector grew at an annualized average rate of 3.8 percent.

Online giving to religion continued to grow in 2017

Two reports noted generally positive results for giving to religious organizations via online methods in 2017. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of religious organizations.

According to Blackbaud, online giving to its sample of faith-based organizations was stronger than overall giving to the same organizations, increasing 13.1 percent in 2017.¹² Faith-based organizations realized the greatest year-over-year monthly increases in online

charitable revenue in the three-month periods ending in November (21.6 percent) and December (19.1 percent), while growth increased more slowly in the three-month period ending in March (5.8 percent).¹³

Blackbaud's *Luminate Online Benchmark Report*, released in 2018, also showed that online giving continued to grow in 2017, with faith-based organizations realizing an increase of 5.9 percent in total online revenue. ¹⁴ Previous versions of the *Luminate Online Benchmark Report* have contained separate categories for Christian and Jewish organizations, but newer versions of the report combine them into one category ("faith-based organizations"). Faith-based organizations saw a median online transaction amount per usable email of \$31.72 in 2017, a decline of 9.3 percent from 2016. ¹⁵



Trends in American religion in 2017

Despite the increasing number of Americans who claim no religious affiliation, religion continues to be the top recipient of charitable giving year after year. Giving USA finds that nearly a third of America's charitable contributions are made to houses of worship, denominational bodies, missionary societies, and TV and radio ministries. There is no doubt about the importance of faith affiliation for American philanthropy. Having any form of religious affiliation increases an individual's average annual charitable contributions from \$695 (no faith affiliation) to \$1,590 (with faith affiliation).16

However, the general trend of declining religious affiliation and growing number of non-religiously affiliated individuals continues. In 1961, 20 percent of Americans belonged to one of 11 major Christian denominations. ¹⁷ In 2015, only 10 percent of Americans belonged to these same 11 denominations. Moreover, the percentage of Americans who self-identify as Protestant or Catholic dropped from 92 percent in 1967 to 59 percent in 2016. Another 10 percent now identify as "Christian (nonspecific)."

Following downward trend, report shows slight growth in giving to congregations

In 2017, empty tomb, inc. published *The State of Church Giving through 2015: Understanding the Times,* which found that, per a 2015 Bureau of Labor Statistics survey, 71 percent of charitable contributions went to "church, religious organizations." ¹⁸ Additionally, within the category of religious giving, the report indicates that churches are the single-largest recipient. The amount of

Despite the increasing number of Americans who claim no religious affiliation, religion continues to be the top recipient of charitable giving year after year.

giving to congregational finances and benevolences had been on a downward trajectory since 2010, when member giving was 2.39 percent of income. In 2014, member giving as a percent of income reached its lowest level on record (data is available from 1968 onward), at 2.15 percent of income. Member giving as a percent of income increased slightly to 2.17 percent of income in 2015.

Giving USA Giving to Religion

Digital giving to religious organizations on the rise, report finds

According to the 2018 Digital Giving Trends in the Church report by Pushpay and Dunham+Company, online giving has become a preferred means of making religious contributions. ¹⁹ The report is based on an online survey of church leaders and administrators conducted in 2017. Data from the 512 respondents suggest that use of digital giving solutions has increased from 42 percent of congregations in 2015 to 74 percent of congregations in 2017.

The report also found that among the 7,000 religious congregations that use Pushpay's online giving platform, digital givers donate more per month (\$200) than non-digital givers (\$150).20 Moreover, between 2016 and 2017, congregations using Pushpay experienced 35 percent growth in contributions from digital givers and only 15 percent growth in contributions from non-digital givers. These findings, combined with decreased utilization of checks (from 46 percent of payments in 2003 to 15 percent in 2013), may incentivize further adoption of e-giving solutions among congregations in the future.



Good to Know

According to a 2017 study of Millennial donors by Dunham+Company and Campbell Rinker, faith plays a larger role in the lives of Millennial donors than most may think.²¹ The study found that the top two recipients of Millennial giving are places of worship and faith-based organizations.

Additionally, 25 percent of Millennial donors indicated that they attend religious services at least once a week, compared with 27 percent of Generation Xers, 28 percent of Baby Boomers, and 36 percent of Matures. For more information or to purchase a copy of the study, visit https://www.dunhamandcompany.com/2017/05/millennial-donors/

The Yearbook of American and Canadian Churches releases initial data

As reported in *Giving USA 2017*, the Association of Statisticians of American Religious Bodies (ASARB) entered an agreement with the National Council of Churches to reconstitute the *Yearbook of American and Canadian Churches*, North America's longest running almanac of denominational giving, membership, and demographic records, which had ceased publication in 2012.²² As of December 2017, ASARB had collected information on 31 denominations, representing 20.5 million full, communicant members and 78,000 congregations.²³

Table 1 displays the top 10 reporting denominations by total financial commitment for the most recent year data is available (2015 or 2016). For many denominations, the data in this table include charitable donations and non-charitable receipts such as investment income.



Table 1 Top ten denominations reporting to the Yearbook of American and Canadian Churches by total financial commitment

Denomination and reporting year	Total financial commitment
Presbyterian Church (USA) (2015)	\$210.95 billion
Seventh-Day Adventist Church (2015)	\$138.22 billion
Southern Baptist Convention (2016)	\$119.07 billion
United Church of Christ (2015)	\$92.87 billion
Wisconsin Evangelical Lutheran Synod (2016)	\$34.35 billion
Christian Reformed Church in North America (2016)	\$7.55 billion
Cumberland Presbyterian Church (2016)	\$5.25 billion
Church of the Lutheran Brethren (2015)	\$2.35 billion
Church of God in Christ, Mennonite (2016)	\$2.25 billion
Bible Fellowship Church (2016)	\$1.96 billion

Data: Yearbook of American and Canadian Churches, retrieved December 2017, www.yearbookofchurches.org

Giving USA Giving to Religion

The ASARB continues to collect financial data from denominational statisticians. To provide data, or for more information about the project, contact yearbook. asarb@gmail.com.

University launches new study on congregations' finances

Research on religious giving is often prohibitive because there are few publicly available macro-level datasets and no national register of American congregations. In 2017, the Lake Institute on Faith and Giving at the Indiana University Lilly Family School of Philanthropy received a \$1.67 million research grant from Lilly Endowment, Inc. to conduct The National Study of Congregations' Economic Practices (NSCEP).²⁴

By surveying thousands of American congregations and performing in-depth qualitative interviews, focus groups, and on-site observations of select congregations, NSCEP will be the most robust and comprehensive study of religious giving at the congregation level in more than 30 years.²⁵ In addition to providing a new baseline estimate for congregational giving in the United States, NSCEP will explore how congregations receive, manage, spend, and theologically understand church finances. For more information about the study, visit https://nscep.org/.

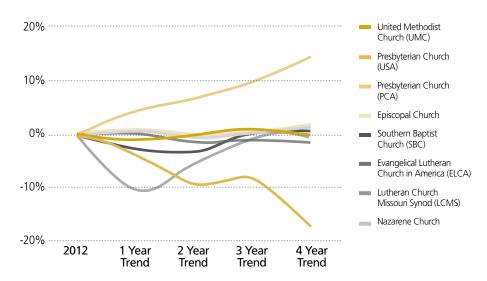
Trends in Protestant denominational groups

Giving USA has obtained national membership and giving data for some of America's major Protestant religious bodies. Please note that each faith community records data using its own methods, specific terminology, and unique definitions. For this reason, an apples-to-apples comparison cannot be made between denominational groups using this data. Rather, the data is intended to highlight general trends within individual faith communities. For most denominations, the most recent data available at the time of publication was for 2016.

Figures 1 and 2 present charitable receipts and denominational membership, respectively, for major Protestant religious bodies as a percent change since 2012.

American congregations and performing in-depth qualitative interviews, focus groups, and on-site observations of select congregations, NSCEP will be the most robust and comprehensive study of religious giving at the congregation level in more than 30 years. 25

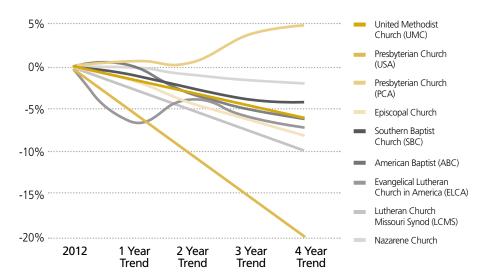
Figure 1
Charitable receipts for major Protestant religious bodies as a percent change since 2012



Data: Rev. Thad S. Austin, PhD(c), and Andrew Williams, MA, ThM, citing the United Methodist Church; "Summaries of Statistics—Comparative Summaries," Presbyterian Church (USA), 2017, http://www.pcusa.org/site_media/media/uploads/oga/pdf/2016_comparative_summaries_.pdf; "Presbyterian Church in America Statistics, Five-Year Summary," Presbyterian Church (PCA), 2017, www.pcaac.org/wp-content/uploads/2017/07/5-Year-Summary-2016-Corrected-EFD-6.5.2017.jpg; The Episcopal Church General Convention Office; "Annual Church Profile Statistical Summary," Lifeway Insights, June 5, 2017, http://s3.amazonaws.com/lifewayblogs/wp-content/uploads/sites/66/2017/06/08100243/ACP2016-combined.pdf; "Congregational Totals for ELCA," Evangelical Lutheran Church in America, 2016, http://download.elca.org/ELCA%20Resource%20Repository/ELCA_Trend_Report.pdf?_ga=2.238288192.1751218296.1518726046-1920847988.1518726046; Cheryl Magness, "LCMS Statistics for 2016: membership down, contributions up," Reporter, November 2, 2017, https://blogs.lcms.org/2017/lcms-statistics-for-2016-membership-down-contributions-up; and the Nazarene Church.



Figure 2
Denominational membership for major Protestant religious bodies as a percent change since 2012



Data: Rev. Thad S. Austin, PhD(c), and Andrew Williams citing the United Methodist Church; "Summaries of Statistics—Comparative Summaries," Presbyterian Church (USA), 2017, http://www.pcusa.org/site_media/media/uploads/oga/pdf/2016_comparative_summaries_.pdf; "Presbyterian Church in America Statistics, Five-Year Summary," Presbyterian Church (PCA), 2017, www.pcaac.org/wp-content/uploads/2017/07/5-Year-Summary-2016-Corrected-EFD-6.5.2017.jpg; The Episcopal Church General Convention Office; "Annual Church Profile Statistical Summary," Lifeway Insights, June 5, 2017, http://s3.amazonaws.com/lifewayblogs/wp-content/uploads/sites/66/2017/06/08100243/ACP2016-combined.pdf; "Congregational Totals for ELCA," Evangelical Lutheran Church in America, 2016, http://download.elca.org/ELCA%20 Resource%20Repository/ELCA_Trend_Report.pdf?_ga=2.238288192.1751218296.1518726046-1920847988.1518726046; Cheryl Magness, "LCMS Statistics for 2016: membership down, contributions up," *Reporter*, November 2, 2017, https://blogs.lcms.org/2017/lcms-statistics-for-2016-membership-down-contributions-up; and the Nazarene Church.



Major Presbyterian denominations

In 2016, the Presbyterian Church USA (PCUSA) reported contributions of \$1.57 billion, a 9.5 percent decline since 2014 and a 17.7 percent decline since 2012.²⁶ Membership totals have also declined substantially. In 2016, the denomination reported 1.48 million members, an 11.1 percent decline since 2014 and a 19.8 percent decline since 2012.

Representing its fifth straight year of increased giving, the Presbyterian Church in America (PCA), distinct from PCUSA, reported total contributions of \$814.31 million in 2016, a 6.7 percent increase since 2014 and a 14.1 percent increase since 2012.²⁷ Membership for the denomination totaled 374,161 in 2016, a 4.4 percent increase since 2014 and 4.9 percent increase since 2012.

Baptist denominations

The Southern Baptist Convention (SBC) reported increased receipts as well.²⁸ In 2016, the denomination saw receipts of \$9.22 billion, a 0.7 percent increase compared with 2015. At 15.22 million in 2016, membership in the Southern Baptist Convention declined slightly from 2015 (-0.5 percent).

The Church of the Nazarene

The Church of the Nazarene reported total church income of \$733.9 million for congregations in the United States and Canada in 2017, a decline of 1.3 percent from 2016.²⁹ At 636,801, membership in U.S. and Canadian Church of the Nazarene congregations declined 0.6 percent between 2016 and 2017.

The United Methodist Church

In 2016, the United Methodist Church (UMC) received more than \$5.8 billion in charitable donations, a 0.3 percent decline from 2014 and a 1 percent

decline from 2012.³⁰ As of 2016, the UMC's total membership stood at slightly less than 7 million, a 3.2 percent decline since 2014 and a 6 percent decline since 2012.

Lutheran denominations

In 2016, the Evangelical Lutheran Church in America (ELCA) received \$2.04 billion in total giving, a slight decline from 2015 (-0.4 percent).³¹ ELCA membership stood at 3.56 million in 2016, a decline of 2.8 percent compared with 2015.

In 2016, The Lutheran Church-Missouri Synod (LCMS) reported that baptized members totaled 2.02 million, a 2.1 percent decline from 2015.³² Despite this drop in membership, total regular giving to LCMS reached \$1.43 billion in 2016, a 1.4 percent increase over 2015.

The Episcopal Church

As of 2016, the Episcopal Church reported 1.78 million active, baptized members in the United States.³³ This figure represents a decline of 1.9 percent compared with 2015. Although membership in the Episcopal Church declined between 2015 and 2016, total pledge and plate income remained relatively stable at \$1.31 billion in 2016 (a 0.1 percent decline from 2015).

Nondenominational and evangelical giving

According to empty tomb, inc., membership in evangelical congregations has increased since 1968, while membership in mainline Protestant denominations has declined during the same period.³⁴ However, the 2017 *America's Changing Religious Identity* report by the Public Religion Research Institute indicates that the pattern of declining membership experienced by mainline Protestant

Christianity has started to show up in white evangelical churches.³⁵ Membership in these houses of worship has dropped from 23 percent of the American population in 2006 to 17 percent of the American population in 2016.

Table 3 compares member denominations' total contributions to the National Association of Evangelicals (NAE) with member denominations' total contributions to the National Council of Churches (affiliated with mainline protestant denominations) as a percentage of income at various intervals since 1968.

Table 3

Member denominations' total contributions to the National Association of Evangelicals and National Council of Churches as a percent of income

Year	National Association of Evangelicals	National Council of Churches
1968	6.51 percent	3.21 percent
1985	5.00 percent	2.84 percent
2015	3.11 percent	2.51 percent

Data: John L. Ronsvalle and Sylvia Ronsvalle, *The State of Church Giving through 2015: Understanding the Times*, Champaign, IL: empty tomb, inc., 2017



Catholic giving

In their 2017 book *Catholic Parishes of the* 21st Century: The Challenges of Mobility, Diversity, and Reconfiguration, Charles Zech and Thomas Gaunt contend that lower contributions than Protestants has been a major trend in modern Catholic giving. ³⁶ Zech and Gaunt state that one of the main reasons for lower donation levels among Catholics is that Catholic giving is closely associated with Mass attendance, and that Catholics shy away from pledges and regular tithes.

According to a 2018 study by Pew Research Center, although Pope Francis has been well received in many quarters, a decline in U.S. Mass attendance has taken place during his papacy.³⁷ The share of Catholics who attend Mass at least weekly has declined slightly since his election in 2013 (from 39 percent to 38 percent), while the share of Catholics who attend Mass rarely or never has grown from 17 percent to 20 percent during the same period.

Jewish giving

In his now classic book *Sacred Survival:* The Civil Religion of American Jews, the late Jewish scholar Jonathan S. Woocher argues that philanthropy has become the civil religion of American Judaism.³⁸ In place of the synagogue, charitable giving and volunteering have functioned

as a unifying agent building Jewish community, instilling a sense of familial obligation, and transmitting moral values.

Trends in Jewish philanthropy

The Giving Jewish: How Big Funders Have Transformed American Jewish Philanthropy report, published by the AVI CHAI Foundation in 2018, estimates total giving to Jewish causes to be between \$5.5 billion and \$6 billion annually.³⁹ The report details how American Judaism has experienced notable changes related to shifting values and family composition in recent years, including intermarriage among persons of different faiths.

Report author Jack Wertheimer contends that, today, there is no single, unified understanding of what constitutes being Jewish, and any form of giving by Jewish individuals is seen as an expression of Jewish values.⁴⁰ Nonetheless, Wertheimer outlines five broad trends that have remained constant in Jewish philanthropy during the last two decades:

- An increased reliance on larger givers;
- More substantial giving to non-Jewish causes;
- Giving to designated funds;
- The establishment of foundations to distribute wealth; and
- A shift in giving from human services programs to initiatives supporting
 Jewish life and culture.

Trends in Jewish religious life

The connection between giving to Jewish causes and synagogue participation underscores the important role that Jewish houses of worship play in the larger Jewish philanthropic ecosystem. The donors most engaged with Jewish causes also tend to be active in their faith communities.41 For example, a 2018 study by the Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties found that 77 percent of those who give to Jewish causes in the San Francisco Bay area belong to a synagogue, while only 39 percent of those who do not belong to a synagogue make donations to Jewish organizations.42

Additionally, the Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties study and The 2017 Greater Pittsburgh Jewish Community Study note a direct correlation between level of religious affiliation and giving to Jewish religious and nonreligious causes.43 More specifically, giving to Jewish religious and nonreligious causes is more likely among synagogue members; members of the Orthodox, Conservative, and Reform denominations: and when both spouses are Jewish.44 However, only 39 percent of American Jewish households belong to a Jewish worship community. Moreover, the number of



Jewish people who consider themselves culturally but not religiously Jewish has increased rapidly, especially among younger generations.⁴⁵

Houses of worship respond to trends in Jewish religious life and philanthropy

Despite efforts by major funders to revive the connection between Jewish individuals and their houses of worship, congregations have been forced to cut their budgets, merge with other worship communities, close their doors, or pursue innovative financial models in recent years. 46

For example, membership at Har Sinai Congregation—America's oldest continuously Reform Jewish congregation in Owings Mills, MD—and Temple Oheb Shalom in Park Heights, MD, has declined almost 50 percent over the last 30 years.⁴⁷ Today, Har Sinai has 315 family units and Oheb Shalom has 625 family units. With limited resources, the congregations have entertained the possibility of merging, as occurred when Baltimore's Hebrew Congregation absorbed Temple Emanuel in 2016.

Other struggling congregations have explored the option of selling their valuable property in exchange for a financial windfall and redeveloped space. For instance, with declining membership and scant financial resources, New York, NY's Shaare Zedek Synagogue was on the verge of folding until it sold its property to a developer for \$34 million in 2017.⁴⁸ The developer will construct a high-rise condominium complex on the site, and the synagogue will maintain ownership and use of the first three floors

Case study: Park Avenue Synagogue

While many congregations are experiencing declining membership, Park Avenue Synagogue in New York, NY, is celebrating the success of an \$80 million capital campaign to renovate its 100,000 square-foot facility and establish the new Eli M. Black Lifelong Learning Center. 49 The campaign attracted donations from 81 percent of the congregation's 1,700 families. According to Beryl P. Chernov, Executive Director of Park Avenue Synagogue, the last 30 years have been the longest period without substantial renovations in the synagogue's 136-year history. 50

Beyond the success of the capital campaign, year-over-year giving to the synagogue has increased for the past sixteen years, even during the Great Recession.⁵¹ Chernov attributes the congregation's fundraising success to the best practices the synagogue has fostered during his tenure, including:

Leadership

- Fostering lay leadership and community commitment;
- Hiring exceptionally capable and caring clergy and staff; and
- Seeking professional guidance regarding fundraising and strategic planning.

Administration

- Making informed, data-driven decisions;
- Establishing principled financial policies and procedures; and
- Celebrating the financial contributions of all, regardless of size.

Programming

- Offering programming that meets the needs of members and provides value to their lives;
- Focusing on long-term objectives; and
- Offering many gateways to participation in the social, educational, and spiritual life of the religious community.



Muslim giving

At present, it is difficult to determine the full picture of giving to religion for American Muslims because a number of the organizations to which Muslims donate fall outside the parameter of religious giving for the purposes of *Giving USA*. For example, organizations such as Zakat Foundation of America and Islamic Relief USA, though inspired by the Islamic faith, fall under giving to human services and giving to international affairs, respectively. Nevertheless, Muslim Americans' self-reported giving to religion is less than

that of other faith groups, according to the American Muslim Poll 2017 (AMP).⁵²

In early 2017, the Institute for Social Policy and Understanding (ISPU) fielded the AMP—the most recent demographic survey of Muslim Americans.⁵³ In terms of religious giving, the study found:

- U.S.-born Muslims are more likely to donate than Muslims born outside the U.S.;
- Higher income increases Muslims' probability of donating;
- Highly educated Muslims are likely to donate more than less-highly educated Muslims;

- Unmarried Muslims are more likely to donate than married Muslims; and
- Religious attendance increases Muslims' giving to religion.

As a whole, American Muslims' giving lags far behind that of other religious groups.⁵⁴ According to the AMP, only 42 percent of American Muslims donated to a cause or institution associated with their faith community in 2016.55 By comparison, 59 percent of Jews, 68 percent of Protestants, and 69 percent of Catholics reported having done so. 56 The relatively lower percentage of giving by American Muslims corresponds with lower giving amounts reported previously.⁵⁷ Between 2002 and 2012, American Muslims gave, on average, \$492 annually to religious causes, compared with an average of \$793 annually for the general American population.

The AMP also reveals major differences in demographic characteristics that limit American Muslin giving. For example, American Muslims are the youngest faith group in America, with 37 percent under the age of 30.58 By comparison, only 14 percent of Jews, 14 percent of Catholics, and 15 percent of Protestants are under the age of 30.59 Further, only 5 percent of American Muslims are age 65 or older. In contrast, 37 percent of Jews, 20 percent of Catholics, and 22 percent of Protestants are age 65 or older. These findings are important because multiple studies have found that people give more as they age. 60

Even more important, American Muslims as a group are relatively poorer than individuals from other religious faiths. Close to half of all Muslim respondents (46 percent) reported having an annual household income of less than \$40,000.61 By comparison, only 24 percent of Jewish households, 18 percent of Catholic households, and 20 percent of Protestant households reported similar income levels.62 It should come as no surprise that households with higher incomes donate more than those with lower incomes.63

Study finds American Muslims diversified charitable giving after 9/11

In examining giving by American Muslims, the impact of 9/11 on Muslim organizations, whether perceived or actual, cannot be ignored. Since 9/11, many Muslim donors have been afraid to contribute to Muslim organizations for fear they may be perceived as funding terrorism. ⁶⁴ For example, Ihsan Bagby found that American Muslims have been reluctant to give to mosques for fear of being associated with an organization that could be the target of an investigation. ⁶⁵

While donation levels among American Muslims as a whole did not drop after 9/11, there has been a shift in the organizations to which American Muslims give. Kambiz GhaneaBassiri found that American Muslims have

actually increased their donations since 9/11, but their gifts have become more diversified.⁶⁶ In other words, the share of giving to mosques by American Muslims has declined in the post-9/11 era, although Muslim giving overall has not.

Muslim giving to mosques differs from giving patterns of other religious groups, research reveals

According to a 2017 article by Ihsan Bagby in the *Journal of Muslim Philanthropy & Civil Society*, the majority of Muslims feel compelled to give to a mosque during the construction phase, rather than after building is complete.⁶⁷ This can be explained by the fact that there is a strong theological basis for contributing

American Muslims as a whole did not drop after 9/11, there has been a shift in the organizations to which American Muslims give. 29

to mosque construction. The Prophet Muhammad is reported to have said, "One who builds a house of God, God will build a house for him in paradise." However, there is no such corollary text or verse exhorting Muslims to also support the daily operations of a mosque.

While U.S. mosque attendance is higher than that of other religious

congregations, mosque budgets are less than half the budgets of other congregations. ⁶⁸ According to *The American Mosque 2011* report published by the Islamic Society of North America in 2012, the median income for mosques in 2011 was \$70,000 annually, compared with \$150,000 annually for all other congregations.

Muslim community supports disaster relief efforts

While a comprehensive study of American mosques has not been conducted since 2011, U.S. mosques made news in 2017 for their response to natural disasters. For instance, a mosque in Houston, TX, opened its doors to Hurricane Harvey victims during the Muslim holiday of Eid. 69 The Islamic Society of Triplex donated hundreds of meals to its non-Muslim neighbors displaced by floods, despite the fact that many of the mosque's own attendees were forced to flee their homes. Muslim leaders in the Houston community said the act exemplifies the spirit of Eid, in which Muslims are asked to slaughter livestock and distribute the meat to the poor in commemoration of Abraham's willingness to sacrifice his son for God. 70

Muslims leverage technology for donations

Like other Americans, American Muslims have increasingly utilized technology to make charitable contributions. For example, the crowdfunding website LaunchGood, based in Detroit, MI, was established in 2013 by a group of Muslim American entrepreneurs. 71 While many crowdfunding websites exist, LaunchGood's success rate is reported to be higher than that of other platforms. According to its website, LaunchGood comes out on top among competitors such as Kickstarter, GoFundMe, Indiegogo, and YouCaring in average pledge amount and average amount raised per campaign. Since its inception, LaunchGood has hosted campaigns for projects started by Muslim individuals and organizations in 87 countries that have raised a total of more than \$27.6 million.

Mosques use crowdfunding for rebuilding efforts

Several mosques were the recipients of crowdfunding to help with emergency repairs in 2017. One example is the rebuilding of the Islamic Center of Eastside (ICE) in Bellevue, WA.72 The site of a number of acts of vandalism, ICE was burned down in January 2017. As of April 2017, a crowdfunding campaign to rebuild the mosque had raised \$450,691 of its \$500,000 goal. In another arson attack on a mosque in Tampa, FL, in February 2017, the Muslim man who started a crowdfunding campaign to repair the mosque noticed that many individuals had contributed in multiples of 18—a tradition in Jewish giving.⁷³ The campaign raised nearly \$60,000 in less than one week.



Special report highlights giving to religious organizations

In the fall of 2017, Giving USA released a special report exclusively focused on giving to religion, including the challenges related to measuring total contributions, recent academic literature on religious giving, and a detailed analysis of religious giving practices using data from the Philanthropy Panel Study (PPS).⁷⁴ The report finds an exponential relationship between worship attendance and giving to religion, substantial differences among the philanthropic practices of major religious traditions, and key socioeconomic and demographic factors that play a role in religious giving. For more information or to purchase a copy of the report, visit https://givingusa.org.

Religious organizations on the Philanthropy 400 see increased contributions

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations. The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 13 religious organizations (equal to the prior year). Note that because religious organizations are not required to report revenue to the IRS, organizations making the top 400 list were those that self-reported. There are likely many other religious organizations that would qualify for the Philanthropy 400. The top five religious organizations on the list with the greatest amount of private support are:

Ranking 47th: Cru, Orlando, FL, with \$509.96 billion in private contributions, an increase of 4.5 percent from the previous year;

- Ranking 95th: Young Life, Colorado Springs, CO, with \$278.14 million in private contributions, an increase of 14.3 percent;
- Ranking 142nd: Christian
 Broadcasting Network, Virginia
 Beach, VA, with \$193.55 million in private contributions, an increase of 5.7 percent;
- Ranking 149th: Wycliffe Bible Translators, Orlando, FL, with \$186.08 million in private contributions, an increase of 2.2 percent; and
- Ranking 162nd: Educational Media Foundation, Rocklin, CA, with \$170.31 million in private contributions, an increase of 4.8 percent.

The same top five religious organizations have appeared on the Philanthropy 400 for the past four years.⁷⁷



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Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Richard Dunham and Elaine Jansen.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
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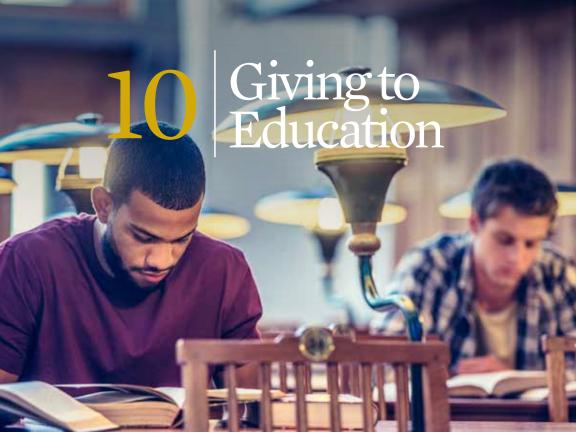
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- Giving to the education subsector amounted to 14 percent of total giving in 2017.1
- Contributions to education organizations increased 6.2 percent between 2016 and 2017, to \$58.90 billion. Adjusted for inflation, giving to education organizations increased 4.0 percent.
- The total amount contributed to education in 2017 reached its highest inflation-adjusted value ever.

Practitioner Highlights

- Strong growth in online giving for K–12 schools as well as colleges and universities demonstrates that online giving to educational institutions has become a standardized part of advancement functions, not a novel or specialty approach.²
- Private foundations known to be generous supporters of education continue to exercise their influence through more defined restricted giving, requiring institutions to think differently about crafting their funding priorities.³
- While we do not know the full impact tax policy changes will have on giving to education, providing information to donors and working closely with those who may want to change their giving patterns is paramount in this time of uncertainty.⁴

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to education in 2017

Giving to education marked its fourth consecutive year of growth in 2017.⁵ In the last five-year period (2013 to 2017), giving to this subsector experienced

an average annualized growth rate of 4.7 percent—outpacing the average annualized growth rate for total giving of 4.3 percent.

Several reports issued in 2018 indicate growth trends in giving to education in 2017. The results of these reports

are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights from 2017 on giving to this subsector include:

- Higher education institutions responding to the Council for Aid to Education's (CAE) annual Voluntary Support of Education survey reported strong growth in contributions received346.3 percent between fiscal years 2016 and 2017.6 Gifts from all sources of giving either grew or stayed level in 2017 compared with 2016. Giving by alumni (14.5 percent), foundations (5.5 percent), and non-alumni individuals (4.5 percent) had the top three strongest growth rates.
- In spring 2018, Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to higher education institutions realized an increase of 2.3 percent between 2017 and 2018.⁷ These organizations saw gains throughout 2017, with the greatest year-over-year monthly increases in overall charitable revenue during the three-month periods ending in January (7.3 percent) and November (6.7 percent).⁸
- Blackbaud reported a decline of 0.5 percent for giving to K–12 organizations between 2016 and 2017.9 K–12 organizations realized

the greatest year-over-year monthly increases in overall charitable revenue during the three-month periods ending in July (5.3 percent) and December (5.7 percent), while giving dropped to its lowest point in September (-4.1 percent).¹⁰

To provide additional context for giving to education in 2017 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.

Online giving to education posts healthy growth in 2017

Multiple reports noted strong results for giving to education organizations in 2017 via online methods. While different methodological and sampling



approaches account for the differences between these sources and *Giving USA* data, these reports highlight trends seen by specific types of education organizations.

In 2017, both higher education institutions and K-12 organizations analyzed by Blackbaud experienced strong growth in online giving (13.4 percent and 8.1 percent, respectively).¹¹ Higher education institutions realized the greatest year-over-year monthly increases in online charitable revenue during the threemonth periods ending in January (17.8) percent) and December (17.7 percent), while growth slowed slightly during the three-month period ending in June (9.3 percent). 12 K-12 organizations realized the greatest year-over-year monthly increase in online charitable revenue during the threemonth period ending in December (12.8 percent), while growth in giving to these organizations slowed in July (4.2 percent).

According to Blackbaud's *Luminate* Online Benchmark Report 2017, which includes data from 707 Luminate Online customers with at least three years of consecutive usage, giving to higher education institutions via online channels increased 1.2 percent in 2017 over 2016, lagging behind the industry median of 10.2 percent for all subsectors. 13 However, the report revealed that the median value of online gifts to higher education (\$215.05) far exceeded the industry median (\$94.44). The median value of first-time online donations to higher education was nearly double the industry median (\$201.39 and \$104.89, respectively). Finally, the median value of repeat online donations to higher education was \$192.01, more than double the industry median of \$94.70.



Fundraising results for education organizations improved slightly in 2017

Driven by higher education, education organizations as a whole responding to the Nonprofit Research Collaborative's (NRC) Winter 2018 Nonprofit Fundraising Survey reported a slightly higher increase in charitable contributions compared to all other sectors from 2016 to 2017.14 Twothirds (66 percent) of sampled higher education institutions reported an increase in donations, compared with 63 percent of sampled K-12 and other education organizations. These percentages are consistent with—and in the case of higher education, slightly greater than—the 63 percent of all surveyed organizations that reported an increase in contributions in 2017.

Council for Aid to Education reports increased charitable revenue to institutions of higher education in 2017

Contributions to higher education institutions reached \$43.6 billion in 2017, a 6.3 percent increase from 2016, according to the annual Voluntary Support of Education (VSE) survey conducted by

the Council for Aid to Education (CAE).¹⁵ Contributions to colleges and universities in 2017 were at the highest levels ever recorded by the VSE survey.

The VSE survey found that the 20 highest-fundraising colleges and universities secured \$12.23 billion in donations, representing 28.1 percent of all reported contributions in 2017.¹⁶ Harvard University topped the list, raising \$1.28 billion, followed by Stanford University's \$1.13 billion. Total

The 20 highest-fundraising colleges and universities secured \$12.23 billion in donations, representing 28.1 percent of all reported contributions in 2017.¹⁶

giving to the top 20 organizations grew 10.5 percent in 2017 over 2016, in which the same 20 institutions raised a collective \$11.07 billion.

The VSE survey also reveals that giving by individuals, foundations, and other organizations grew, while giving by corporations remained flat.¹⁷ Giving by foundations increased 5.5 percent from 2016 to 2017. However, the strongest growth came from alumni, whose giving increased 14.5 percent in 2017. Following foundations at 30.1 percent of the total, alumni continue to serve as the second-largest source of support

for higher education institutions, representing 26.1 percent of total voluntary support in 2017.

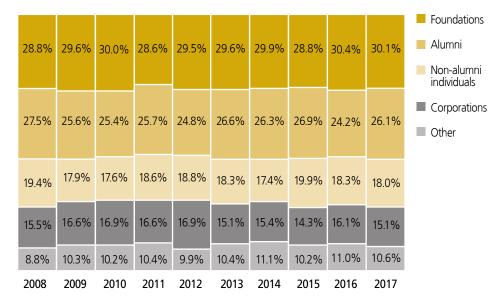
Non-alumni giving also increased between 2016 and 2017, at 4.5 percent. ¹⁸ CAE indicated that the strength of the stock market in 2017 may have played a role in increased giving by individuals, and that, conversely, the weaker market in 2016 may still be hampering giving by corporations and foundations, whose contributions usually reflect a one-year delay in market conditions.

Figure 1 breaks down the percentage of total amounts raised by colleges and universities by source of giving for the academic years 2008–2009 through 2016–2017.

While charitable gifts are a critical revenue source, philanthropic support has only comprised approximately 10 percent of higher education institutions' expenditures in recent years. ¹⁹ The proportion of expenditures from charitable gifts has declined from a high of 15.7 percent in 2000—a similar level to 1969, when CAE first reported on this data point.

Figure 1

Percentage of total amounts raised by higher education institutions, by source of giving, for academic years 2008–2009 to 2016–2017



Note: "Other" includes giving by federated fundraising organizations, religious organizations, some donor-advised funds, and other organizations. Data: Council for Aid to Education, Voluntary Support of Education surveys, 2008–2017, www.cae.org

CASE member institutions report slower growth in giving

According to the Council for Advancement and Support of Education's (CASE) Fundraising Index (CFI), donations to U. S. schools, colleges, and universities grew during the academic year that ended on June 30, 2017.20 However, the estimated 2.3 percent growth rate for the 2016-2017 academic year is approximately half the 4.5 percent growth rate fundraisers estimated for the 2015–2016 academic year and less than half the 5.5 percent growth rate fundraisers projected at the beginning of the 2016–2017 academic year. CASE collects CFI data twice annually, surveying fundraisers at member institutions about estimated past and predicted future giving.

Estimated fundraising growth reported by public and private post-secondary education institutions for the 2016–2017 academic year differed sharply at a rate of 3.9 percent and 0.8 percent, respectively.²¹ Independent schools, a separate category in the CFI, estimated the highest fundraising growth of member institutions at a rate of 5.9 percent for the 2016–2017 academic year. Among the 23 percent of member institutions that reported a decline in giving from 2015–2016 to 2016–2017, campaign cycles, leadership transitions, and the distorting effects of large gifts were cited as contributing factors.



Good to Know

The education subsector may have built-in donor pools that refresh each year with a new set of alumni and parents, but that no longer guarantees a culture of philanthropic loyalty by these constituents.²² How can educational institutions remain a top philanthropic priority in a crowded nonprofit landscape?

Be Relevant

- Make a case for giving that aligns with donor motivations and connects their support to impact extending beyond the institution's walls; and
- Adopt a "co-create" approach with prospective donors: collaborate on big initiatives that move your institution forward and meet the prospect's philanthropic priorities.

Be Revolutionary

- Create a crowdfunding platform for mini-campaign projects to attract donors who don't make regular annual fund donations, but occasionally make modest gifts;
- Forego the traditional ladder approach and ask qualified, targeted prospects to increase giving tenfold in one year;
- Appeal directly to female prospects and help them make their largest philanthropic gift ever.

High-net-worth donors hone educational giving strategies

According to The Chronicle of Philanthropy's Philanthropy 50, colleges and universities received the secondhighest share of the \$14.7 billion that America's wealthiest donors contributed to charity in 2017 at \$1.8 billion (or 12.5%).²³ Foundations received the highest share of 2017 Philanthropy 50 donations at \$9.1 billion (or 61.5%). In 2017, giving to colleges and universities by America's wealthiest donors declined in comparison to 2016, when Philanthropy 50 donors contributed \$2.7 billion to these institutions. However, the \$900 million that Phil and Penny Knight gave to colleges and universities in 2016 account for the majority of the decline.24 The Philanthropy 50 also donated \$346 million to non-college and university education groups in 2017.25

Details about the giving strategies of some of the top Philanthropy 50 donors (1. Bill and Melinda Gates, 2. Mark Zuckerberg and Priscilla Chan, and 7. Charles Butt) who made substantial contributions to education in 2017 are highlighted in the following sections.

Gates Foundation to prioritize school networks and charters

In October 2017, the Bill and Melinda Gates Foundation, co-chaired by

Microsoft founder Bill Gates and his wife Melinda, announced plans to invest nearly \$1.7 billion over the next five years in new educational initiatives focused on building networks of K–12 public schools and supporting K–12 charter schools that are improving outcomes for children with disabilities.²⁶

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The announcement represents a departure from the foundation's earlier educational philanthropy, which centered on traditional educational reform through such efforts as advocating for smaller schools, supporting Common Core State Standards, and restructuring teacher evaluation and compensation systems based partially on student test scores.²⁷

While the Gates Foundation will continue to measure the impact of its previous educational endeavors, the foundation will use the new \$1.7 billion investment as follows: ²⁸

- 60 percent will fund curriculum development and creating networks of existing K-12 public schools;
- 15 percent will fund high-quality K-12 charter schools; and
- 25 percent will fund "big bets" with the potential to transform public education in the coming years.

The Gates Foundation envisions funding up to 30 K-12 public school networks in six to eight states, particularly networks in high-needs districts where data collection and analysis is used to help reduce disparities in the academic achievement of low-income students of color and wealthier white students. 29 The foundation will provide networks with the flexibility to use the specific approaches they feel are best for addressing their communities' unique challenges, with a general focus on replicable solutions and incremental change.

Chan Zuckerberg Initiative invests in personalized learning

Facebook founder Mark Zuckerberg and his wife, pediatrician Priscilla Chan, have indicated that their charity, the Chan Zuckerberg Initiative (CZI), will approach giving through a long-term "technology mindset."30 As such, CZI's education philanthropy focused on tech-enabled learning in 2017.

In April 2017, CZI engaged in its first major collaboration with the Bill and Melinda Gates Foundation by jointly



pledging \$12 million over four years to the venture-philanthropy fund New Profit.31 In an effort to tailor classroom instruction to individual students, the Personalized Learning Initiative will support seven organizations working to advance technology for this purpose: Highlander Institute, Big Picture Learning, iNACOL, PowerMyLearning, the Learning Accelerator, Transcend, and Valor Collegiate Academies.³² The Gates Foundation has a history of supporting personalized learning, having invested more than \$300 million in research and development related to the pedagogical approach since 2009.

In May 2017, CZI partnered with the College Board as part of a two-year effort to help millions of students from low-income and rural areas better prepare for college.33 Although CZI has not disclosed how much it will spend on the initiative, the effort will increase the availability of personalized learning tools students can use to ready themselves for the PSAT, SAT, and Advanced Placement exams.34 The effort will also expand students' access to college counseling by providing funding to grow the College Advising Corps (CAC). CAC supplements existing school counselors by pairing low-income high school students who would be the first in their family to attend college with recent college graduates from similar backgrounds.

Charles Butt starts nonprofit to train public school administrators

Charles Butt has donated to educational causes for decades, but the chairman and CEO of H-E-B grocery stores in Texas made one of his largest gifts in January 2017: \$100 million to establish the Holdsworth Center. 35 Named after Butt's mother who was a teacher, the new nonprofit in Austin, TX, will train public school administrators. Butt believes that student achievement is driven by teacher quality and that strong school leadership is key to developing excellent teachers. To this end, the Holdsworth Center will work with superintendents, principals, and support staff from Texas school districts to identify and address barriers



to leadership development.³⁶ The center intends to train approximately 3,000 educators over the next 10 years.³⁷

In July 2017, Butt pledged another \$50 million to create the Raising Texas Teachers scholarship program, which will provide funding to help students at 10 Texas universities obtain teaching certifications.³⁸ Administered by Butt's Raise Your Hand Texas Foundation, the program will eventually award \$8,000 per year to 500 students, with the ultimate goal of elevating the teaching profession and inspiring talented high school graduates to pursue a career in education.

Foundations shape higher education strategy

Rockefeller Philanthropy Advisors (RPA) partnered with the TIAA Institute to release the 2017 Achieving Success in Postsecondary Education: Trends in Philanthropy report, which examines patterns in foundation grantmaking to colleges and universities in the United States.³⁹ One of the study's goals is to provide insight on the funding approaches and program areas of interest to leading private foundations that support higher education.

To achieve this goal, RPA conducted interviews with staff at the following foundations that have given substantially to colleges and universities and are considered influential among their peers: the Bill & Melinda Gates Foundation, Ford Foundation, Lumina Foundation, Kresge Foundation, and Andrew W. Mellon Foundation.⁴⁰ RPA also interviewed staff at Grantmakers for Education and the University of Pennsylvania's Center for Minority-Serving Institutions.

With respect to giving approaches, the Achieving Success in Postsecondary Education: Trends in Philanthropy study's key findings centered on donor-driven giving and school cohorts:⁴¹

 Unlike the past when many private foundations turned to faculty and higher education leaders for funding ideas, foundations are currently more likely to develop their own initiatives and seek colleges and universities that are willing to adopt these programs; and

Rather than making grants to individual colleges and universities, private foundations now tend to prefer funding initiatives that involve cohorts of colleges and universities, reflecting a desire on behalf of foundations to achieve scale across the higher education system.

6 Unlike the past when many private foundations turned to faculty and higher education leaders for funding ideas, foundations are currently more likely to develop their own initiatives and seek colleges and universities that are willing to adopt these programs. 41

The report highlighted the following as the programmatic focus of leading private foundations' giving to colleges and universities: ⁴²

 Helping low-income, first-generation, minority students access and successfully complete post-secondary education programs;



- Improving pathways students take throughout their academic careers (i.e., eliminating barriers individuals face in the transition from high school to college or from two-year colleges to four-year colleges);
- Decreasing the debt burden for new graduates by identifying realistic and sustainable methods for students to finance their education;
- Strengthening students' professional skills and career trajectories after graduation, in partnership with employers; and
- Building the technological infrastructure of colleges and universities to support underserved students.

Finally, the Achieving Success in Postsecondary Education: Trends in Philanthropy study obtained and analyzed customized datasets from the Council Aid to Education and the Foundation Center on private foundation grantmaking to colleges and universities from 2004 to 2013.⁴³ This analysis revealed the following major trends:

- Private foundations are increasingly directing their support to higher education programs and operations instead of endowments and new buildings; and
- Foundations are currently more likely to fund research, programs, and student support services than invest in the long-term sustainability of higher education institutions.

Billion-dollar higher education campaigns opened or in progress in 2017

Based on announcements from online reports and websites, *Giving USA*'s tracking of billion-dollar higher education campaigns revealed that eleven campaigns opened to the public in 2017. The following universities launched new billion-dollar campaigns: Arizona State University; Tufts University; Tulane University; University of California, San Diego; University of California, San Francisco; University of Florida; University of Houston; University of Illinois System; University of Illinois, Urbana-Champaign; University of Tennessee.

A total of 43 billion-dollar campaigns were identified as in progress in 2017, including campaigns that opened in 2017 (see Table 1).

Table 1 Billion-dollar higher education campaigns opened or in progress in 2017

Institution	Opened or announced	Plan to close	Goal (\$)	Raised (\$)	As of
Arizona State University ⁴⁴	2017	2020	\$1.5B	\$1B	January 2017
Boston University ⁴⁵	2012	2019	\$1.5B	\$1.3B	September 2017
Brown University ⁴⁶	2015	2022	\$3B	\$1.64B	January 2018
Case Western Reserve University ⁴⁷	2011	2018	\$1.5B	\$1.5B	October 2017
College of William and Mary ⁴⁸	2015	2020	\$1B	\$764.8M	March 2018
Colorado State University ⁴⁹	2016	2020	\$1B	\$813.5M	July 2017
Florida State University ⁵⁰	2014	2018	\$1B	\$939M	April 2017
Harvard University⁵¹	2013	2018	\$6.5B	\$8B+	February 2018
Indiana University ⁵²	2015	2020	\$3B	\$2B	October 2017
lowa State University ⁵³	2016	2020	\$1.1B	\$1.01B	May 2018
Johns Hopkins University ⁵⁴	2010	2018	\$5B	\$5.5B	March 2018
Kansas State University ⁵⁵	2015	2020	\$1.4B	\$1.1B	December 2017
Massachusetts Institute of Technolo	gy ⁵⁶ 2016	N/A	\$5B	\$3.6B	October 2017
Michigan State University ⁵⁷	2014	2018	\$1.5B	\$1.5B +	September 2017
Mississippi State University ⁵⁸	2013	2020	\$1B	\$809.8M	May 2018
New York University ⁵⁹	2013	N/A	\$1B	\$565M	April 2016
Northwestern University ⁶⁰	2014	2018	\$3.75B	\$3.57B	August 2017
Purdue University ⁶¹	2015	2019	\$2.02B	\$1.89B	May 2018
Texas A&M ⁶²	2015	2020	\$4B	\$3B	May 2018
Tufts University ⁶³	2017	N/A	\$1.5B	\$566M	November 2017
Tulane University ⁶⁴	2017	N/A	\$1.3B	\$820M	December 2017

(continued on next page)

 Table 1 (continued from previous page)

Billion-dollar higher education campaigns opened or in progress in 2017

	Opened or nnounced	Plan to close	Goal (\$)	Raised (\$)	As of
The University of Chicago ⁶⁵	2014	2019	\$5B	\$4.27B	May 2018
University of Alabama, Birmingham ⁶⁶	2013	2018	\$1B	\$876M +	May 2018
University Of Arkansas ⁶⁷	2016	2021	\$1.25B	\$904.7M	May 2018
University of California, Los Angeles ⁶	2014	2019	\$4.2B	\$3.8B	May 2018
University of California, San Diego ⁶⁹	2017	N/A	\$2B	\$1.56B	January 2018
University of California, San Francisco ⁷	0 2017	N/A	\$5B	\$3.9B	May 2018
University of Florida ⁷¹	2017	2022	\$3B	\$1.3B	October 2017
University of Georgia ⁷²	2016	2020	\$1.2B	\$827M	June 2017
University of Houston ⁷³	2017	2020	\$1B	\$806.8M	January 2018
University of Illinois System ⁷⁴	2017	2022	\$3.1B	\$1.5B	November 2017
University of Illinois, Urbana-Champaign ⁷	5 2017	2022	\$2.25B	\$1.30B	April 2018
University of Michigan ⁷⁶	2013	2018	\$4B	\$4.33B	October 2017
University of Missouri ⁷⁷	2015	2020	\$1.3B	\$905M	August 2017
University of North Carolina ⁷⁸	2017	2022	\$4.25B	\$2.06B	May 2018
University of Oregon ⁷⁹	2014	N/A	\$2B	\$1.8B	March 2018
University of South Florida ⁸⁰	2009	2018	\$1B	\$1.03B	November 2017
University of Southern California ⁸¹	2011	2021	\$6B	\$6.74B	May 2018
University of Tennessee ⁸²	2017	2020	\$1.1B	\$930.3M	May 2018
University of Washington ⁸³	2016	2020	\$5B	\$4.75B	May 2018
University of Wisconsin-Madison ⁸⁴	2015	2020	\$3.2B	\$2.3B	December 2017
Wake Forest University ⁸⁵	2013	2020	\$1B	\$800M	February 2018
Washington University in St. Louis ⁸⁶	2012	2018	\$2.5B	\$2.76B	September 2017

M=Million, B=Billion

The "as of" date refers to the most recent date the raised amount was confirmed.

N/A = Not available

Several billion-dollar higher education campaigns closed in 2017

Based on announcements from online reports and websites, five higher education institutions concluded billiondollar campaigns in 2017. All of these universities met or exceeded their campaign goals (see Table 2).



Table 2 Billion-dollar higher education campaigns closed in 2017

Institution	Opened or announced	Plan to close	Goal (\$)	Raised (\$)	As of
Auburn University ⁸⁷	2015	2017	\$1B	\$1B	December 2017
Duke University ⁸⁸	2010	2017	\$3.25B	\$3.85B	August 2017
George Washington Univers	sity ⁸⁹ 2014	2017	\$1B	\$1.02B	July 2017
Northeastern University ⁹⁰	2013	2017	\$1.25B	\$1.4B	October 2017
West Virginia University ⁹¹	2012	2017	\$1B	\$1.2B	December 2017

M=Million, B=Billion

The "as of" date refers to the most recent date the raised amount was confirmed.

N/A = Not available

Higher education endowments continue to experience investment declines, yet sustain increased spending levels

The 2017 National Association of College and University Business Officers (NACUBO)-Commonfund Institute Study of Endowments (NCSE), showed that the endowments of participating higher education institutions returned an average of 12.2 percent for the 2017 fiscal year (July 1, 2016 to June

30, 2017)—a substantial increase from -1.9 percent for the 2016 fiscal year.⁹² NACUBO collected data for the NCSE from 809 U.S. colleges and universities with a collective \$566.8 billion in endowment assets. Although the median endowment size of participating institutions was approximately \$127.8 million, 44 percent of study participants reported having endowments of \$100 million or less.

The 2017 NCSE notes that, while singleyear returns are meaningful, endowment managers typically use 10-year average annual returns for planning purposes.⁹³ Despite improvement in the average



endowment return for participating institutions in fiscal year 2017, the 10-year annual average return declined from 5 percent in the 2016 fiscal year to 4.6 percent in the 2017 fiscal year. The study cites fiscal year 2007's strong average endowment return of 17.2 percent dropping out of the 10-year annual average return calculation as the reason for this decline. On the spending side, participating institutions' average effective spending rate was 4.4 percent in the 2017 fiscal year—a slight increase from 4.3 percent in the 2016 fiscal year. The increase was driven by institutions with more than \$1 billion in endowment assets, whose average effective spending rate was 4.8 percent in fiscal year 2017.

Commonfund indicates that increased spending levels during the 2017 fiscal year underscore the importance of endowments in the higher education landscape, especially with tuition discount rates and inflation currently high (as measured by the Commonfund Higher Education Price Index) 94 NACUBO also notes that increased endowment spending in spite of lower long-term investment returns reflects colleges' and universities' commitment to students. However, further long-term growth of less than 5 percent, as well as the policy changes that affect charitable giving under the Tax Cuts and Jobs Act passed in 2017, could make it more challenging for higher education institutions to continue building their endowments.

Tax reform provisions target higher education institutions

While the increase in the top marginal tax rate for individuals and couples, as well as the rise in the standard deduction, under the Tax Cuts and Jobs Act passed by Congress in December 2017 are expected to broadly impact charitable giving, certain provisions of the legislation apply more narrowly to higher education institutions, with complex implications for philanthropy.

Some private college and university endowments subject to tax

Effective January 1, 2018, private colleges and universities with at least 500 students and endowment assets exceeding \$250 million (\$500,000 per a minimum of 500 students) are subject to a 1.4 percent excise tax on net investment income.95 However, the endowment tax does not apply to assets that are directly used to accomplish the institution's tax-exempt purpose. This portion of the Tax Cuts and Jobs Act caused widespread uncertainty among colleges and universities at the end of 2017, partly because the Internal Revenue Service and the U.S. Department of the Treasury did not offer guidance on how they will determine which of an institution's assets are specifically employed to carry out educational functions.96

Nevertheless, the new tax is likely to disproportionately affect small liberal arts colleges, since many of these schools have considerably sized endowments but low enrollment numbers. 97 Meanwhile, larger institutions may avoid the tax since they have more students. For example, schools such as Claremont McKenna College and Bowdoin College—both with endowments of approximately \$1.5 billion—would be subject to the tax, while schools like New York University, the University of Southern California, and Vanderbilt University—all with endowments of more than \$3 billion would not have to pay.

Donations to obtain college and university sports tickets no longer tax-deductible

The Tax Cuts and Jobs Act also repealed a rule that previously permitted donors to deduct up to 80 percent of their contributions to colleges and universities for the purpose of purchasing tickets to athletic events.98 While taxpayers are not usually allowed to deduct charitable gifts for which they receive a benefit in return, many schools have used the rule to boost donations for sports programs, facilities upgrades, and other priorities. In response to the new legislation, some college and universities, including the University of Oklahoma, the University of Georgia, and the University of Notre Dame, encouraged alumni to pre-give to secure athletic tickets for future seasons before the law went into effect on January 1, 2018.99

Compensation of highly paid college and university employees now taxed

Finally, the Tax Cuts and Jobs Act contained a provision that imposes a 21 percent tax on annual compensation in excess of \$1 million paid to the five most highly compensated employees of a nonprofit organization, including college and university coaches, athletic directors, presidents, and other administrators. 100 According to a 2017 analysis by *The* Chronicle of Higher Education, 158 private, nonprofit college and university employees would be subject to the tax. The analysis was based on the latest available Forms 990 of the 500 private, nonprofit colleges and universities with the largest endowments.

6 Certain provisions of the Tax Cuts and Jobs Act apply directly to higher education institutions, with complex implications for philanthropy.

Tax benefits incentivize giving to private K–12 education, report finds

In addition to provisions of the Tax Cuts and Job Act that impact higher education, another tax policy with potential implications for giving to private K-12 educational institutions was proposed in 2017. In response to developments such as the support of President Trump and U.S. Department of Education Secretary Betsy Devos for private school voucher programs, the School Superintendents Association (AASA) and the Institute on Taxation and Economic Policy (ITEP) released a report on state tuition tax credit (TTC) programs and how proposed federal TTC legislation could impact public schools. 101

The May 2017 AASA/ITEP report, Public Loss Private Gain: How School Voucher Tax Shelters Undermine Public Education, examined TTC programs in 17 states that help low-income children attend private schools and account for more than \$1 billion in donations annually. 102 These programs allow individuals and corporations to subtract the full or partial amount of their gifts to scholarship-granting organizations which distribute the funds to parents from their state tax liability. The Internal Revenue Service also permits donors to deduct the contributions from their federally taxable income. As such,



AASA/ITEP found that donors in nine states can actually earn a profit from this combination of state tax credits and federal tax deductions.

In July 2017, EdChoice issued a brief in response to the AASA/ITEP report, which opposes TTCs on the grounds that the loss of federal and state tax revenue they create harms public schools. 103 The brief, School Choice Fallacies: Disproving Detractors' Allegation Against Tax Credit Scholarship Programs, contends that TTCs are just one of hundreds of taxcredit programs states offer to incentivize contributions to services that benefit citizens. The brief also argues that critiques of TTC programs citing donors' ability to receive federal and state tax benefits worth more than their gifts should be considered a shortcoming of the U.S. tax code rather than scholarship programs that promote school choice.



Following the AASA/ITEP-EdChoice debate, Illinois passed a funding law that created a TTC program in September 2017.¹⁰⁴ Effective January 1, 2018, the programs allows individual and corporate donors to receive a state tax credit worth 75 percent of their gift amount (up to \$1 million). Total TTCs are capped at \$75 million for each year of the five-year program. Private school educators in Illinois are optimistic about the program's revenue-generating ability given the success of similar programs in other states. For example, donors claimed all of the TTCs available through programs in Georgia and Arizona within a day in 2016.105

New York Public Library achieves landmark fundraising year

In addition to elementary, secondary, and higher education, the National Taxonomy of Exempt Entities (NTEE) classification of educational organizations includes libraries. As such, libraries are included in the Giving to Education chapter for the purposes of *Giving USA*.

The 2017 fiscal year marked a record in private fundraising for the New

York Public Library, which raised more than \$133 million in major gift commitments. ¹⁰⁶ A \$55 million gift from the Stavros Niarchos Foundation—the second largest in the library's history following a \$100 million donation by financier Stephen A. Schwarzman in 2008—highlighted the commitments. ¹⁰⁷

Announced in September 2017, the \$55 million contribution reflects the foundation's ongoing dedication to libraries across the globe and will cover the remaining costs necessary to renovate the Mid-Manhattan Library—the New York Public Library's largest circulating branch. 108 The branch will reopen as the Stavros Niarchos Foundation Library in early 2020. The renovations will help establish a "Midtown campus" that will connect the branch with the Stephen A. Schwarzman Building, the New York Public Library's renowned research center, across the street. The foundation's gift will also create an endowment to support the branch's numerous programs for children, teens, and adults.

Other notable gifts to the New York Public Library include: 109

- \$25 million from Marilyn and Jim Simons in July 2017 to fund capital improvements at three East Harlem branches, and critical library services;
- \$20 million from Merryl and James Tisch in March 2017 to advance the library's early literacy, adult literacy, digital equity, and technology training

programs, and to establish a Director of Education position; and

\$15 million from Katharine J. Rayner in May 2017 to support the acquisition of special collections material for the library's research centers.

Colleges and universities, education charities hold steady on the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations. 110 The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the

6 Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 100 colleges and universities and 10 education charities.¹¹¹

Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 100 colleges and universities (compared with 98 the prior year), including 37 private and 63 public institutions, and 10 education charities (compared with 11 the prior year). The top five colleges and universities on the list with the greatest amount in private support are:

- Ranking 11th: Harvard University,
 Cambridge, MA, with \$1.19 billion in private contributions, an increase of 13.5 percent from the previous year;
- Ranking 16th: Stanford University,
 Stanford, CA, with \$951.15 million

- in private contributions, a decrease of 41.5 percent;
- Ranking 29th: University of Southern California, Los Angeles, CA, with \$666.64 million in private contributions, an increase of 2.1 percent;
- Ranking 30th: Johns Hopkins
 University, Baltimore, MD,
 with \$657.29 million in private
 contributions, an increase of 12.8
 percent; and
- Ranking 35th: Cornell University, Ithaca, NY, with \$588.26 million in private contributions, a decrease of 0.4 percent.

Step Up for Students (Jacksonville, FL) retained its spot as the top education-



related charity on the Philanthropy 400.¹¹² Ranking 42nd with \$557.14 million in private support, donations to the organization increased 26.8 percent from the prior year. In 2017, St. Joseph's Indian School and Missions (Chamberlain, SD) appeared on the Philanthropy 400 with \$72.62 million in contributions, a 362 percent increase from the last time the organization was included on the list in 1993. St. Joseph's Indian School and Missions gained notoriety in the 2010s for its extensive

national marketing campaigns, some of which involved stories of children who were allegedly fictitious.¹¹³

Key findings from annual studies

Table 3 presents three years of data from studies released annually about giving to the education subsector. Website addresses are provided so readers can access the full reports.

Table 3
Key findings from studies on giving to education organizations

National Association of Independent Schools (NAIS) National Independent School Facts at a Glance Taken from reports dated: 2015, 2016, and 2018 www.nais.org					
	2014–2015	2015–2016	2016–2017		
Median annual giving per student	\$1,381	\$1,256	\$1,425		
Median endowment per student	\$15,315	\$13,564	\$16,598		
Giving by trustees Median gift participation rate	\$371 9.8 percent	\$286 8.7 percent	\$406 9.7 percent		
Giving by trustees Median gift participation rate	\$943 67.5 percent	\$879 63.2 percent	\$1,107 67.5 percent		
Giving by trustees Median gift participation rate	\$4,525 100 percent	\$4,187 100 percent	\$4,531 100 percent		
IRS Statistics of Income Bulletin ¹¹⁴ Tax-exempt education organizations: 2012–2014 www.irs.gov					
	2012	2013	2014		
Number of returns	48,181	49,356	51,621		
Charitable revenue	\$98.46 billion	\$101.56 billion	\$110.76 billion		

Chapter authored by Tessa Skidmore, MPA, Visiting Research Associate at the Indiana University Lilly Family School of Philanthropy.

Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Patricia House and Angela White.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
- 2 Practitioner Highlight authored by Editorial Review Board member Angela White.
- 3 Practitioner Highlight authored by Editorial Review Board member Patricia House.
- 4 Same as note 2.
- 5 This information is in current dollars
- 6 "Colleges and Universities Raise \$43.60 Billion in 2017," Council for Aid to Education, February 6, 2018, http://cae.org/images/uploads/pdf/VSE-2017-Press-Release.pdf
- This information was provided to Giving USA directly from Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www. blackbaud.com/nonprofit-resources/blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in Giving USA may vary from current figures.
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- 12 Same as note 8.
- 13 Luminate Online Benchmark Report 2017, Blackbaud, 2018, www.blackbaud.com. Data from this report

- cover the fiscal year July 1, 2016 to June 30, 2017 for a sample of 707 nonprofit organizations that use Luminate Online cloud-based software by Blackbaud.
- 14 The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
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- Contributions to the human services subsector comprised 12 percent of all donations received by charities in 2017.1
- Giving to human services organizations grew 5.1 percent in 2017, totaling \$50.06 billion. Adjusted for inflation, giving to human services increased 2.9 percent between 2016 and 2017.
- Contributions to human services in 2017 totaled the highest inflation-adjusted amount recorded to date.

Practitioner Highlights

- Despite slower growth for human services organizations in 2017, several reports suggest that online giving saw positive growth, especially for monthly sustainer support.²
- Donors responded overwhelmingly to fundraising requests for disaster relief in 2017, but ongoing human and social services were not left out: more traditional human services causes such as homelessness received substantial gifts in 2017.3
- Human services organizations are using innovative technologies to address ongoing issues such as hunger.4

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to human services in 2017

Giving to human services marked its fourth consecutive year of growth in 2017.5 In the last five-year period (2013 to 2017), giving to this subsector experienced an average annualized growth rate of 4.0 percent. Giving to human services failed to outpace the

five-year annualized average growth rate of 4.3 percent for total giving. The two-year (2016 and 2017) growth rate in giving to human services (7.2 percent) was also lower than the two-year growth rate in total giving (9.0 percent).

Several reports issued in 2018 reveal mostly positive results for giving to human services organizations in 2017. The results of these reports

are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights from 2017 on giving to this subsector include:

- Sixty-two percent of human services organizations responding to the Nonprofit Research Collaborative's Winter 2018 Nonprofit Fundraising Survey reported an increase in charitable contributions received between 2016 and 2017, and 68 percent of fundraisers in this area reported that they were likely to have met their fundraising goal in 2017.6
- In spring 2018, Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to human services organizations realized an increase of 2.3 percent between 2016 and 2017.7 Human services organizations realized the greatest year-over-year monthly increase in overall charitable revenue in the three-month periods ending in June 2017 (7.7 percent) and December 2017 (5.9 percent), while giving to these organizations saw negative growth in September 2017, with a 0.4 percent decline.8

To provide additional context for giving to human services in 2017 and recent years, the following sections offer detail on recent trends, related campaigns, and news for this subsector

Online giving to human services largely positive in 2017

Three different reports noted mostly positive results for giving to human services organizations in 2017 via online methods. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of human services organizations.

In spring 2018, Blackbaud reported that online giving to its sample of human services organizations realized an increase of 12.2 percent between 2016 and 2017.9 Human services





organizations saw the greatest yearover-year monthly increase in online charitable revenue in the three-month periods ending in January 2017 (17.2 percent) and March 2017 (14.7 percent), while online giving to these organizations slowed the most in the three-month period ending in October 2017 (10.1 percent).¹⁰

According to Blackbaud's Luminate Online Benchmark Report, released in 2018, total online revenue for human and social services organizations and food banks saw moderate growth.11 Online revenue for human and social services organizations increased 7.4 percent in 2017, and online revenue for food banks rose 8.4 percent over the same period. Neither group outpaced growth in total online revenue (10.2) percent). Both human and social services organizations and food banks saw an increase in sustainer revenue in 2017, at 17.2 percent for human and social services and 20.1 percent for food banks. In addition, the 2018 Benchmarks report by M+R and NTEN reported positive results for online giving to a sample of hunger/poverty organizations for the year 2017.¹² These organizations experienced a 23 percent increase in online revenue in 2017 over 2016, driven by growth in monthly giving revenue (49 percent). Hunger/poverty organizations also realized \$138 in revenue per 1,000 fundraising emails, more than any other subsector in the study and well above the industry average of \$42.

The Chronicle of Philanthropy, in partnership with Network for Good, records online donations made using the Network for Good platform.¹³ The data is updated monthly and includes donations for the past 13 months. Human services organizations received more donations than any other cause or subsector. Between January 1, 2017, and January 31, 2018, human services organizations received \$89.4 million from 739.874 individual donations.

Human services organizations raised funds for disaster relief

In 2017, the U.S. was struck with a near-record number of destructive and expensive disasters, with 16 natural disasters each causing \$1 billion or more in damages. ¹⁴ The series of disasters happened within such a compressed time frame that some organizations combined multiple disaster relief efforts. Some efforts that sought to address these multiple disasters included:

- The One America Appeal, a joint appeal launched by all five living former American presidents, raised \$42 million for hurricane relief to be distributed to several funds based in the affected communities;¹⁵
- The Somos Live! Concert organized by Jennifer Lopez and Marc Anthony raised \$35 million for disaster recovery to be distributed to Feeding America, Habitat for Humanity, and other organizations;¹⁶
- Catholic Charities USA raised \$24 million in relief for multiple disasters.¹⁷

Human services organizations received donations for each specific disaster and considered new avenues for delivering aid. Those efforts are summarized in the sections below.

Human services funding for Hurricane Harvey

Hurricane Harvey made initial landfall on August 26, 2017, killing 77 people and resulting in estimated damage of \$180 billion in Texas and Louisiana. Several human services organizations received large numbers of donations:

- American Red Cross raised \$518.8 million, including goods and services, for financial assistance, food, and longer-term recovery;¹⁹
- Walmart pledged \$20 million to various human services organizations, including the American Red Cross, Salvation Army, Feeding America, and Team Rubicon;²⁰
- The J.J. Watt Foundation raised \$37 million, with \$30.15 million to be distributed to various organizations, including Americares and Feeding America;²¹
- Texas Catholic Charities received \$2 million; and²²
- Houston Food Bank experienced large numbers of new volunteers after the hurricane, and delivered \$44 million worth of food and services between August 30 and October 30, 2017.²³

Human services funding for Hurricanes Irma and Maria

Hurricane Irma hit parts of the Caribbean Islands, Florida, and Georgia on September 10, 2017.²⁴ On September 20, 2017, ten days after Hurricane Irma made landfall, Hurricane Maria made landfall in Puerto Rico before sweeping through the U.S. Virgin Islands and other areas.²⁵ Relief efforts for these disasters include:

American Red Cross raised \$89 million including goods and services for Hurricane Irma relief, with \$42.5 million earmarked or spent by December 2017; and American Red Cross raised \$65.5 million for Hurricane Maria, with

- \$30 million earmarked or spent by December 2017;²⁶
- Jersey Mike's Subs donated more than \$218,000 to Houston Food Bank for Hurricane Harvey and Irma relief, and raised an additional \$361,533 for food banks in areas impacted by offering a free sandwich for a \$2 donation;²⁷

Human services funding for California wildfires

Beginning in early October 2017, a string of wildfires across several counties in Northern California caused damage estimated at \$9 billion, and two months later, the Thomas Fire swept through Southern California causing \$1 billion to \$2.5 billion in damages.²⁸



- American Red Cross raised \$25.5 million for California wildfire relief, as of January 2018;²⁹
- Walmart pledged up to \$250,000 for wildfire relief to be distributed to the American Red Cross and the Salvation Army, among other organizations;³⁰
- Salvation Army also received \$50,000 from Alaska Airlines and a commitment by Facebook to deliver 5,000 meals to the Napa Valley Salvation Army three times per week for as long as the need existed.³¹

Disaster relief through direct cash giving and crowdfunding gains popularity

Many organizations, both newer and traditional, are focusing on getting cash directly to disaster victims to be used at the discretion of victims. GiveDirectly, a nonprofit organization that primarily focuses on distributing monetary aid in the East Africa region, gave prepaid debit cards worth \$1,500 each directly to Houston residents affected by Hurricane Harvey.32 John and Laura Arnold donated \$5 million to GiveDirectly with the intention of expanding the program to other communities in Southeast Texas. Simultaneously, the Red Cross ran a cash transfer program, with \$229 million of the \$429 million donated to the Red Cross by October 2017 designated for "direct financial assistance" to victims in Southeast Texas. Finally, the Cantor

Fitzgerald Relief Fund gave 5,000 Houston-area families American Express cash cards worth \$1,000 each.³³

Concerns about the financial health of human services organizations continue to grow

The percentage of social services organizations on the Philanthropy 400 has been in decline since 1990, according to data from *The Chronicle* of Philanthropy.34 In addition, the Trump administration's commitment to tighten the federal budget has many organizations concerned about their ability to provide services with fewer dollars coming in from government funding.35 Changes to federal budgets can have an especially large impact on human services organizations: according to a new survey of human services organizations and government agencies, government funding contributes 70 percent of the funding for direct program expenses.36

The percentage of social services organizations on the Philanthropy
 400 has been in decline since
 1990, according to data from *The Chronicle of Philanthropy*.

Federal budget proposal includes cuts to Supplemental Nutrition Assistance Program (SNAP) and affordable housing programs

Nonprofit leaders from organizations that address affordable housing and hunger articulated worries about the impact of the Trump administration's proposed federal budget released in spring 2017.37 The budget proposal included a 13.2 percent decrease for the Department of Housing and Urban Development, impacting affordable housing programs and initiatives.38 The proposal also included plans to decrease the Supplemental Nutrition Assistance Program (SNAP) by \$192 billion over the next ten years.39 The final version of the bill did not include the cuts to housing aid, but funding for SNAP did decline by 8 percent. 40 Nonprofits, especially those in the human services subsector. continue to be concerned about the future of federal funding, and many organizations are seeking to increase charitable donations in order to offset potential cuts in the future.41

New report finds that many human services organizations operate at a loss

A new report titled A National Imperative: Joining Forces to Strengthen Human Services in America revealed that nearly 50 percent of human services organizations experienced a net loss of revenue over three years. 42 The report, commissioned by the Alliance for Strong Families and Communities and the American Public Human Services Association, and researched by Oliver Wyman and SeaChange Capital Partners, specifically highlights community-based organizations (CBOs), defined as 501(c) (3) organizations falling under a specific set of National Taxonomy of Exempt Entities (NTEE) codes including mental health organizations, employment, crime and legal organizations, youth development, housing, public safety, and human services. The report analyzed IRS Forms 990 from these organizations from 2013 to 2016 and included a survey of human services organizations and government agencies.

organizations that address affordable housing and hunger articulated worries about the impact of the Trump administration's proposed federal budget released in spring 2017.³⁷

Based on the analysis of the IRS Forms 990, the study found that approximately 12 percent of organizations are technically insolvent (defined as liabilities exceeding assets), and 3 out of 10 organizations can only cover one month's expenses using cash reserves.⁴³



There were some differences across sizes of organizations and areas of work: small organizations with less than \$1 million in revenue are more likely to be insolvent than large organizations. Organizations that address housing and shelter, mental health, and general human services are more likely to experience financial stress than other types of organizations.

The report asserted that human services CBOs contribute to society both in function and economically, claiming that these organizations pour \$200 billion into the U.S. economy each year in wages, rent, and other program expenses paid by the organizations.44 The report also suggests that human services CBOs increase financial stability by forming partnerships, measuring outcomes, and investing in innovation.

New approaches to hunger and food insecurity in 2017

According to the USDA's most recent reports, rates of food insecurity have decreased since 2011, but had still not returned to pre-recession levels as of 2016.45 In 2017, many organizations used data and technological advancements to innovative solutions to this long-standing problem.

Online delivery services offer a solution to the issue of food distribution to those in need

Several organizations are considering online delivery services as one way to ensure that healthy food options reach low-income families. In June 2017 the nonprofit Feeding Children Everywhere debuted the Fed40 app and website that allows low income families to order 40 non-perishable meal kits.46 In the accompanying fundraising campaign, the organization encourages donors to give \$10, which can provide one kit with 40 meals to a family.⁴⁷ In January 2017, the U.S. Department of Agriculture launched an online grocery and delivery pilot program in seven states that would allow individuals to use SNAP benefits as payment.48 The Department of Agriculture has partnered with seven food retailers, including online retailer Amazon's programs, Fresh and Fresh Direct. Finally, the Food Bank of South Jersey partnered with four local

hospitals to begin the Therapeutic Food Pantry program, a food delivery service that provides recipes and healthy meal ingredients to older patients who were recently discharged from the hospital.⁴⁹

New interactive data tool allows users to see areas of greatest SNAP usage

In August 2017 the Food Research & Action Center (FRAC) released SNAP Maps, an interactive data tool that allows users to view SNAP usage at the national, state, and county level, as well as by metro areas, small towns, and rural areas.50 The report compiles data from the U.S. Department of Agriculture's Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015 and American Community Survey (ACS) from 2011 to 2015. Initial analysis of the data shows that nationwide, the percentage of households participating in SNAP are slightly higher in rural areas (16 percent) and small towns (16 percent) than metro areas (13 percent). At the county level, there appear to be regions of concentrated need for rural areas as compared to metro areas: of the counties that had SNAP household participation rates of 30 percent or more, the vast majority (67.9 percent) were located in rural counties.

Action Center (FRAC) released SNAP Maps, an interactive data tool that allows users to view SNAP usage at the national, state, and county level, as well as by metro areas, small towns, and rural areas. 50

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Good to Know

Two key benchmarking reports show that growth in online giving among human services organizations has been propelled by increases in monthly recurring donations.⁵¹ In addition to providing more reliable, steady income for organizations, so-called sustainer support also tends to generate much higher donor renewal rates. Make sure your organization is well prepared for accepting recurring donations by:

- Prominently featuring a recurring giving option on your website's donate page;
- Offering special recognition or membership benefits to sustaining supporters;
- Making a specific ask to existing and new donors to structure their gifts as recurring donations, including highlighting how reliable, steady financial support from donors allows your organization to provide reliable, steady support to those you serve; and
- Occasionally asking loyal recurring donors to consider upgrading their gift.

Large gifts fund new shelters and facilities to address homelessness

According to The 2017 Annual Homeless Assessment Report (AHAR) to Congress, released in 2017, the number of people experiencing homelessness increased by a small amount in 2017 over 2016.52 Chronic homelessness increased by 12 percent, for both sheltered and unsheltered populations as compared with 2016. Multiple efforts in 2017 went toward establishing long-term housing for people experiencing homelessness.

In Seattle, Paul Allen, Microsoft cofounder, pledged \$30 million through the Paul G. Allen Foundation to begin design and construction of a permanent housing facility with the capacity to help up to 100 families experiencing homelessness.53 The facility will be operated by Mercy Housing Northwest, a nonprofit that will be responsible for raising additional funds and developing an operating budget. In addition, Amazon began construction on a permanent homeless shelter in Seattle, Mary's Place, aimed at providing support and housing for women and children experiencing homelessness.54 The new building will be located on the Amazon campus, and will provide space for as many as 200 individuals.

In San Francisco, the Tipping Point Community charitable organization



launched a campaign to raise \$100 million to help decrease the city's population experiencing chronic homelessness by establishing permanent housing for many of the citizens currently living in camps on city streets.55 The funds will be directed to the city of San Francisco. In the first half of 2017, Tipping Point had raised \$60 million toward the campaign.

In San Diego, Ernest and Evelyn Rady pledged \$50 million to the Salvation Army to support the construction costs for two facilities that will provide both shelter and assistance to people experiencing homelessness.56 The money will also provide long-term support for education programs, counseling and rehabilitation services, and vocational projects.



Updated Human Needs Index released for 2017

In 2015, The Salvation Army, in partnership with the Indiana University Lilly Family School of Philanthropy, released the Human Needs Index (HNI).⁵⁷ The index is a multidimensional tool that tracks poverty and its effects. The HNI pulls data from 7,500 Salvation Army service centers nationwide and tracks seven elements of basic human needs: meals provided, groceries, clothing, housing, furniture, medical assistance, and help with energy bills.⁵⁸

According to the index, the national score indicates the overall level of human need for basic social services. ⁵⁹ A zero score represents the lowest level of need. In according to the latest update released in May 2018 for the year 2017, the national HNI was 1.15, a decrease from the 2016 HNI of 1.24. ⁶⁰ For state-level patterns, the new report wave revealed that Nevada, Wyoming, Arkansas, Rhode Island, and Alaska had the highest levels of need in 2017. ⁶¹ Indiana, Kansas, Michigan, Minnesota, Nevada, and Pennsylvania have not returned to pre-Recession levels of need ⁶²

Human services organizations remain among the top recipients of private donations according to the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁶³ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data for giving in fiscal year 2016 includes 49 charities that are classified as social service organizations (compared with 50 charities reported in the prior year) and eight charities classified as youth organizations (compared with nine reported in the prior year). As in the previous year's Philanthropy 400, seven human services organizations (social service or children and youths) are among the top 20 organizations on the list with the greatest amount in private support:⁶⁴

- Ranking 2nd: United Way Worldwide, Alexandria, VA, with \$3.5 billion in private contributions, a decline of 4.5 percent from the previous year;
- Ranking 5th: Feeding America, Chicago, IL, with \$2.4 billion in private contributions, an increase of 10.5 percent;
- Ranking 7th: The Salvation Army, Alexandria, VA, with \$1.9 billion in private contributions, a decline of 1.1 percent;
- Ranking 13th: The Y, Chicago, IL, with \$1.0 billion in private contributions, a decrease of 13.4 percent;
- Ranking 17th: Habitat for Humanity International, Americus, GA, with \$950 million in private contributions, an increase of 11.8 percent;
- Ranking 19th: Boys & Girls Clubs of America, Atlanta, GA, with \$0.9 billion in private contributions, a decline of 5.8 percent; and
- Ranking 20th: Catholic Charities USA, Alexandria, VA, with 0.8 billion in private contributions, an increase of 1.9 percent.

As shown above, a few of the largest human services organizations that annually lead the Philanthropy 400 list saw declines in giving between 2016 and 2017, while others saw impressive increases. Among the organizations that saw the greatest increase in private

donations were the following human services organizations:

- Local Initiatives Support Corporation, New York, New York, (rank 245) increased 98.7 percent (\$116.3 million);
- Delivering Good, New York, New York, (rank 122) increased 62.7 percent (\$217.1 million);
- North Texas Food Bank, Dallas, Texas, (rank 234) increased 50.2 percent (\$121.7 million);



- Community Foodbank of New Jersey, Hillside, New Jersey, (rank 331) increased 33.2 percent (\$86.5 million); and
- Gleaners Community Food Bank of Southeastern Michigan, Detroit, Michigan (rank 398) increased 32.9 percent (\$69.8 million).

Alternatively, the human services organizations that saw the greatest decline in private donations were:

- The Harlem Children's Zone, New York, New York, (rank 383) declined 59.4 percent (\$74.0 million);
- Wounded Warrior Project,
 Jacksonville, Florida, (rank 87) declined
 18.7 percent (\$302.7 million;
- San Antonio Food Bank, San Antonio, Texas, (rank 278) declined 14.3 percent (\$103.0 million);
- The Y, Chicago, IL, (rank 13) declined13.4 percent (1.0 billion); and
- Girl Scouts of the USA, New York, New York, (rank 262) declined
 12.7 percent (\$107.9 million).

Key findings from annual studies

Table 1 presents three years of data from studies released annually about giving to the human services subsector. Website addresses are provided so readers can access the full reports.

 Table 1

 Key findings from other studies about giving to human services organizations

IRS Statistics of Income Bulletin ⁶⁶ Tax-exempt human services organizations: 2012–2014 www.irs.gov					
	2012	2013	2014		
Number of returns	107,115	109,575	110,368		
Charitable revenue	\$90.92 billion	\$95.68 billion	\$101.88 billion		

Chapter authored by Anna Pruitt, PhD, Managing Editor for *Giving USA* at the Indiana University Lilly Family School of Philanthropy, with material written by Sasha Zarins, MS, doctoral student at the Indiana University Lilly Family School of Philanthropy.

Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Sarah K. Anderson, Helen Starman, and staff at the Indiana University Lilly Family School of Philanthropy.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
- 2 Practitioner Highlight authored by Editorial Review Board member Sarah K. Anderson; *Luminate Online Benchmark Report 2017*, Blackbaud, 2018, www.blackbaud.com; *Benchmarks 2018*, M+R and NTEN, 2018, www.mrbenchmarks.com
- 3 Practitioner Highlight authored by Editorial Review Board member Helen Starman.
- 4 Practitioner Highlight authored by staff at Indiana University Lilly Family School of Philanthropy.
- 5 This information is in current dollars. Giving to human

- services was flat in 2013, and therefore is not considered an increase.
- The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
- 7 This information was provided to Giving USA directly from

Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www.blackbaud.com/nonprofit-resources/blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in *Giving USA* may vary from current figures.

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- Giving to foundations amounted to 11 percent of total giving in 2017.1
- Contributions to foundations increased 15.5 percent, to \$45.89 billion in 2017. Adjusted for inflation, giving to foundations rose 13.1 percent.
- Giving to foundations reached its highest inflation-adjusted value in 2017, exceeding its highest previous inflation-adjusted value of \$45.34 billion in 2014.
- Year-to-year shifts in foundations' charitable receipts can often be attributed to the difference in large gifts received from year to year.

Practitioner Highlights

- In contrast to previous years, outright contributions, not bequests, comprised the largest gifts to foundations in 2017.²
- Tech entrepreneurs were among the largest givers to foundations in 2017; their ability to influence foundation giving, as well as the way gifts are made, over the next decade should not be underestimated.³
- Community foundations helped shape disaster giving in 2017 by soliciting funds for relief efforts, often in partnership with other foundations, local businesses, or government offices.⁴

Independent, community, and operating foundations are included in the estimate for giving to foundations. Independent foundations are also referred to as private foundations, and family foundations are part of this category. Donor-advised funds housed at community foundations are also included in the estimate for giving to foundations. *Giving USA* excludes data on gifts made to operating foundations established by corporations, which are calculated as part of the estimate for giving by corporations.

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to foundations in 2017

After declining 12.2 percent in 2015, giving to foundations has steadily increased, with strong double-digit growth in 2017.⁵ During the last five-year period (2013–2017), giving to this subsector realized an annualized average growth rate of 2.7 percent. This growth rate is slower than the five-year annualized average of 4.3 percent for total giving.

Giving to foundations tends to vary considerably from year to year. Gifts to this subsector are often quite large and dependent on asset health. Many gifts to foundations are also made in the form of bequests. The timing of bequests is difficult to predict, as estates sometimes choose to pay out these gifts several years after the donor's death.

To provide additional context for giving to foundations in 2017 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector

Tech money drives major gifts to foundations

Tech entrepreneurs led the way in charitable giving to foundations in 2017. Bill and Melinda Gates again topped *The Chronicle of Philanthropy*'s Philanthropy

50 list of the biggest donors, contributing \$4.8 billion to the Bill & Melinda Gates Foundation in 2017.⁶ The donation represents 5 percent of the couple's total estimated net worth and is the second-largest gift the pair has made to the foundation, after the \$5.1 billion they donated in 2000.⁷

Mark Zuckerberg and Priscilla Chan followed Bill and Melinda Gates on the Philanthropy 50.8 In 2017, the couple donated shares of Facebook stock worth almost \$2 billion to the Chan Zuckerberg Foundation, the nonprofit arm of the Chan Zuckerberg Initiative, a limited liability company.9 Zuckerberg and Chan also contributed \$162.4 million to their donor-advised fund (DAF) at the Silicon Valley Community Foundation. The DAF gift is part of a pledge the pair made in September 2017 to sell up to 75 million shares of Facebook stock over the next 18 months to support initiatives related to criminal justice reform, education, housing, and science.

Michael and Susan Dell took the third spot on the Philanthropy 50 with a \$1 billion gift to the Michael & Susan Dell Foundation in 2017.¹⁰ The donation will add to the foundation's \$761 million endowment and be used to fund programs that support social entrepreneurship, college success, and data-driven education throughout the U.S., South Africa and India.¹¹

Giving USA Giving to Foundations

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Good to Know

Recent giving to foundations has been boosted by tech entrepreneurs taking responsibility for creating social change through their foundations. ¹² These foundations are playing an increased role in shaping what causes should be advanced and what types of approaches should be used to advance these causes.

- Nonprofits in these funders' areas of interest should clearly communicate how their work addresses important societal issues.
- Organizations outside these funders' main areas of interest should consider partnerships they can form to attract attention from these funders and how they can influence the ways in which foundations solicit contributions.

Soros makes history with quiet giving to Open Society Foundations

Although George Soros's \$208 million gift to Open Society Foundations did not make him one of the top ten donors on the Philanthropy 50 in 2017, the 87-year-old hedge fund manager and philanthropist made news for a different reason.¹³

In October 2017, it was revealed that Soros has discretely contributed more than \$18 billion to Open Society Foundations over the past several years, marking one of the largest transfers of wealth to a single foundation by a private donor. The contributions have made Open Society Foundations, which Soros founded in 1979, the second-



largest philanthropic organization in the United States, following the Bill & Melinda Gates Foundation.

Soros has historically funded Open Society Foundations, which advances democracy and human rights around the world, through annual giving between \$800 million and \$900 million.¹⁵ Soros is reported to have increased his contributions in recent years as part of his estate planning and is expected to donate more than \$2 billion to the foundation over the next few years.

Rockefeller and Hillman estates benefit family foundations

David Rockefeller, Former head of Chase Manhattan Bank and grandson of oil tycoon John D. Rockefeller, Sr., passed away in March 2017.16 In 2006, David Rockefeller pledged to begueath the Rockefeller Brothers Fund assets valued at \$225 million. In addition to securities. the assets include property, such as an extensive art collection. While the current value of the assets is unclear and the estate will likely not be settled for another two years, the bequest is expected to boost the Rockefeller Brothers Fund's assets past \$1 billion. However, the fund recently increased grantmaking, so its assets are not likely to remain at this level in the long term.

Pittsburgh, PA, financier and benefactor Henry Hillman died in April 2017, leaving approximately \$800 million to his family foundations.¹⁷ The largest In 2006, David Rockefeller pledged to bequeath the Rockefeller Brothers Fund assets valued at \$225 million.

portion of the bequest, an estimated \$700 million, will be directed toward the Henry L. Hillman Foundation.

The remainder of the gift will be distributed among 13 foundations administered by Hillman's children and grandchildren. The funds will primarily support nonprofits in Southwestern Pennsylvania. During his lifetime, Hillman donated to university medical centers and libraries, as well as community organizations that addressed food insecurity and benefitted at-risk youth.

Community foundations bolster local disaster relief efforts

Community foundations played an important role in raising funds to support relief efforts for the series of major disasters that struck the United States during the second half of 2017. For example, more than 125,000 donors contributed to the Hurricane Harvey Relief Fund, managed by the Greater Houston Community Foundation.¹⁸ Established by Houston, TX, Mayor Sylvester Turner and Harris County, TX,

Giving USA Giving to Foundations

Judge Ed Emmett, the fund raised in excess of \$112 million during the five months following Hurricane Harvey's landfall in August 2017.

Additionally, 41,000 donors contributed to the North Bay Fire Relief Fund, a partnership between Redwood Credit Union, Santa Rosa Press Democrat, and California State Senator Mike McGuire, in response to wildfires that impacted several counties in Northern California. ¹⁹ The fund raised \$75 million during the four months following the outbreak of the fires in October 2017. After the initial funds have been distributed, Community Foundation Sonoma County and Tipping Point Community will collaborate on fundraising to support long-term rebuilding.

6 In addition to fundraising for disaster relief efforts in their own communities, community foundations also raised funds to support other communities affected by disasters in 2017.

Community foundations support disaster relief in other cities

In addition to fundraising for disaster relief efforts in their own communities, community foundations also raised funds to support other communities affected by disasters in 2017.

For instance, New Orleans, LA, Mayor Mitch Landrieu reactivated the NOLA Pay It Forward Fund, a partnership between the City of New Orleans and the Greater New Orleans Foundation, in response to Hurricane Harvey in August 2017.²⁰ Contributions to the fund will be directed toward both early relief and long-term recovery efforts. Originally launched following Mississippi River flooding that occurred in 2011, the fund had previously been reactivated in response to Hurricane Sandy in 2012 and tornadoes that ravaged Oklahoma in 2013.

In September 2017, California Mayors Sam Liccardo of San Jose, Ed Lee of San Francisco, Libby Schaaf of Oakland, Eric Garcetti of Los Angeles, Kevin Faulconer of San Diego, Darrell Steinberg of Sacramento, and Robert Garcia of Long Beach, launched the Californians Helping Texas – Hurricane Harvey Relief Fund.²¹ The mayors urged California residents to donate to the fund, which is managed by the Silicon Valley Community Foundation. Funds will be distributed to flood victims in Texas in collaboration with the Greater Houston Community Foundation.



Midwestern community foundations see record gifts

Closing out a historic year, the St. Louis Community Foundation received \$100 million from Rodger and Paula Riney in December 2017.²² Rodger Riney is the founder of Scottrade Financial Services. which is headquartered in St. Louis and was purchased by TD Ameritrade in September 2017. The Rineys acquired shares of TD Ameritrade worth approximately \$1.4 billion through the sale. The couple's donation was part of a record fundraising year for the St. Louis Community Foundation. The foundation received a total of \$176 million from 2,600 donor gifts, compared with \$70 million from 1,494 gifts in 2016.

Although the dramatic increase in revenue was partially due to a change in the St. Louis Community Foundation's fiscal year in 2016, 2017 surpassed the foundation's previous highest fundraising year (2015), during which it received \$104 million from 1,867 gifts.²³ With \$500 million in assets in 2017, up from \$200 million five years prior, the St. Louis Community Foundation is one of the fastest-growing community foundations in the United States.

In November 2017, the Wichita Community Foundation also announced its acceptance of the largest gift in the foundation's 31-year history: \$6.9 million from the estate of Jayne Milburn.²⁴ The gift from Milburn, a prominent and civically active Wichita resident who died in 2016, will be distributed among the Wichita Art Museum, the Wichita Children's Home, the Wichita Symphony Society, and Botanica.

Trends in giving to foundations in recent years

Giving to foundations is typically volatile from year to year, reflecting both the economic climate and contributions of exceptionally large gifts by both living donors and estates. Revised estimates released in this edition of *Giving USA* show that giving to foundations totaled \$40.57 billion in 2016, increasing 2.0 percent from 2015.²⁵ This increase in giving to foundations followed a decline of 12.3 percent between 2014 and 2015, and an increase of 5.5 percent between 2013 and 2014.

The Foundation Center releases extensive data about charitable foundations throughout the year, including data on foundations' revenue and assets. *Giving USA*'s estimate for giving to foundations relies on historical data from the Foundation Center. The Foundation Center details the top 50 U.S. foundations, in terms of gifts received for fiscal year 2015, on its website: data.foundationcenter.org.²⁶

The sections below provide data on gifts made to the largest community, independent, and operating foundations for the year 2015 (the latest year in which detailed data are available).

Gifts received by the 50 largest foundations in 2015

The Foundation Center's fiscal year 2015 list of the 50 largest U.S. foundations, according to gifts received, shows a total of \$21.48 billion in contributions.²⁷ The top 50 foundations received 40 percent of all foundation gifts in 2015. The recipient of the most contributions during the 2015 fiscal year at \$4.69 billion, the Bill & Melinda Gates Foundation alone received 9 percent of gifts to the top 50 foundations.

The top 10 foundations received a total of \$11.26 billion in contributions during fiscal year 2015.²⁸ Six of these foundations are operating foundations, while two are independent foundations, and two are community foundations. The operating foundations of pharmaceutical companies comprised the six operating foundations, which received a total of \$4 billion. These foundations provide assistance to patients in the form of medications.

Gifts received by independent foundations in 2015

Independent foundations, including family foundations, received a total of \$32.02 billion in 2015.²⁹ Total assets of these foundations amounted to \$734.1 billion. The top 50 independent foundations received a combined total of \$13.92 billion (44 percent of the overall total for independent foundations). The top independent

foundation, in terms of gifts received, was the Bill & Melinda Gates Foundation (\$4.69 billion).

Gifts received by operating foundations in 2015

Operating foundations received a total of \$7.53 billion in 2015.³⁰ Total assets of these foundations amounted to \$43.89 billion. The top 50 operating foundations received a combined total of \$6.96 billion (92 percent of the overall total for operating foundations). The top operating foundation, in terms of gifts received, was the AbbVie Patient Assistance Foundation (\$857.12 million).

Gifts received by community foundations in 2015

Community foundations received a total of \$8.6 billion in 2015.³¹ Total assets of these foundations amounted to \$84.27 billion. The top 50 community foundations received a combined total of \$5.86 billion, or 68 percent of the overall total for community foundations. The top community foundation, in terms of gifts received, was the Silicon Valley Community Foundation (\$1.23 billion).

Community foundations received a total of \$8.6 billion in 2015.³¹
 Total assets of these foundations amounted to \$84.27 billion. 99

Key findings from Foundation Center report on giving to foundations

Table 1 presents three years of data from the Foundation Center's *Foundation Stats* database.



Table 1

Key findings from the Foundation Center on giving to foundations

Foundation Center's Foundation Stats* Gifts received by foundation type: 2014–2016 www.foundationcenter.org					
	2014	2015	2016		
Independent foundations	\$36.37 billion	\$32.02 billion	\$33.41 billion		
Community foundations	\$9.01 billion	\$8.6 billion	\$ 9.65 billion		
Operating foundations	\$8.05 billion	\$7.53 billion	\$9.46 billion		
Total	\$53.43 billion	\$48.15 billion	\$52.52 billion		

^{*}Most recent data received from the Foundation Center in April 2018

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Good to Know section and Practitioner Highlights written by Giving USA Editorial Review Board members Jessica Browning and Nina Giviyan-Kermani.

Endnotes

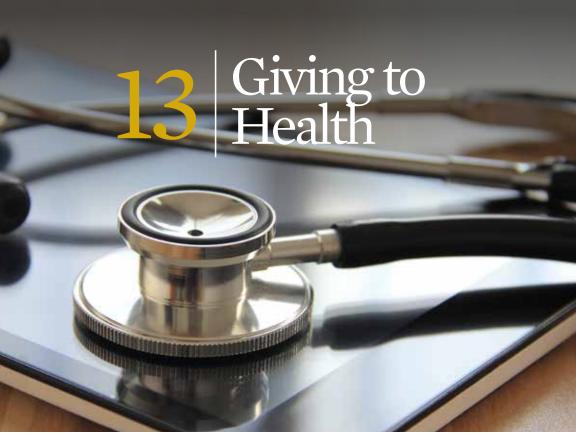
- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
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Giving USA



- Contributions to the health subsector comprised 9 percent of all donations received by charities in 2017.1
- Giving to health organizations grew 7.3 percent in 2017, totaling \$38.27 billion. Adjusted for inflation, giving to health increased 5.1 percent between 2016 and 2017.
- Giving to health in 2017 reached its highest recorded inflation-adjusted giving level to date.

Practitioner Highlights

- Only two of the top five highest-grossing peer-to-peer fundraising campaigns saw increased revenue in 2017—a continuing trend from previous years and further support for the need of healthcare nonprofits to expand and differentiate their event and engagement offerings.²
- Despite the prioritization of giving to medical research by the country's most generous donors, online giving to medical research organizations increased at a lower rate than giving to all other types of organizations in 2017.³
- More substantial funds are being directed toward previously less-recognized areas of mental health and addiction, most notably in areas where government support has been lacking or impacted by shifting policies.⁴

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to health in 2017

In 2017, giving to health increased for the sixth consecutive year, at an annualized average rate of 7.9 percent over a five-year period (2013-2017).

Growth of the health subsector has been steady for the past several years, with strong growth in 2017. This subsector's five-year annualized average growth rate outpaced the five-year annualized average growth rate of 4.3 percent for total giving in 2013–2017.

Several reports issued in 2018 note generally positive trends in giving to health organizations in 2017. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights from 2017 on giving to this subsector include:

- Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to healthcare organizations increased 4.6 percent, while giving to medical research increased 5.2 percent, between 2016 and 2017. Healthcare organizations realized the greatest year-over-year monthly increase in overall charitable revenue in the three-month period ending in November 2017 (7.4 percent), and saw the lowest point in the three-month period ending in April 2017, with no change from the previous year. For medical research institutes, giving peaked in the threemonth period ending in January 2017 (10.7 percent), but declined or only grew moderately for the rest of the year, reaching the lowest point in September 2017 (-4.1 percent).
- The Nonprofit Research Collaborative (NRC) focuses on the share of organizations that saw increases or declines in charitable receipts. NRC's Winter 2018 Nonprofit Fundraising Study reported that 64 percent of health

- organizations experienced an increase in charitable dollars in 2017 compared with 2016.
- Continuing trends from recent years, many individuals featured on *The Chronicle of Philanthropy*'s list of the 50 most generous donors prioritized health organizations in 2017. The largest gift to this subsector was from Florence and the late Herbert Irving, who gave \$600 million to Columbia University/NewYork-Presbyterian Hospital. The gift will go toward cancer treatment and patient care.

66 Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to healthcare organizations increased 4.6 percent, while giving to medical research increased 5.2 percent, between 2016 and 2017.699

To provide additional context for giving to health in 2017 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.



Online giving to health proved strong in 2017

Reports noted positive results for giving to health organizations in 2017 via online methods. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of health organizations.

According to Blackbaud, online giving to its sample of healthcare organizations realized an increase of 11.5 percent between 2016 and 2017. Healthcare organizations experienced growth in online charitable revenue throughout 2017, with the greatest year-over-year

monthly increases in the three-month periods ending in January 2017 (19.9 percent) and December 2017 (14.4 percent), and the lowest growth in online giving occurring in the three-month period ending in September 2017 (6.6 percent).

For medical research organizations, online giving increased by 0.7 percent over 2016, representing the lowest growth rate of the 10 subsectors tracked. Online giving to medical research organizations was strongest at the beginning and end of the year, with peaks in the three-month periods ending in January 2017 (9.0 percent) and December 2017 (11.8 percent).

As in last year's edition of Blackbaud's Luminate Online Benchmark Report, health services and research organizations are combined into one section, while hospital foundations and hospitals are combined into another category. Health services and research organizations realized a decline of 0.6 percent in total online revenue in 2017 compared with 2016, while hospital foundations and hospitals saw an increase of 14.1 percent in total online revenue.

The *Luminate* report also found that average first-time online transaction amounts for health services and research organizations (\$82.30) was lower than the industry median of \$104.89 for all subsectors, while the average first-time donation to hospital foundations and hospitals exceeded the industry median (\$130.39). However, both categories outpaced the industry median for average repeat donation amount (\$94.70), with health services and research organizations averaging \$96.69 and hospital foundations and hospitals averaging \$143.98.

In a different study, the *Benchmarks* 2018 report by M+R and NTEN also showed positive results for online giving to a sample of health organizations. ¹⁸ From 2016 to 2017, these organizations experienced an overall increase in online revenue of 20 percent for monthly donors and 23 percent for one-time donors. Health nonprofits realized particularly strong growth in email revenue, which increased by 41 percent (compared with a 24 percent increase across all subsectors) in 2017. Despite these gains, health organizations

reported a 1.8 percent decline in average monthly gift size and a 1.4 percent decline in average one-time gift size in 2017 compared with 2016.

organizations experienced an overall increase in online revenue of 20 percent for monthly donors and 23 percent for one-time donors.¹⁸

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Good to Know

Online giving represents a growth opportunity for hospitals and health organizations. ¹⁹ Many strategies can be employed to attract and maintain revenue from this source, including:

- Creating a website that displays well on mobile devices, especially the donation page;
- Developing email appeals that are easy to read on smartphones and tablets;
- Capturing names and email addresses of patients and visitors who use the guest wifi network and screening for potential donors; and
- Dedicating experienced staff or vendors to building your technological infrastructure to support online giving.

Peer-to-peer fundraising revenue continues to decline

Health nonprofits use "a-thon" events (such as charity runs, walks, and rides) to encourage participants to fundraise through their peer networks and generate awareness of health concerns. In 2017, gross total charitable funds raised by the top 30 peer-to-peer fundraising events amounted to \$1.45 billion.²⁰ This figure represents a decline of \$104.3 million (6.7 percent) compared with 2016, and marks the fifth consecutive year these events have experienced a drop in revenue.

Organizations such as the American Cancer Society are increasing fundraising efficiency to offset the decline in donations for large "a-thon" events.²¹ In 2017, the organization reduced the number of its "Relay for Life" walkathons by 930 from the previous year, but the average amount each participant raised grew by more than 11 percent.

Nonprofits are also diversifying the types of events they offer to encourage both engagement and revenue results.²² For instance, the American Cancer Society launched the "Real Men Wear Pink" campaign in which men are asked to wear one item of pink clothing every day in October and raise \$2,500 for the

charity.²³ The 2017 "Real Men Wear Pink" campaign raised close to \$7 million, up from \$5.5 million in 2016.

According to the 2017 *Peer-to-Peer Fundraising Thirty* report published by the Peer-to-Peer Professional Forum, the top five highest grossing peer-to-peer fundraising "a-thon" events in terms of annual revenue for 2017 were:²⁴

- American Cancer Society's "Relay for Life" at \$230.0 million, a decline of 17.6 percent over 2016;
- American Heart Association's "Heart Walk" at \$118.3 million, a decline of 3.9 percent from 2016;



- Alzheimer's Association's "Walk to End Alzheimer's" at \$89.0 million, an increase of 8.0 percent over 2016;
- American Heart Association's "American Heart Association Youth Programs" at \$79.1 million, a decline of 7.8 percent from 2016; and
- The Leukemia & Lymphoma Society's "Light the Night Walk" at \$74.0 million, an increase of 8.0 percent over 2016.

Despite the overall revenue decline, some of the top 30 peer-to-peer fundraising campaigns saw substantial gains in 2017: Children's Miracle Network Hospitals' "Dance Marathon" earned \$39.0 million, an increase of 19.6 percent from 2016; and the Pan-Mass Challenge's "Pan-Mass Challenge" earned \$56.5 million, an increase of 13.5 percent over 2016.²⁵

Susan G. Komen closes several affiliates

Following these trends, despite the past success of its "a-thon" events, the Susan G. Komen breast cancer research foundation closed several of its branches around the country in 2017 due to low event participation and fewer donations.

For example, Susan G. Komen Maine saw participation in its annual Race for the Cure in Bangor, ME, decline by about 1,000 participants per year since 2010.²⁶ Additionally, 80 percent

of participants in Bangor's 2016 Race for the Cure paid the registration fee without making any further donations. Similar circumstances caused Susan G. Komen Arizona, whose annual Race for the Cure in Phoenix, AZ, dropped from a one-time high of 30,000 participants to 7,500 in 2016, to cease operations.²⁷

The shuttering of Susan G. Komen branches throughout the United States could have serious implications for the funding of breast cancer research and health programs in the future and is a cautionary tale for other organizations regarding continued reliance on results from "a-thon" events. The Maine affiliate has contributed approximately \$900,000 to national research and more than \$3 million to local breast health

"a-thon" events, the Susan G.
Komen breast cancer research
foundation closed several of its
branches around the country in
2017 due to low event participation
and fewer donations. 22

programs since 1997.²⁸ Since 1993, the Arizona affiliate has raised roughly \$9 million for national research and more than \$26 million for local breast health awareness and prevention programs.²⁹

New technology plays important role in healthcare philanthropy

Online technologies continue to change the landscape of healthcare philanthropy by providing a direct and immediate way to interact with patients, donors, and the community at large.

Crowdfunding for medical expenses can realize success, pose risks

Just as nonprofits have increasingly utilized crowdfunding campaigns as part of their development strategy, individuals have turned to websites such as GoFundMe and Fundly to raise money for expenses related to medical care. These websites allow individuals to share stories of personal tragedy or hardship to solicit gifts from their social networks. In most cases, the gifts are not tax-deductible since they are made directly to individuals or families instead of to charitable organizations.

A 2017 study by Lauren Berliner (University of Washington Bothell) and Nora Kenworthy (University of Washington Bothell) examines the phenomenon of individuals using crowdfunding platforms to supplement or even replace their health insurance.³⁰ The researchers employed a mixed-methods design to analyze data from 200 GoFundMe campaigns from March through September of 2016.

The study found that states without expanded Medicaid through the Affordable Care Act have a higher concentration of personal crowdfunding campaigns for medical expenses.³¹ The findings also show that while funds raised from well-crafted and advertised campaigns can pay for even the most expensive medical procedures, the majority of campaigns fail to meet their fundraising target, with 90 percent of the campaigns studied falling short of their goal.

Other observers have concluded that crowdfunding is ultimately an unsustainable method for financing healthcare due the unpredictable nature

crafted and advertised campaigns can pay for even the most expensive medical procedures, the majority of campaigns fail to meet their fundraising target, with 90 percent of the campaigns studied falling short of their goal.³¹ 2 2

of this fundraising approach.³² They note the personal campaigns that raise funds for the treatment of diseases seen as random tend to achieve their goal, while campaigns that combat conditions such as addiction, which some view as blameworthy, are often less successful. Therefore, many initiatives that address

such conditions, including those highlighted in this chapter, rely on a combination of public, private, and nonprofit funding rather than individual contributions alone.

Online tool leverages predictive modeling to identify patients, donors

Hospitals and foundations can use a new online tool to identify prospective patients and donors for their organization.³³ A major player in the nonprofit space, Blackbaud now offers an additional service through its cloud software, called Blackbaud Healthcare Analytics. This service uses geographic, demographic, financial, and social data to match healthcare organizations with individuals

who are likely to become patients or donors. Using analytical programming to optimize marketing provides the opportunity for increased constituent engagement, as well as the potential for greater philanthropic revenue.

Healthcare organizations prioritize major gifts

In an effort to increase the efficiency of advancement staff and reduce their dependency on funding from government and the private sector, health nonprofits are spending more time and money on cultivating major gifts rather than investing in annual giving programs, which typically yield smaller returns.³⁴



Private funders back medical research

The success rate of grant proposals to the National Institutes of Health (NIH) has dropped from approximately 33 percent in 1998 to 19.9 percent in 2016.³⁵ The size of NIH's budget has also declined during this time.³⁶ In 2017, the Jerold B. Katz Foundation gave \$21 million to Houston Methodist Hospital in Houston, TX—the largest non-estate gift in the hospital's history—to advance neuroscience research. The donation reflects a shift in the approach of medical researchers, who are increasingly seeking alternative funding sources as NIH's budget shrinks and grants become more selective.

Other examples of major gifts from private funders to support medical research in 2017 include:³⁷

history of [Seattle Children's Hospital], half of the billion dollars raised will go toward research for the treatment of childhood illnesses, with a particular focus on immunotherapy, which has shown promising results.38 ? ?

- Carolee Ebeid's \$28.5 million donation to ProMedica in Toledo, OH, for research on how factors such as income level, educational attainment, and housing quality affect health;
- Leonard and Susan Feinstein's \$25
 million donation to the Feinstein
 Institute for Medical Research in
 Manhasset, NY, to fund research on
 neuroscience, autoimmunity, and
 bioelectric medicine; and
- David Geffen's \$20 million donation to the Association for Frontotemporal Degeneration in Radnor, PA, to advance research on dementia for people under the age of 60.

Children's hospital launches billion-dollar campaign

In 2017, Seattle Children's Hospital in Seattle, WA, announced the "It Starts with Yes" campaign, with a goal of raising \$1 billion for immuno-oncology research.³⁸ The largest campaign in the history of the hospital, half of the billion dollars raised will go toward research for the treatment of childhood illnesses, with a particular focus on immunotherapy, which has shown promising results. The campaign further aims to provide better services for children in the Seattle area who live in poverty.

The "It Starts with Yes" campaign will also fund several new facilities, including an additional 300,000 square feet for medical care, allowing the hospital to

serve an estimated 40,000 more patients per year.³⁹ In addition, money raised through the campaign will be used to help cover medical expenses for families; the hospital currently provides about \$120 million each year for this purpose.⁴⁰

Philanthropy supports new initiatives to address mental health, addiction

The year 2017 saw substantial commitments to innovative efforts aimed at addressing aspects of mental health and addiction for which previous philanthropic funding has been limited.

Funders tackle opioid crisis in Massachusetts

Like government and the private sector, philanthropy has struggled to respond as the United States continues to experience the effects of opioid abuse.41 Lack of funding for this public health crisis has been attributed to circumstances such as foundations' tendency to gravitate toward urban centers, while the crisis has sharply impacted rural areas. Funders that have addressed the opioid epidemic usually already give to areas heavily affected by the issue, which has forced them to face the problem head-on.

For instance, the opioid epidemic has disproportionately impacted Massachusetts in comparison with



other states. 42 RIZE Massachusetts. established in 2017, is a statewide, private-sector initiative that plans to raise \$50 million over three years, which the organization will distribute through grants to nonprofits that provide a range of programs to address the crisis—from prevention to long-term recovery. So far. RIZE has filled its board with executives. from foundations, hospitals, insurance companies, and drug abuse treatment organizations and has received \$13 million in financial commitments.43

John and Eilene Grayken also pledged \$25 million to establish the Grayken Center for Addiction at Boston Medical Center in Boston, MA, and to fund research, education programs, and treatment in the field of addiction



medicine, in 2017.⁴⁴ The donation represents the largest gift in the history of Boston Medical Center, as well as the largest philanthropic gift for drug abuse treatment to date. Many hope the Graykens' gift will shed light on the opioid crisis and encourage funders across the country to tackle the issue.

Public-private partnership funds step-down facility in Ohio

Fundraising for the new Adam-Amanda Mental Health Rehabilitation Center in Athens, OH, reached its final phase in 2017.⁴⁵ The center is believed to be the first of its kind in the United States, and will serve as a step-down facility offering patients leaving the nearby Appalachian Behavioral Healthcare hospital a place to stay while receiving extended care.⁴⁶ The facility is a pilot program with only 16

beds.⁴⁷ Created in an attempt to combat the consequences of inadequate mental health treatment, success of the facility will determine if future step-down centers will be built in Ohio and across the country.⁴⁸

The estimated cost of the Adam-Amanda Mental Health Rehabilitation Center is \$1.3 million, which will be funded by a collaboration between the public and private sectors. ⁴⁹ The Ohio Department of Mental Health and Addiction Services has provided a capital grant of \$500,000 for the project, while the Ohio Housing Finance Authority has contributed an additional \$213,000. The nonprofit National Alliance on Mental Illness of Ohio has granted \$100,000, and has also raised more than \$75,000 from private donors. Foundations are expected to cover the remaining costs.

Policy developments impact healthcare philanthropy

Many nonprofit subsectors experienced the effects of the turbulent political landscape in 2017. In the health subsector, certain organizations benefited from philanthropic responses to Trump administration policy proposals, while others watched Congress closely to learn the fate of the Affordable Care Act and other health-related programs.

Planned Parenthood receives large donations

Planned Parenthood saw a surge in contributions as a result of proposed funding cuts by both the Trump administration and prominent members of Congress. During the first 100 days of President Trump's term (January 20–April 20, 2017), Planned Parenthood raised 1,000 percent more money compared with the same period in 2016.⁵⁰ In addition to smaller donations, several Planned Parenthood locations across the U.S. received major gifts to support operations and to build new locations in 2017.

A new Planned Parenthood facility began construction in Minneapolis, MN, after receiving a \$6.5 million gift in August 2017 as part of a threeyear, \$20 million campaign.⁵¹ The gift, from an anonymous local family, is the largest contribution from a living donor in the history of Planned Parenthood Minnesota, North Dakota, South Dakota. The regional affiliate receives \$15 million of its \$50 million annual budget from Medicaid and has begun using fundraising to supplement those dollars if federal funding goes away.

Also in August 2017, the Eugene McDermott Foundation gave \$1 million to Planned Parenthood of Greater Texas in response to the state of women's healthcare in Texas, primarily due to a bill approved by the state legislature in 2012 that excluded Planned Parenthood from Medicaid coverage.⁵²

organizations benefited from philanthropic responses to Trump Administration policy proposals, while others watched Congress closely to learn the fate of the Affordable Care Act and other health-related programs.

Policymakers debate status of nonprofit hospitals

Discussions about the future of the Affordable Care Act have again raised the question of whether American hospitals should be tax exempt.

Hospitals' nonprofit designation was hotly debated during passage of the Affordable Care Act several years ago.⁵³ Many major hospitals and healthcare organizations lobbied for keeping their tax-exempt status, claiming it was necessary to absorb the costs of providing uncompensated care.⁵⁴

Critics claim hospitals have profited at the expense of local communities under the Affordable Care Act. ⁵⁵ A 2017 investigation by Politico found that the seven largest hospitals in the United States increased their revenue by \$4.5 billion per year on average after Affordable Care Act coverage expansions went into effect, while decreasing charity care by 35 percent over the same period. In 2017, the Internal Revenue Service revoked the



nonprofit status of a hospital for the first time for failing to meet the needs of the community through charity care.⁵⁶

Defenders of hospitals' tax-exempt status claim that decreasing the costs of providing uncompensated care was one of the goals of the Affordable Care Act, which resulted in hospitals having more money.⁵⁷ While losing their nonprofit designation would require hospitals to pay taxes on revenue, it would also require hospitals to overhaul their strategic approach to fundraising since they could no longer offer charitable deductions to donors.

Tax Cuts and Jobs Act repeals individual mandate

Passage of the Tax Cuts and Jobs Act at the end of 2017 also brought an end to the individual mandate, a controversial portion of the Affordable Care Act requiring Americans to maintain health insurance or face a yearly tax.⁵⁸ While the exact consequences of removing the individual mandate are still uncertain, policy analysts have put forth several possible implications.

The Congressional Budget Office (CBO), the nonpartisan agency responsible for budgetary predictions, estimates that 13 million Americans will no longer have health insurance by 2027 due to the repeal of the individual mandate.⁵⁹ The CBO also predicts that average premiums for individuals in the non-group market could rise by approximately 10 percent

per year for the next decade. This likely increase in premiums will result from younger, healthier individuals choosing not to have insurance, which makes balancing the risk pool more difficult as older, less-healthy individuals become the majority of insurance policy holders.⁶⁰

The end of the individual mandate has prompted some hospitals to begin preparing for a nationwide increase in uninsured individuals and a corresponding surge in uncompensated

6 The end of the individual mandate has prompted some hospitals to begin preparing for a nationwide increase in uninsured individuals and a corresponding surge in uncompensated care. 51

care.⁶¹ This surge may motivate hospitals to limit or exclude individuals who are eligible for government-sponsored medical insurance through Medicaid or the Affordable Care Act but willingly opt-out from financial assistance opportunities supported by charitable gifts. This exclusion would make the costs of providing uncompensated care more bearable by reducing the strain on insured patients and enabling fundraising money to be directed toward other areas of need.

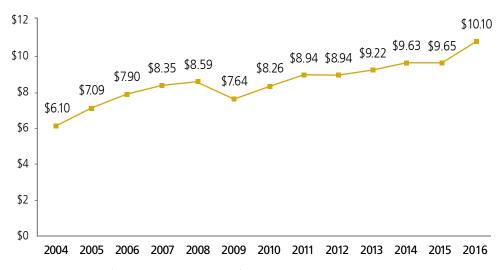
Annual trends in giving to nonprofit healthcare organizations, fiscal years 2004–2016

The Association for Healthcare Philanthropy's (AHP) 2017 annual *Report on Giving*, based on data from 209 nonprofit healthcare institutions, reveals that corporate/foundation gifts and major gifts were the largest sources of healthcare funds raised in fiscal year 2016 at 27.9 percent and 24.3 percent, respectively.⁶² These sources were followed by annual gifts (15.0 percent), special events (14.0 percent), and planned giving (9.4 percent).

Hospitals and health systems that invest in philanthropy saw a more than four-fold return for every dollar invested in 2016.⁶³ According to the report, for every \$1 spent on fundraising programs, the median ROI, a measure of effectiveness, was \$4.06 in fiscal year 2016 (down from \$4.29 in fiscal year 2015). The cost to raise a dollar, a measure of fundraising efficiency, was 25 cents in fiscal year 2016 (up from 23 cents in fiscal year 2016). Figure 1 shows the annual trend in giving to U.S. nonprofit healthcare organizations for fiscal years 2004–2016, as reported by AHP.

Figure 1

Annual trend in giving to healthcare organizations, fiscal years 2004–2016 (median value for all institutions, in billions of dollars)



Data: Report on Giving for FY 2016: USA, Association for Healthcare Philanthropy, 2017, www.ahp.org

Health charities, hospitals and medical centers maintain representation on the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁶⁴ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts

of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 30 organizations that are classified as health charities (equal to the prior year) and 27 charities classified as hospitals and medical centers (equal to the prior year).⁶⁵ The top five health organizations on the list with the greatest amount in private support are:

- Ranking 12th: American Lebanese Syrian Associated Charities/St. Jude Children's Research Hospital, Memphis, TN, with \$1.13 billion in private contributions, an increase of 9.8 percent from the previous year;
- Ranking 24th: American Cancer Society, Atlanta, GA, with \$779.2 million in private contributions, a decrease of 4.5 percent;
- Ranking 28th: American Heart Association, Dallas, TX, with \$683.2 million in private contributions, an increase of 5.8 percent;
- Ranking 33rd: University of California San Francisco Medical Center, San Francisco, CA, with \$595.9 million in private contributions, a decrease of 2.1 percent; and
- Ranking 39th: Patient Access Network Foundation, Washington, DC, with \$582.5 in private contributions, a decrease of 27.3 percent.

Although the same five nonprofits comprised the top health organizations on the Philanthropy 400 in 2017 as in 2016, the order of, as well as the amount of funds raised by, these groups shifted.66 Most notably, the Patient Access Network Foundations, which ranked 23rd on the list with \$801.2 million in private contributions for the fiscal year ending in 2016 (a 21.5 percent increase from the fiscal year ending in 2015), dropped

substantially. The decline comes amid a federal investigation that began in late 2015 into the dealings between drug companies and charities like the Patient Access Network Foundation, which help individuals pay for medications.⁶⁷

Key findings from annual studies

Table 1 presents three years of data from studies released annually about giving to healthcare and health-related causes. Website addresses are provided so



 Table 1

 Key findings from other studies about giving to health organizations

IRS Statistics of Income Bulletin ⁶⁸ Tax-exempt health organizations: 2012–2014 www.irs.gov			
	2012	2013	2014
Number of returns	35,188	35,435	35,497
Charitable revenue	\$68.02 billion	\$74.27 billion	\$77.94 billion

Chapter authored by Bryan Fegley, Director of Annual Giving, Barton College.

Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members June Bradham and Merrell Milano.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
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- 4 Practitioner Highlight authored by Editorial Review Board member Merrell Milano.
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- Giving to public-society benefit organizations amounted to 7 percent of total giving in 2017.
- Contributions to the public-society benefit subsector increased 7.8 percent to \$29.59 billion in 2017. Adjusted for inflation, giving to public-society benefit organizations increased 5.5 percent.1
- The total amount contributed to publicsociety benefit in 2017 reached its highest inflation-adjusted value ever.

Practitioner Highlights

- Online giving and monthly giving to the public-society benefit subsector saw impressive year-over-year increases that were greater than other subsectors. Revenue from first-time donors and repeat donors also increased substantially.²
- Strong growth in giving to the public-society benefit subsector in 2017 was driven in part by giving in response to policy proposals and other actions taken by the new presidential administration.³
- Membership organizations in this subsector have sought out innovative strategies for solving problems, improved marketing, and other fresh approaches to attracting new revenue sources and interest from donors who crave more engagement.⁴

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to publicsociety benefit in 2017

In 2017, giving to public-society benefit grew for the eighth consecutive year.⁵ In the last five-year period (2013 to 2017), giving to this subsector experienced an annualized average growth rate of 5.3

percent. Giving to the public-society benefit subsector was above the five-year annualized average growth rate of 4.3 percent for total giving. The public-society benefit subsector saw its greatest gain of the last five years in 2017 (7.8 percent), up from its smallest gain of 2.2 percent in 2016.6

Other reports issued in 2018 note mixed trends in giving to public-society benefit organizations in 2017. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights from 2017 on giving to this subsector include:

- In spring 2018, Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to publicsociety benefit organizations realized an increase of 3.2 percent between 2016 and 2017.7 The greatest yearover-year monthly increase in overall charitable revenue to public-society benefit organizations occurred in the three-month period ending in June 2017 (11.2 percent).8 Although year-over-year giving increased every month of 2017, giving to these organizations grew the least in the three-month periods ending in February 2017 (2.1 percent) and March 2017 (2.2 percent).
- The Nonprofit Research Collaborative (NRC) focuses on the proportion of organizations that saw increases or declines in charitable receipts. NRC's Winter 2018 Nonprofit Fundraising Study reported that civic affairs, rights, and social and economic justice organizations did not see the strong increases in charitable receipts that other types of

organizations did. Fifty-four percent of civic affairs, rights, and social and economic justice organizations saw increases in charitable receipts in 2017. An additional 23 percent of these organizations reported that charitable receipts stayed level with 2016 numbers.

To provide additional context for giving to public-society benefit organizations in 2017 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector. Please note that in previous editions of *Giving USA*, analysis of donor-advised funds has been included in the public-society benefit chapter. For *Giving USA* 2018, discussion of these giving vehicles has shifted to a special section on donor-advised funds for more in-depth exploration that appears at the end of this chapter.



Giving USA Giving to Public-Society Benefit



Online giving to public-society benefit organizations strong in 2017

Three different reports noted very positive results for giving to public-society benefit organizations via online methods in 2017. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of public-society benefit organizations.

Growth in online giving was much stronger for the sample of Blackbaud public-society benefit organizations than was overall giving to these same organizations in 2017, increasing 15.0 percent—the third-strongest growth rate behind environment and animals and arts, culture, and humanities organizations. The greatest year-over-year monthly increases in online charitable revenue received by public-society benefit organizations occurred in the three-month periods ending in January 2017 (20.6 percent) and March 2017 (18.4 percent). Growth in online giving to these organizations slowed slightly in the three-month period ending in June 2017 (10.6 percent).

According to Blackbaud's 2017 *Luminate Online Benchmark Report*, public affairs organizations increased total online revenue by 21.2 percent—a higher

growth rate than any other type of organization.¹² Revenue from first-time donors increased by 30.6 percent compared with 2016, and revenue from repeat donors increased by 18.5 percent.

In a different study, the Benchmarks 2018 report by M+R and NTEN also reported very positive results for online giving to a sample of rights organizations.13 In 2017, these organizations experienced an overall increase in online revenue of 37 percent over 2016, far outpacing the industry average of 23 percent. This was the highest increase in online giving for all types of responding organizations. This jump was driven by large increases in the total number of online gifts (a 58 percent increase from 2016), and sustaining donors, whose monthly donations accounted for nearly a quarter of total revenue (compared with the industry average of 16 percent).

In 2017, [rights] organizations experienced an overall increase in online revenue of 37 percent over 2016, far outpacing the industry average of 23 percent.¹³ This was the highest increase in online giving for all types of responding organizations. ²

United Way Worldwide redoubles fundraising efforts

In recent years, the United Way and other social service organizations have faced a downward trend in giving.¹⁴ Despite taking the second spot on the Philanthropy 400 and raising nearly \$3.54 billion in fiscal year 2016, United Way experienced a 10 percent decline from the total the organization raised in 2015.¹⁵

In order to address these shifts in giving patterns, United Way increased its focus on educating communities about their impact and deepening commitments to work in partnership with local stakeholders to produce change. For instance, United Way launched a new marketing campaign to promote greater awareness of the organization's role in the community in 2017. ¹⁶ In addition, United Way raised substantial funds for disaster relief and took a holistic approach to addressing poverty and unemployment.

United Way establishes individual funds for each major 2017 disaster, to be distributed to local branches

United Way created individual funds for the myriad disasters in 2017 to focus on mid- and long-term rebuilding efforts.

Giving USA Giving to Public-Society Benefit

The funds will be distributed across local United Way branches to ensure that the most heavily impacted areas receive and distribute funding that addresses the needs specific to each area. One such local effort is the "Flood the Love" campaign by United Way of Southwest Louisiana, directed specifically at raising money and collecting supplies such as bleach, mosquito repellant, and trash bags to help communities in the area clean and restore flooded property in the wake of Hurricane Harvey. 17 As of March 31, 2018, United Way funds for each disaster included:

- \$55.21 million for Hurricane Harvey, to be distributed to 27 local branches in Louisiana and Texas;¹⁸
- Nearly \$30 million for Hurricane Irma and Maria, to be distributed to 21 local branches in Florida, Georgia, and South Carolina, as well as Fondos Unidos de Puerto Rico, United Way of the U.S. Virgin Islands, and United Way Trinidad;¹⁹ and
- \$1.4 million for the Mexico Earthquake, to be distributed in partnership with United Way's Mexico-based partners, Fondos Unidos Mexico.²⁰
- 6 United Way Worldwide is committed to economic development in cities with low rates of economic mobility.²³ 9 9

United Way launches innovative initiatives to support economic development at community level

In December 2017, the Wells Fargo & Company Foundation announced a grant of \$18 million to United Way Worldwide intended to support community development and address unemployment through job training programs.²¹ Funding will follow the lead of innovative and effective programs already in place, such as the Partners for a Competitive Workforce (PCW) program managed by United Way of Greater Cincinnati.²² Instead of seeking to develop the job skills of individuals, the PCW program has begun to work directly with manufacturing firms directly in order to help the businesses find and retain promising full-time employees. One such program already in place has seen an 875 percent return on investment for programs that put employees directly in training after being hired.

United Way Worldwide is committed to economic development in cities with low rates of economic mobility.²³ In line with this goal, the United Way of Central Carolinas launched an initiative called "United Neighborhoods," which will distribute \$2.4 million over multiple years to the Grier Heights and Renaissance Neighborhoods of Charlotte, North Carolina. The goal is to support greater, sustainable economic development at the neighborhood level

by strengthening partnerships between residents, businesses, nonprofits, and stakeholders in individual neighborhoods.²⁴ The initiative will be directed by "Community Quarterback" organizations that will direct funds and coordinate efforts that reflect the needs of the community.

Groundswell of donations follows inauguration of President Trump

Following the inauguration of U.S. President Donald Trump in January 2017, many donors felt an urgency to support causes they perceived to be under threat. A recent survey by marketing firm Edge Research found that one in five respondents was a "reactive giver," defined as someone who made at least one donation in 2017 because of an emotional response to current political or social events.²⁵ The survey also found that reactive givers spanned the political spectrum: 53 percent of reactive givers identified as Democrats, 32 percent as Independents, and 16 percent as Republicans.

Reports identified organizations working to protect the environment and healthcare and to promote women's and international issues as the primary beneficiaries of the so-called "Trump bump" in 2017.²⁶

Nonprofits back Women's March

On January 21, 2017, President Trump's first full day in office, throngs of people gathered as part of the Women's March in Washington, DC, to express their opposition to policies proposed by the administration, as well as their support for underrepresented groups whose rights they felt had been attacked during the 2016 presidential campaign.²⁷

On this and subsequent days, nearly five million individuals convened for 637 Women's March events, including "sister" marches throughout the country and across the globe. 28 The marches represented the largest coordinated protest in U.S. history. 29 Several nonprofits, including the American Civil Liberties Union (ACLU) and the Human Rights Campaign, served as sponsors of the Women's March, which raised more than \$2 million through a CrowdRise campaign to support event expenses. 30



Giving USA Giving to Public-Society Benefit

ACLU benefits from 'Trump bump'

From January to August of 2017, the ACLU raised four times the amount the organization raised during the same time frame in 2016.³¹ Online contributions in particular spiked following President Trump's executive order restricting citizens of seven predominantly Muslim countries from entering the U.S. The ACLU received more than 350,000 online donations totaling \$24 million the weekend following the order's enactment in January 2017.³²

By November 2017, ACLU membership had grown to 1.6 million, up from 425,000 at the beginning of the year, and an estimated one million donors had made online gifts totaling \$85 million.³³ The ACLU has sought to turn one-time donors into long-term supporters by encouraging monthly giving, conducting follow-up research and meetings with large donors, honing its communications strategy, and providing tools to help supporters engage in advocacy and direct action.³⁴

Immigrant-serving organizations seek alternative funding

Many organizations that rely on federal grants to provide programs that support immigrants braced for losses in government funding as a result of budget allocations and policies proposed by the Trump administration in 2017.³⁵ Like the ACLU, nonprofits that advocate for immigrant rights reported receiving an increased flow of donations following the announcement of the president's executive order restricting citizens of seven predominantly Muslim countries from entering the U.S. However, these organizations expressed concern about maintaining higher levels of private support given the limited development staff and stewardship systems they currently had in place.



Good to Know

The public-society benefit subsector is growing, but organizations need to be agile to tap into these expanded donations. ³⁶ The impressive growth of politically responsive cause-based giving and online giving suggests that organizations should be as responsive and attentive in courting donations as their donors are in perceiving social change. Suggestions include:

- Staying attuned to developing trends and attitudes toward stories in the news and considering how your messaging and mission may align;
- Providing opportunities for donors to give, particularly when it comes to pathways for online giving; and
- Whether the subject is immigration policy or changes to the tax code, reiterating the incentives for and urgency of giving.

Donors boost science organization's endowment

After creating the Ralph J. and Carol M. Cicerone Endowment for National Academy of Sciences (NAS) Missions in 2016 to fund efforts aimed at strengthening NAS programs and policy studies on emerging topics, the academy received a \$10 million challenge gift from the Simons Foundation for all pledges made to the endowment through May 2018.37 In April 2017, NAS announced the receipt of a \$10.5 million donation from the Kavli Foundation to establish the Fred Kayli Endowment Fund.38 To recognize the late physicist's support, the academy shared that it would rename the auditorium at the historic NAS building in Washington, DC, in Kavli's honor.

Nonprofits rally behind March for Science

In 2017, members of the scientific community expressed concern about the Trump administration's treatment of the scientific process. One of the developments that prompted this concern was the president's January 2017 announcement that, during the presidential transition, the results of studies conducted by scientists at the Environmental Protection Agency (EPA) would be subject to review by the administration prior to publication on a case-by-case basis.³⁹

In response to the announcement, as well as President Trump's prohibition of EPA employees from posting social media updates and proposed budget cuts to scientific agencies, "rogue" Twitter accounts for agencies such as the National Park Service and the National Aeronautics and Space Administration surfaced as a form of resistance to the administration's policies. 40 With approximately 80 untraceable Twitter accounts, the movement eventually culminated in organization of the March for Science. 41

A total of more than one million people participated in the March for Science in Washington, DC, on April 22, 2017, as well as approximately 600 other events in 66 countries. 42 Hundreds of nonprofits served as March for Science partners, including the American Association for the Advancement of Science and the Government Accountability Project. 43 Science magazine reported that the March for Science raised \$1 million prior to the April 2017 event.44 Donations were used to fund event expenses, develop publicly available resources for science outreach, and support advocacy efforts in underserved communities, among other purposes.45

Time's Up raises millions to address workplace discrimination and abuse

Following widespread reports of sexual abuse in Hollywood, the Time's Up initiative was announced through an open letter signed by hundreds of well-known actors, writers, producers, and directors. 46 The initiative seeks to tackle systemic inequality and injustice in the workplace that have prevented marginalized groups from realizing their full potential.⁴⁷ By early January 2018, the initiative's GoFundMe campaign exceeded its initial \$15 million goal less than one month after the campaign was created. 48 Proceeds from the campaign will support the Time's Up Legal Defense Fund housed at and administrated by the National Women's Law Center. 49 The fund will help individuals who have experienced sexual discrimination, harassment, and assault in the workplace receive legal and public relations assistance.

Jewish Federations promote planned giving

Facing declining synagogue membership, Jewish Federations and community foundations have partnered with the Harold Grinspoon Foundation as part of a planned giving initiative to



ensure a strong future for local Jewish organizations. 50 As part of a four-year effort that includes trainings and incentives, the Life & Legacy program promotes planned giving as a critical element of Jewish charitable culture. The program has assisted more than 465 organizations in 43 communities across the country in its five-year history.

Through Life & Legacy, Jewish
Federations and community foundations
develop community-wide legacy giving
programs. ⁵¹ The Grinspoon Foundation
covers a portion of the project costs and
provides an incentive for organizations
that reach their minimum planned-gift
commitment goals. As of June 2017,
more than 15,700 planned gifts with an
estimated total value of more than \$500
million dollars have been made since the
program was established. Additionally,
individuals have contributed more than
\$54 million in cash donations instead of
or in addition to an after-life commitment.

Service organization revisits membership requirements, community involvement

Service organizations like the Junior League have also experienced declining member bases. Over the last several years, Junior Leagues throughout the United States have re-examined their membership requirements and community programs to increase flexibility and project impact. 52 After surveying its nearly 300 member organizations, the Association of Junior Leagues International began making changes to better engage members and address community issues. Key changes included reducing large-scale initiatives and opting for smaller community projects; giving women flexibility to participate as their schedules allow; and designing governance policies to disperse leadership responsibilities.53

6 Over the last several years, Junior Leagues throughout the United States have re-examined their membership requirements and community programs to increase flexibility and project impact.⁵²

Veterans organizations receive major gifts, face scrutiny

Veteran support charities received several notable gifts in 2017. For example, Boeing gave \$10 million to support the Military Service Initiative at the George W. Bush Institute in Dallas, TX, which provides treatment and rehabilitation programs for veterans suffering from post-traumatic stress disorder, as well as other services to help individuals transition from military to civilian life.54 The A. James and Alice B. Clark Foundation also committed \$10 million to Boulder Crest Retreat in Bluemont, VA, which offers accommodations and activities for veterans and their families. The organization will use the funds to purchase a ranch to offer services at a second location near Tucson, AZ.55

While some veterans organizations celebrated gifts in 2017, others came under fire for their fundraising practices. Circle of Friends for American Veterans, a once-unknown nonprofit in Falls Church, VA, increased its income tenfold in three years by hiring a telemarketing firm. However, after paying the firm, the executive director's salary, and program overhead costs, few funds remained to provide actual services for veterans.

Giving USA Giving to Public-Society Benefit



Similarly, the Wounded Warrior Project was scrutinized by Iowa Senator Charles Grassley for inappropriate expenditures and improperly reporting program costs.⁵⁷ Senator Grassley specifically took issue with the percentage of fundraising appeals that could be considered program costs if they educated donors on the organization's mission. While current IRS rules allow some fundraising expenses to be rolled into the cost of program services, Grassley called for the Wounded Warrior Project to revisit whether its activities are doing the most good for its clients. Senator Grassley has also voiced concerns about the financial practices of other nonprofit organizations including nonprofit hospitals and the American Red Cross.58

Governments launch new pay-for-success programs

Throughout 2017, pay-for-success (PFS) programs continued to attract policymakers' interest as a way of addressing social issues while maintaining tight budgets. Numerous private investors provided financing to support PFS programs, also known as social-impact bonds. Through these growing public-private partnerships, governments utilize strict evaluation criteria to test new programs and repay investors if desired program outcomes are achieved. The following sections detail a variety of PFS programs launched in 2017.

Massachusetts Pathways to Economic Advancement Project

In conjunction with Jewish Vocational Service and Social Finance, the state of Massachusetts secured \$12.4 million from 40 private investors to fund an initiative that assists limited English speakers in greater Boston, MA, with obtaining employment and pursuing higher education.⁵⁹ The Pathways to Economic Advancement Project will help 2,000 intermediate-level English for Speakers of Other Languages students develop their language and professional skills.60 With the first PFS program in the United States exclusively focused on workforce development, Massachusetts will determine future state funding for the Pathways to Economic Advancement Project based on the extent to which program participants successfully transition to employment, higher wage jobs, and higher education over the next three years.

Los Angeles County Just in Reach program

With a goal of reducing homelessness and recidivism, Los Angeles County (CA) launched the Just in Reach (JIR) program to assist 300 individuals preparing to leave the county jail, who are experiencing mental health or substance-use disorders, transition to permanent supportive housing during the next four years.⁶¹ Through a \$10 million investment from the Conrad N.

Hilton Foundation, UnitedHealthcare, the California Board of State and Community Corrections, the U.S. Department of Housing and Urban Development, and the U.S. Department of Justice, JIR participants will receive mental health/substance-use treatment and case management. 62 The first public-private partnership funded by a PFS grant in Los Angeles County, the program's success will be measured by permanent supportive housing retention rates at six and 12 months following placement, as well as the number of individuals who avoid re-arrest two years after placement.

Women in Recovery Project

The first PFS program centered on female incarceration, the Oklahoma Women in Recovery Project will partner with Tulsa-based Family & Children's Services (F&CS) over five years to provide intensive outpatient

6 Throughout 2017, pay-for-success (PFS) programs continued to attract policymakers' interest as a way of addressing social issues while maintaining tight budgets. 29

Giving USA Giving to Public-Society Benefit

treatment as an alternative for up to 125 women per year facing prison sentences for nonviolent, drug-related offenses. 63 Leading the nation in female incarceration rates, Oklahoma seeks to lower the number of women sent to prison due to the resulting impact on families and children.64 While F&CS must generate \$2 million per year to fund the upfront costs, the George Kaiser Family Foundation has agreed to support the program as part of the foundation's \$1.8 million annual commitment to efforts aimed at lowering female incarceration in Tulsa County.65 Program success and subsequent repayment will be measured by participating women achieving four milestones: program graduation and reincarceration avoidance at 24, 36, and 54 months after program entry.



In March 2018, Funders for LGBTQ Issues released its 2016 Tracking Report, which examines foundation funding for LGBTQ issues during the 2016 calendar year. 66 Based on a comprehensive analysis of 6,032 grants from 348 foundations, the report found that at \$202.3 million, LGBTQ grantmaking surpassed \$200 million for the first time in 2016. The sharp rise in LGBTQ funding (up 25.9% from \$160.7 million in 2015) was largely driven by the \$30



million raised in response to the Pulse Nightclub shooting in Orlando, FL, in June 2016.

The following organizations comprised the top five recipients of LGBTQ funding in 2016:⁶⁷

- National LGBTQ Task Force in Washington, DC, at \$6.2 million;
- Los Angeles LGBT Center in Los Angeles, CA, at \$3.2 million;
- National Center for Lesbian Rights in San Francisco, CA, at \$2.6 million;
- Transgender Law Center in Oakland, CA, at \$2.3 million; and
- Lambda Legal Defense and Education Fund in New York, NY, at \$2.1 million.

Philanthropy 400 shows healthy growth in contributions to public-society benefit organizations

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations. 68
The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 19 organizations that are classified as donor-advised funds (compared with 18 the prior year), 11 Jewish Federations (compared with 10 the prior year), eight public affairs organizations (equal to the prior year), and five charities classified as "other" (equal to the prior year). Donor-advised fund rankings on the Philanthropy 400 are discussed in the special section on donor-advised funds are among the

highest ranked public-society benefit organizations on the Philanthropy 400.

The top five public-society benefit organizations (not including donoradvised funds) on the list with the greatest amount in private support are:⁷⁰

- Ranking 27th: Pew Charitable Trusts, Philadelphia, PA, with \$694.86 million in private contributions, an increase of 130.1 percent from the previous year;
- Ranking 83rd: New Venture Fund, Washington, DC, with \$315.36 million in private contributions (figure is for the previous year);
- Ranking 86th: Network for Good, Washington, DC, with \$305.31 million in private contributions, an increase of 20.3 percent;
- Ranking 96th: Jewish Federations of North America, New York, NY, with \$277.13 million in private donations, a decrease of 16.5 percent; and
- Ranking 107th: American Civil Liberties Union Foundation, New York, NY, with \$260.67 million in private contributions, an increase of 41.6 percent.

6 The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year.

Key findings from annual studies

Table 1 presents three years of data from studies released annually about contributions to organizations in the public-society benefit subsector. Website addresses are provided so readers can access the full reports.



Table 1
Key findings from other studies about giving to public-society benefit organizations

IRS Statistics of Income Bulletin ⁷¹ Tax-exempt health organizations: 2012-2014 www.irs.gov				
	2012	2013	2014	
Number of returns	25,226	26,949	27,842	
Charitable revenue	\$53.56 billion	\$60.49 billion	\$63.73 billion	

Chapter authored by Christianna Luy, MA, CFRE, Executive Director, CCS, and Meg O'Halloran, Executive Director, CCS, with material written by staff at the Indiana University Lilly Family School of Philanthropy.

Good to Know sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Nathan Relles and Grant Forssberg.

Giving to Donor-Advised Funds

The information provided in this section derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This special section on giving to donoradvised funds is meant to provide context for the giving trends reported in this edition of Giving USA and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of all giving to donor-advised funds, but rather a collection of examples from the field that are counted in the Public-Society Benefit subsector.

Introduction to donoradvised funds in *Giving USA*

Essentially operating as a type of charitable savings account, donoradvised funds (frequently referred to as DAFs) are philanthropic investment vehicles that allow donors to contribute to their cash and non-cash assets and take an immediate tax credit on their contributions. The assets held within the fund are invested, and fundholders direct grants from the fund to approved nonprofit entities. Donor-advised funds have existed in the United States in

differing forms since the 1930s, though the definition and characteristics of these funds have varied through the years.⁷³

Recent reports agree that donor-advised funds continue to grow in popularity and usage. According to National Philanthropic Trust (NPT)'s 2017 Donor-

The assets held within the fund are invested, and fundholders direct grants from the fund to approved nonprofit entities.

Advised Fund Report, charitable gifts to donor-advised funds increased 7.6 percent in 2016 over 2015. Total contributions to donor-advised funds reached \$23.27 billion in 2016, representing 8.5 percent of the revised total for giving by individuals in 2016.⁷⁴ The report found that other metrics increased in 2016 over 2015 as well, including total amount of assets (9.7 percent), total number of donor-advised fund accounts (6.9 percent), and total grant dollars distributed from donor-advised funds (10.4 percent).

Donor-advised fund providers typically fall into three categories:⁷⁵

- National (also known as commercial) fund providers such as Fidelity
 Charitable, Schwab Charitable, or National Philanthropic Trust (NPT).
 These entities are also referred to as national charities, and are often independent providers of donoradvised funds or are affiliated with financial institutions.
 - Gifts to national fund providers are counted in the Public-Society Benefit subsector. This section will focus on these types of fund providers.
- Single-issue charities are fund providers that offer donor-advised funds but work in a specific subsector such as religion or human services. Jewish Federations and higher education institutions frequently house donor-advised funds.

- Donor-advised funds housed by single-issue charities are counted under the subsector of the charity (i.e. gifts to donor-advised funds held at educational institutions are counted under education, gifts to donor-advised funds held at a human services organization would be counted under human services for the purposes of Giving USA)
- Community foundations, which house and manage donor-advised funds, are the oldest providers of donor-advised funds in the United States. Examples of these providers include the Silicon Valley Community Foundation, the New York Community Trust, or the Greater Kansas City Community Foundation.
 - Donor-advised funds housed in community foundations are counted under giving to foundations (see Chapter 12: Giving to Foundations)

The remainder of this special section will focus on those donor-advised funds that fall under the Public-Society Benefit subsector.

6 Total contributions to donoradvised funds reached \$23.27 billion in 2016, representing 8.5 percent of the revised total for giving by individuals in 2016.⁷⁴ > 9

Trends in giving to and from donor-advised funds in 2017 and recent years

The following sections detail the most up-to-date reporting from major donoradvised fund sponsors in the United States, as found in independent studies, annual reports, and news articles.

Calendar year 2017 expected to be strong for giving to donoradvised funds

End-of-year giving to donor-advised funds may have spiked in response to the strong performance of the market and changes to tax policy signed into law on December 22 under the Tax Cuts and Jobs Act (Public Law No: 115-97; previously H.R. 1).76 While it is still too early for most organizations to confirm whether end-of-year 2017 numbers were significantly different from end-ofyear giving in 2016, anecdotal evidence suggests that donor-advised funds were a popular giving vehicle at the end of 2017. The unique nature of donoradvised funds may have increased their popularity: end-of-year donations would receive all of the tax benefits of 2017 while also giving donors time to decide how they would like to allocate the charitable funds.

Many donor-advised fund sponsors reported a substantial rise in new accounts, contributions, and grants



to charitable organizations during the second half of 2017, such as:

- Vanguard Charitable reported that the number of new accounts opened in December 2017 had increased 45 percent over December of the previous year;77
- Schwab Charitable reported that the number of new accounts opened in December 2017 had increased 68 percent over December of the previous year;⁷⁸
- Fidelity Charitable reported an increase in "both contributions and grants," in December 2017 but declined to provide specific numbers;79 and
- The Combined Jewish Philanthropies of Greater Boston reported a significant increase in the creation of donoradvised funds, with approximately 25 new funds in the months leading up to the close of 2017.80

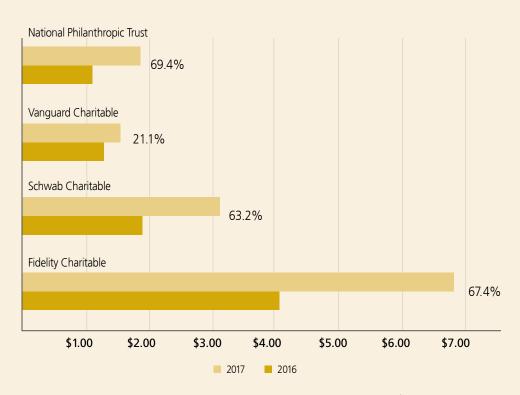
Contributions to donor-advised funds in 2017 and recent years

Data from 2017 and supporting data from 2016 show that donor-advised funds continue to grow. Changes in contributions to donor-advised funds varied across organizations, though

many sponsors saw increases in giving that continued trends over the last several years. Figure 1 compares aggregate contributions to major donoradvised fund sponsors in fiscal year 2017, and tracks contribution changes compared with fiscal year 2016.81

Figure 1

Contributions to select donor-advised fund sponsors, fiscal year 2016-2017 (billions of dollars)



Data: 2017 Annual Report, National Philanthropic Trust, 2017, https://www.nptrust.org/annual-report/pdfs/npt-annual-report-2017. pdf; 2017 Annual Report, Vanguard Charitable, 2017, https://annualreport.vanguardcharitable.org/; 2017 Annual Giving Report, Schwab Charitable, 2017, https://www.schwabcharitable.org/public/file/P-8142068/; Schwab Charitable Fund: Financial Statements as of and for the Years Ended June 30, 2017 and 2016, Schwab Charitable, 2017, https://www.schwabcharitable.org/public/file/P-6528471; 2017 Annual Report, Fidelity Charitable, 2017, https://www.fidelitycharitable.org/docs/2017-Annual-Report.pdf

Types of contributions to donor-advised funds

Donor-advised fund sponsors are able to flexibly accept a large number of assets, including non-cash or non-liquid assets. All Many sponsors use the terms "non-liquid assets" and "non-cash assets" interchangeably, and these terms encompass all non-cash giving, such as gifts of securities, mutual funds or complex assets. Cash and non-cash assets broke down along the following lines for major donor-advised fund sponsors:

- Fidelity Charitable reported that cash composed 39 percent of contributions in calendar year 2017.⁸³ Half of all contributions were publicly traded securities, and non-publicly traded assets such as private or restricted stock and cryptocurrency such as Bitcoin represented the remaining 11 percent of all contributions;
- Vanguard Charitable reported that cash composed 36 percent of contributions in fiscal year 2017.⁸⁴ Nearly half (44 percent) of all contributions were securities. Mutual funds were the third most popular type of asset, representing 19 percent of all contributions; and
- Schwab Charitable Fund reported that 32 percent of contributions in fiscal year 2017 were in the form of cash assets, with non-cash assets representing 68 percent of all contributions.⁸⁵

Grants issued by donor-advised funds in 2017 and recent years

Large national donor-advised fund sponsors realized year-over-year growth in aggregate grants awarded, with three different organizations posting growth of nearly 30 percent over 2016.86 In addition, many major funds reported all-time highs for aggregate amount given, number of grants, and number of organizations supported.

Grants from both Fidelity Charitable and Schwab Charitable exceeded \$1 billion in 2017, for a combined total of \$6 billion.⁸⁷



A smaller public-society benefit organization, the Jewish Communal Fund, also saw an uptick in grants from donor-advised funds that are housed in the organization: grants from donoradvised funds increased 35.0 percent to a total of \$18.9 million in 2017, up from \$14 million in fiscal year 2016.88

Figure 2 summarizes aggregate grantmaking from major donor-advised fund sponsors in fiscal or calendar year (FY) 2017, as compared to fiscal or calendar year (FY) 2016.



Figure 2

Grants from select donor-advised fund sponsors, fiscal and calendar year 2016-2017



Note: Fidelity Charitable's data is based on the calendar year, while the data for all other organizations is based on fiscal year.

Data: 2017 Annual Report, National Philanthropic Trust, 2017, https://www.nptrust.org/annual-report/pdfs/npt-annualreport-2017.pdf; 2017 Annual Report, Vanguard Charitable, 2017, https://annualreport.vanguardcharitable.org/; 2017 Annual Giving Report, Schwab Charitable, 2017, https://www.schwabcharitable.org/public/file/P-8142068/; "Schwab Charitable Distributes \$1.2 Billion in Grants in Fiscal Year 2016," Schwab Charitable, 2017, https://www.schwabcharitable. org/public/charitable/about_schwab_charitable/news_pr/press_releases/schwab_charitable_distribution_in_2016.html; 2017 Giving Report, Fidelity Charitable, 2017, https://www.fidelitycharitable.org/docs/giving-report-2017.pdf; 2018 Giving Report, Fidelity Charitable, 2018, https://www.fidelitycharitable.org/docs/giving-report-2018.pdf

Trends in subsector support from donor-advised funds

Subsector support by donor-advised funds varies depending on the nature of the fund sponsor. Generally, however, most grant account holders recommend gifts largely to organizations within the religion, education, and human services subsectors, mirroring wider giving trends.⁸⁹

Table 1 summarizes the top subsectors supported by major donor-advised fund sponsors, according to information

66... [most] recommend gifts largely to organizations within the religion, education, and human services subsectors, mirroring wider giving trends.89

disclosed in annual reports from these institutions. 90 Additionally, sponsors may classify and group organizations into charitable subsectors that is different from *Giving USA's* methodology.

Table 1
Subsector grant distribution from major donor-advised fund sponsors,
Fiscal year 2017

Subsector	Fidelity Charitable (2017 calendar year)	Schwab Charitable (2017 FY)	Vanguard Charitable (2017 FY)	NPT (2017 FY)
Education	28%	15%	19%	26%
Religion	16%	25%	21%	8%
Human services	11%	28%*	24%	9%
Health	8%	28%"	12%	10%
International affairs	6%	5%	N/A	13%
Public-society benefit	17%	N/A	N/A	27%
Other subsectors	14%	27%	24%	6%

Note: Fidelity Charitable's data is based on the calendar year, while the data for all other organizations is based on fiscal year. Note also that donor-advised fund sponsors may classify organizations into charitable subsectors using a different methodology than *Giving USA*, and thus cannot be directly compared to *Giving USA* results.

Data: 2018 Giving Report, Fidelity Charitable Gift Fund, 2018, https://www.fidelitycharitable.org/docs/giving-report-2018.pdf; 2017 Annual Giving Report, Schwab Charitable, 2017, https://www.schwabcharitable.org/public/file/P-8142068/; 2017 Annual Report, Vanguard Charitable, 2017, https://annualreport.vanguardcharitable.org/donorimpact/; 2017 Annual Report, National Philanthropic Trust, 2016, https://www.nptrust.org/annual-report/index.html

^{*}Calculations from Schwab Charitable's data included both human services and health subsectors

Given the prevalence of online platforms for donor-advised funds, one large national fund sponsor disclosed that 96 percent of grant recommendations were completed online.⁹¹

For Schwab Charitable and Fidelity Charitable, charities that garnered the largest volume of grants were wellestablished organizations, such as Feeding America, The Salvation Army, and United Way.⁹² There were some similarities across Vanguard Charitable, Schwab Charitable, and Fidelity Charitable: Doctors Without Borders USA, the American Civil Liberties Union (ACLU) and Planned Parenthood were in the top five organizations for all three donor-advised fund sponsors.⁹³

Fidelity Charitable reported that \$60 million in grants were made to support disaster relief in 2017.⁹⁴ Disaster relief grants may also have helped to propel the American Red Cross up two spots to become the most popular charity for donor-advised fund grants in 2017.



High-net-worth donors and donor-advised funds

Continuing a trend from 2016, several high-net-worth donors made large gifts to their donor-advised funds in 2017. According to The Chronicle of Philanthropy's Philanthropy 50, the annual ranking of the 50 largest donations in the United States for the previous calendar year, several high-net-worth donors made large gifts to their donor-advised funds in 2017.95 One such donation came from Sheryl Sandberg, who gave \$100 million to the Sheryl Sandberg & Dave Goldberg Family Fund—a donoradvised fund housed within Fidelity Charitable—in August of 2017.96 The donation was composed of proceeds from Facebook stock. This was Sandberg's second appearance on the Philanthropy 50 list, and the donation ranked as the 25^h largest, closely following the \$107.2 million gift Sandberg made in 2016 to the same fund. 97

Several large donations went to donor-advised funds housed in community foundations.

Some of these donations are discussed in Chapter 12: Giving to Foundations.

IRS documents reveal that tech giants made large gifts to Goldman Sachs Charitable Gift Fund in 2016

In March of 2018, information about donors and donation amounts to the

Goldman Sachs Philanthropy Fund was made public when IRS documents were posted to GuideStar. The two pages of documents included the following information about donations to Goldman Sachs Philanthropy Fund in 2016:

- Steve Ballmer, Former Microsoft CEO, donated \$1.9 billion;⁹⁸
- Laurene Powell Jobs, College Track Chairman and widow of Steve Jobs, donated \$526 million; and
- Jan Koum, Founder of WhatsApp, donated \$114 million.

According to *The Chronicle of Philanthropy*'s Philanthropy 50, the annual ranking of the 50 largest donations in the United States for the previous calendar year, several high-net-worth donors made large gifts to their donor-advised funds in 2017.

None of these gifts had been formally announced by either the donors or the donor-advised fund sponsor. These findings indicate that donor-advised funds may supplement other giving vehicles for high-net-worth donors, as Ballmer, Powell Jobs, and Koum have all made substantial and public gifts using other giving vehicles within the past three years.⁹⁹

Donor-advised funds secure five of the top ten spots on the Philanthropy 400

For the second year in a row, public charity and donor-advised fund sponsor Fidelity Charitable Gift Fund topped *The Chronicle of Philanthropy's* Philanthropy 400 list. ¹⁰⁰ This marks the second consecutive year that Fidelity Charitable eclipsed United Way Worldwide as the charity with the most funds from private sources such as cash, stock, land, and donated goods in the Philanthropy 400. ¹⁰¹

The year wasn't just good for Fidelity Charitable, but for other donor-advised fund providers, too, as they secured five of the top spots on the Philanthropy 400. Notably, the Goldman Sachs Philanthropy Fund jumped to third place, right behind United Way Worldwide. Their new position on the list reflects a 450 percent gain thanks to more than \$3 billion in contributions during their 2016-2017 fiscal year. Additionally, Schwab Charitable Fund, National Christian Foundation, and Vanguard Charitable Endowment Program rounded out the donor-advised funds in the top 10 at sixth,



eighth and tenth place, respectively. 104
Each organization raised more than \$1
billion, and National Christian Foundation
received the most gifts of \$1 million or
more—194 in total—of all Philanthropy
400 organizations. 105

The surge in donor-advised fund representation on the Philanthropy 400 for fiscal year 2016 can largely be attributed to the strong performance of the stock market in the second half of 2016. 106 Vanguard Charitable saw contributions fueled by a healthier market as 64 percent came from appreciated securities, a 16 percent increase from previous years. 107

Special section on donor-advised funds authored by Anna Pruitt, PhD, Managing Editor of *Giving USA*.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
- 2 Practitioner highlight authored by Editorial Review Board member Nathan Relles.
- 3 Practitioner highlight authored by Editorial Review Board member Grant Forssberg.
- 4 Same as note 2.
- 5 This information is in current dollars.
- 6 Same as note 5.
- This information was provided to Giving USA directly from Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www.blackbaud.com/nonprofit-resources/ blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in Giving USA may vary from current figures.
- 8 Year-over-year monthly giving data are from the Blackbaud Index, May 2018, https://www.blackbaud.com/nonprofitresources/blackbaud-index
- The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
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Giving USA



- Giving to the arts, culture, and humanities subsector amounted to 5 percent of total giving in 2017.1
- Contributions to arts, culture, and humanities organizations increased by 8.7 percent in 2017, to \$19.51 billion in contributions. Adjusted for inflation, giving to these organizations increased by 6.4 percent.
- The total amount contributed to arts, culture, and humanities reached its highest inflationadjusted value in 2017.

Practitioner Highlights

- Across the sector, donors are focusing their loyalty and charitable dollars on causes rather than organizations.² Online giving and patronage software have democratized engagement, allowing artists and small organizations the ability to connect directly with donors.
- Arts, culture, and humanities organizations have shown sustained growth for five consecutive years, yet some reports suggest that fundraising aspirations and operating costs may have grown even faster, resulting in deficit budgets despite apparent abundance for some organizations.³
- Growth in philanthropy for arts and cultural institutions is heavily influenced by transformational gifts, as well as large capital projects and fundraising campaigns.⁴

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to arts, culture, and humanities organizations in 2017

In 2017, giving to arts, culture, and humanities organizations grew for the fifth consecutive year. The five-year (2013 to 2017) annualized average growth rate of 7.0 percent for giving to this subsector was above the five-year annualized average growth rate of 4.3 percent for total giving.

Reports issued in 2018 show mixed trends in giving to arts, culture,

and humanities organizations in 2017. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights from 2017 on giving to this subsector include:

- The majority of arts organizations realized improved fundraising results in 2017. For all types of arts organizations, 67 percent responding to the Nonprofit Research Collaborative's (NRC) Winter 2018 Nonprofit Fundraising Survey reported an increase in charitable contributions received between 2016 and 2017, up from 61 percent between 2015 and 2016.
- In spring 2018, Blackbaud reported that, among its sample of nearly 8,900 nonprofits, giving to arts organizations declined 0.1 percent in 2017 over 2016.⁶ Arts organizations experienced the greatest year-over-year monthly increases in overall charitable revenue in the three-month period ending in January 2017 (7.6 percent), while giving declined in the three-month period ending in April 2017 (-0.8 percent).⁷

To provide additional context for giving to arts, culture, and humanities, the following sections provide detail on recent trends, related campaigns, and news for this subsector.



Online giving to arts and culture strong in 2017

Several reports showed strong results for giving to arts organizations in 2017 via online methods. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of arts organizations.

Online giving to sampled arts and culture organizations was much brighter than overall giving to this subsector in 2017, according to Blackbaud. Arts and culture organizations experienced a 17.2 percent increase in online charitable revenue compared with 2016, the second-highest increase of all subsectors surveyed.⁸

Giving USA Giving to Arts, Culture & Humanities

According to Blackbaud's Luminate Online Benchmark Report released in 2018, arts and culture organizations' total online transaction revenue increased 6.9 percent from 2016 to 2017. Public broadcasting stations saw even greater growth in total online transaction revenue, with an 18.1 percent increase from 2016 to 2017. Arts and culture organizations realized median online transaction revenue of \$8.94 for every constituent with a usable email in 2017, an increase of 1.5 percent over 2016.9 Public broadcasting stations, on the other hand, experienced median online transaction revenue of \$24.00 per usable constitutent email in 2017, a decline of 5 percent from 2016. Across the sector, total online revenue from recurring transactions also increased in 2017 compared with 2016.10

In a different study, the Benchmarks 2018 report by M+R and NTEN found strong results for online giving to a sample of cultural organizations. 11 In 2017, these organizations experienced an overall increase in online revenue of 23 percent, surpassing the 18 percent growth realized in 2016. Among all subsectors, cultural organizations realized the third-highest increase in revenue in 2017, with only rights and environmental organizations experiencing stronger growth. Public media organizations saw a growth rate of 21 percent in 2017. According to the survey sample, monthly giving constituted more than one-third (34 percent) of public media organizations' total online revenue.



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Good to Know

Don't overlook the power of a strategically populated and passionate board.¹² Your board can unlock doors to funders, new patrons, and opportunities for more public visibility. This important body requires careful construction and cultivation. Focus on:

- Seeding your board with members who reflect the communities you seek to serve and who bring a diversity of views on programming, patron engagement, and revenue streams;
- Giving every new board member a meaningful orientation that includes the top three challenges for the organization as well as uplifting stories of mission impact;
- Providing board members with the "why" messaging behind your nonprofit's mission;
- Sharing expectations upfront on their level of involvement and financial support;
- Empowering them to build relationships with your loyal supporters and to grow engagement levels;
- Motivating their willingness to leverage their circle of friends and colleagues for support of your nonprofit; and
- Instituting board term limits, if they don't already exist. New blood is good and old blood can still be honored and sustained (if appropriate).

Evolving attitudes toward art and culture may affect fundraising

According to the CultureTrack '17 report released in 2017 by cultural marketing firm LaPlaca Cohen in partnership with research firm Kelton Global, interpretations of what comprises art and culture are evolving to include a wider range of activities than have been traditionally included, and donors are now likely to carefully consider an organization's mission and impact on the community before making a gift.¹³ To assess these changes, LaPlaca Cohen surveyed 4,035 cultural consumers from across the country. Survey respondents represented a cross-section of the United States population based on age, ethnicity, income, and region.

CultureTrack '17 concluded that the definition and purpose of art and culture events have broadened significantly.
More than half of respondents considered community festivals/ street fairs, public/street art, and food and drink experiences to be cultural experiences, outpacing the percentage

66...interpretations of what comprises art and culture are evolving to include a wider range of activities than have been traditionally included...¹³ 9

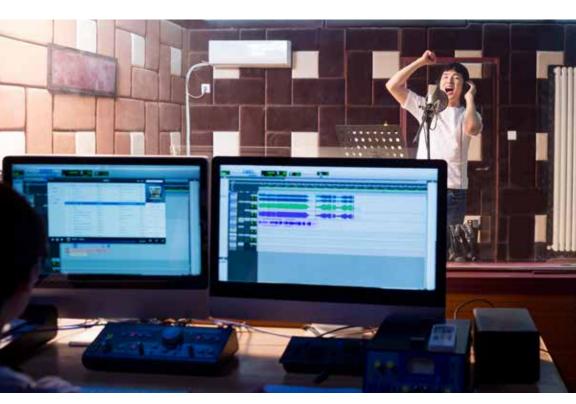
Giving USA Giving to Arts, Culture & Humanities

who defined classical music, non-musical plays, opera, and ballet as cultural experiences. Additionally, 81 percent of respondents reported that having fun was the most important reason to engage in cultural activities.

Data from *CultureTrack '17* showed that membership and subscriptions have declined among survey respondents: 26 percent of respondents had memberships to art museums and other visual arts organizations in 2011, versus 22 percent in 2017, and respondents who had subscriptions to performing arts organizations declined from 23 percent in 2011 to 21 percent in 2017.¹⁵ Audiences do not appear to have

abandoned the idea of loyalty programs altogether. The top motivator for survey respondents to join a membership program was that the money would support a good cause (38 percent), ahead of more typical membership perks such as entry deals (34 percent) and the ability to bring a guest. ¹⁶ In other words, the report contends, organizations with a higher social return on investment will be more attractive to donors in the coming years.

Although *CultureTrack '17* reports that, among those in the sample, the likelihood of financially contributing to culture increased from 33 percent to 41 percent between 2011 and 2017, the



researchers warned that organizations should identify and articulate their impact on the community and society to remain relevant to future donors. ¹⁷ Respondents reported that they were likely to donate to an organization whose mission they believed in (63 percent) and that they felt made an impact in the community (54 percent). In other words, the report contends, organizations with a higher social return on investment will be more attractive to donors in the coming years.

Institutions change fundraising strategies in response to declining revenue

Throughout the sector, organizations within the arts, culture, and humanities sector have struggled with existing revenue-generating activities and are trying out new admission, membership, and fundraising models. There is little research on how this has played out in the sector as a whole, although some sources report specific changes that are underway.

Reports reveal shift in theatre funding sources

According to the Theatre Communications Group's (TCG) *Theatre Facts 2016* report, theatre companies across the country are selling fewer single tickets, and revenue from subscriptions is flat.¹⁸ The report analyzed financial, performance, and attendance data supplied by TCG member organizations for their fiscal years ending between October 2015 and September 2016. TCG found that income from contributions rose 22 percent above inflation from 2012 to 2016. This increased reliance on giving as opposed to subscription revenue has required a cultural shift in many organizations, particularly small theatres, as small development staffs are working on building relationships with individual donors and turning to tools like data mining to identify the donors who have the strongest affinity for the organization.¹⁹

The Metropolitan Museum of Art moves from suggesting donations to requiring admission fee for out-of-town visitors

Although the Metropolitan Museum of Art (The Met) in New York, NY, had long suggested out-of-town visitors make a donation, revenue from these voluntary contributions had declined substantially in recent years.²⁰ Thus, the Met broke with almost 50 years of tradition by announcing the institution would instate a mandatory admission fee for out-of-town visitors. According to the Met, the average patron was making a donation of \$9 instead of the suggested \$25. Representatives of the Met anticipate that the change in policy will generate between \$6 million and \$11 million in revenue.²¹

Bottom line for many organizations troubling despite increased philanthropic revenue

In December 2017, the National Center for Arts Research (NCAR) at Southern Methodist University released its latest *Bottom Line Report*, which assesses whether the 4,800 organizations from which it collected data are making ends meet.²² While the report stated that overall philanthropic income for the nonprofit sector is up, some arts organizations might not be as financially healthy as expected.

The researchers used different models to determine the bottom line of the organizations studied.²³ A model including depreciation of fixed assets

(e.g., buildings and equipment) showed that organizations' average operating deficit was 4.2 percent of expenses, as opposed to 2 percent in an unrestricted surplus model. The researchers concluded that most organizations are unlikely to bring in enough funds to replace wornout fixed assets as necessary.

Table 1 shows differences in the operating surplus after depreciation for various types of arts, culture, and humanities organizations between 2013 and 2016.²⁴ The operating surpluses of many of these organizations have declined, especially those of art museums, currently at a deficit of 20.5 percent. Symphony orchestras also saw substantial operating surplus declines, at a deficit of 16 percent currently. In contrast, the operating surpluses of more general arts and music organizations were up slightly from previous years.



Table 1
Organizations' operating surplus after depreciation

Subsector	2013	2014	2015	2016
Arts education	5.8%	5.3%	-0.7%	1.9%
Art museums	-6.9%	-1%	-17%	-20.5%
Community arts organizations	-2.7%	-0.8%	-4.7%	-1.3%
Dance	0.6%	4.6%	-1.2%	-2.7%
Music	-0.8%	-1.2%	1%	7.7%
Opera	15.7%	-5.8%	-8.4%	-5%
Performing arts centers	0.2%	-4.5%	-10.2%	-5%
Symphony orchestras	5%	-4.3%	-10.2%	-16%
Theatre	-4.6%	-3.3%	-3.2%	-1.3%
Other museums	19.1%	-5.4%	-10.3%	-6.9%
General performing arts	-3.5%	-26.9%	-3.8%	3.5%

Data: "Do Arts Organizations Bring in Enough Money to Cover Expenses?" Southern Methodist University, National Center for Arts Research, 2017, http://mcs.smu.edu/artsresearch2014/reports/bottom-line/Bottom-Line#/

The researchers also took organizational size and geographic market into account in their analysis of the financial health of the nonprofit sector.²⁵ Small organizations outperformed larger organizations, with an average operating surplus of 23.7 percent of expenses. Medium-sized organizations broke even at 0.4 percent, while large organizations had an average deficit of 10 percent. The researchers did not find any significant differences among how organizations in different geographical markets performed.

African American museums enjoy prosperous capital campaigns

Nationwide, museums and historic places celebrating African American history and culture are either embarking on capital campaigns or enjoying success from campaigns already underway. The African American Cultural Heritage Fund, part of the National Trust for

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Historic Preservation, announced a \$25 million campaign to provide additional protection and preservation for historic sites important to African American history. The project is supported in part by the Ford Foundation, the Open Society Foundation, and the JPB Foundation.

The Motown Museum in Detroit, MI, which celebrates the history of one of the country's leading African-



6 6 Numerous transformational donations to arts, culture, and humanities organizations were announced in 2017, primarily in support of capital campaigns and endowments. 2 2

American-owned record labels, received \$2 million from the William Davidson Foundation, \$1 million from the Fred A. and Barbara M. Erb Family Foundation, and \$500,000 from the Hudson-Webber Foundation in 2017.²⁷ The gifts are part of a \$50 million capital campaign to transform the studio and headquarters into a 50,000-square-foot museum and entertainment complex.

The International African American Museum, located in Charleston, SC, and slated to open in early 2020, announced the receipt of a \$500,000 donation from the Gilder Foundation in late 2017.²⁸ The museum has raised \$66 million of its \$75 million goal. Other donations included a \$1 million gift from investment banker Darla Moore and a \$10 million gift from the Lilly Endowment.²⁹

Large gifts boost arts, culture, and humanities organizations

Numerous transformational donations to arts, culture, and humanities organizations were announced in 2017, primarily in support of capital campaigns and endowments. While both of the \$100-million-and-over gifts were made to institutions in major metropolitan areas on the coasts, there were substantial gifts of \$5 million and over in many regions of the country. A selection of these gifts is presented in the table below.

Table 2 Large gifts to arts, culture, and humanities organizations by region

Region	Donor	Beneficiary	Gift Purpose	Gift Amount
East	David Rockefeller (bequest) ³⁰	Metropolitan Museum of Art (New York, NY)	Not specified	\$125 million
	Florence and the late Herbert Irving ³¹	Metropolitan Museum of Art (New York, NY)	Establish endowment fund for acquisitions	\$80 million
	Bloomberg Philanthropies (Michael Bloomberg) ³²	The Shed (New York, NY)	Capital campaign	\$75 million
	Thompson Family Foundation (Wade F.B. Thompson) ³³	City Museum of New York (New York, NY)	Endowment for educational activities related to "New York at Its Core" exhibit	\$10 million
	H.F. (Gerry) Lenfest ³⁴	Museum of the American Revolution (Philadelphia, PA)	Challenge gift for capital campaign	\$10 million
	Madeleine Rast (bequest) ³⁵	National Museum of Women in the Arts (Washington, DC)	Endowment	\$9 million

(continued next page)

Table 2 Large gifts to arts, culture, and humanities organizations by region (continued from previous page)

Region	Donor	Beneficiary	Gift Purpose	Gift Amount
Midwest	Wm. Davidson Foundation (William Davidson) ³⁶	Detroit Symphony Orchestra (Detroit, MI)	Challenge grant for endowment, programs	\$15 million
	Richard and Emily Smucker ³⁷	Cleveland Orchestra (Cleveland, OH)	Challenge grant, endowment, artistic programs, educational initiatives	\$15 million
	Berges Family Foundation (Jim and Cathy Berges) ³⁸	Center of Creative Arts (St. Louis, MO)	Challenge gift for capital campaign	\$5 million
South	Moody Foundation (Frances Moody- Dahlberg) ³⁹	Dallas City Performance Hall (Dallas, TX)	Debt repayment, endowment	\$22 million
	Alice Walton ⁴⁰	Amon Carter Museum of American Art (Fort Worth, TX)	Endowment	\$20 million
	Ann and Monroe Carell Foundation (Monroe Carell, Jr. Family) ⁴¹	Cheekwood Estate and Gardens (Nashville, TN)	Endowment, sculpture trail enhancement	\$5 million
	Bracken Foundation (Richard and Judith Bracken) ⁴²	Cheekwood Estate and Gardens (Nashville, TN)	Endowment, children's garden	\$5 million

(continued next page)

Table 2 Large gifts to arts, culture, and humanities organizations by region (continued from previous page)

Region	Donor	Beneficiary	Gift Purpose	Gift Amount
West	David Geffen ⁴³	Los Angeles County Museum of Art (Los Angeles, CA)	Capital campaign	\$150 million
	Haim and Cheryl Saban ⁴⁴	Academy Museum of Motion Pictures (Beverly Hills, CA)	Capital campaign	\$50 million
	Jerry Yang and Akiko Yamazaki ⁴⁵	Asian Art Museum (San Francisco, CA)	Capital campaign	\$25 million
	Anna and John J. Sie ⁴⁶	Denver Art Museum (Denver, CO)	Capital campaign	\$12 million
	Helen K. and Arthur E. Johnson Foundation ⁴⁷	Denver Art Museum (Denver, CO)	Capital campaign	\$10 million

Artists and arts organizations experiment with alternative fundraising models

Across the arts, culture, and humanities sector, experimentation with new and different fundraising models continued in 2017. Organizations have launched crowdfunding campaigns and individual artists have connected directly with patrons using new technology.

Patronage models increase direct support for individual artists

In May 2017, the *New York Times* reported on a trend among artists to find patrons to support their work.⁴⁸ In a traditional model, funders donate to an institution or buy an artist's finished product, while the patronage model supports the artist directly instead. New technology has made it possible to formulate patron-artist relationships without the assistance of nonprofits or government agencies.

Online patronage platforms offer a range of options for patronage relationships. Although crowdfunding platforms GoFundMe and Kickstarter allow individuals to engage in campaign-based fundraising, the website Patreon permits artists to offer monthly subscriptions to customers and fans, akin to recurring pledges to

charitable organizations.⁴⁹ For example, musician, filmmaker, and performance artist Amanda Palmer, backed by more than 8,000 fans, made in excess of \$150,000 through Patreon in 2016.⁵⁰ While some artists have found success directly appealing to fans, the funds earned via platforms like Patreon do not provide a living wage for most artists.⁵¹

Additionally, foundations have invested in individual artists by collaborating with nonprofits such as the Center for Cultural Innovation (CCI)—a Los Angeles, CA-based organization that links artists with funders.⁵² In partnership with the Surdna Foundation, CCI started the Creative Industries Incentive Network (CIIN), which provides small investments to groups of artists with the goal of promoting the intersection of art and commerce.⁵³

Smithsonian succeeds at crowdfunding

The Smithsonian Institution in Washington, DC, successfully completed multiple crowdfunding campaigns through Kickstarter in 2017.⁵⁴ A campaign to support preservation of the suit Neil Armstrong wore on the moon in 1969 received more than its original goal of \$500,000, and an effort to conserve the ruby slippers Judy Garland wore in *The Wizard of Oz* in 1939 raised just short of its stretch goal of \$385,000. However, the cost of fundraising for the campaigns was high: for every dollar raised for the ruby slippers, the Smithsonian spent 38 cents on fundraising



(not including staff time), exceeding the 35 cents recommended by the Better Business Bureau Wise Giving Alliance. Fundraising expenses included video production, acquiring tangible rewards associated with different giving levels, and Kickstarter fees.

NPR collaborates with member stations on major gifts

Current reported that National Public Radio (NPR) and NPR member stations will embark on a more systematic collaboration to cultivate and share major gifts.⁵⁵ Part of a broad overhaul of NPR's relationship with member stations, the effort will focus on transformational donations from a small pool of high-value prospective donors. The program builds on earlier collaborative major-gift fundraising programs between NPR and member-stations, previously hampered by organizational factors or economic circumstances.

Good to Know

While arts, culture, and humanities organizations attract 5 percent of overall charitable giving, recent giving reports of national charities including Fidelity Charitable, Schwab Charitable, Vanguard Charitable, and National Philanthropic Trust found that arts, culture, and humanities organizations attract between 6 and 8 percent of distributions from donor-advised funds. 56 Institutions can take several steps to take advantage of this trend.

- Establish strong relationships with local community foundations, by providing information on the impact of gifts given through donor-advised funds, participating in their community-wide initiatives, or placing some endowment assets at the community foundation;
- Set realistic, disciplined goals to ensure that donor-advised fund sponsors become sustaining donors;
- Explicitly encourage grants from donor-advised funds in solicitation materials or by including the "DAF Direct" widget on website donation pages; and
- Provide special recognition for the donor-advised fund advisors and fund holders in donor communication.

However, recent IRS rulings make it clear that donations from donoradvised funds can no longer be used for the charitable portion of a gift that results in a tangible benefit, such as a gala ticket. Organizations will need to be especially proactive and transparent to avoid alienating donors who have used this technique in the past.

Arts organizations grapple with diversity

Arts, culture, and humanities organizations continue to work toward increasing the equitable distribution of access to the arts, as well as funding and career opportunities. The 2017 Helicon Collaborative *Not Just Money* report, funded by the Surdna Foundation, found that many funding opportunities in the nonprofit cultural sector favor large organizations in major metropolitan areas, resulting in a lopsided division of program availability, often along geographic and racial lines.⁵⁷

To address this issue, nonprofits and foundations have sought to bring the

arts, culture, and humanities into both urban centers and rural environments as part of efforts to catalyze economic development for artists and local businesses. ⁵⁸ Foundations have also supported initiatives to make the nonprofit cultural sector more representative of American society. ⁵⁹

Report finds increased funding disparities among cultural nonprofits

The 2017 *Not Just Money* report found that, while nonprofit leaders are increasingly aware of issues surrounding diversity, equity, and inclusiveness, philanthropic revenue still heavily favors certain types of cultural organizations and funding may have become less equitable.⁶⁰ Following up on a 2011 study,



Helicon Collaborative analyzed thousands of nonprofit cultural organizations and revenue sources through data provided by the National Center for Charitable Statistics, the Foundation Center, DataArts, and the Indiana University Lilly Family School of Philanthropy. Central findings of the *Not Just Money* report are as follows: ⁶¹

- The top 2 percent of cultural nonprofits based on budget size receive 58 percent of contributed income, an increase of 5 percentage points over the past decade;
- The top 2 percent of cultural nonprofits based on budget size are primarily comprised of symphonies, opera companies, art museums, ballets, and theatres, of which approximately 5 percent focus on non-western European arts;
- The bottom 90 percent of cultural nonprofits based on budget size receive 21 percent of contributed income, a decline of 4 percentage points in the last ten years; and
- While individuals living in rural communities make up 20 percent of the U.S. population, rural communities receive 2 percent of available cultural funding.

To achieve an equitable distribution of cultural funding, the report suggests foundations set explicit goals for change in such areas as board and staff diversity distribution of cultural funding, the report suggests foundations set explicit goals for change in such areas as board and staff diversity and funding allocations to small and mid-size organizations.

and funding allocations to small and mid-size organizations.⁶² The report also suggests that organizations and foundations commit to collaborative action to alter the status quo.

Foundations launch initiatives to increase diversity in art museum leadership and documentary filmmaking

Two separate efforts launched by foundations in 2017 aim to increase diversity among the leadership of cultural organizations.

Informed by a 2015 study commissioned by the Andrew W. Mellon Foundation, which found that people of color make up just 16 percent of art museum leadership while comprising 38 percent of the U.S. population, the Ford Foundation and Walton Family Foundation announced the launch of a \$6 million effort to increase diversity among art museum leadership in November 2017.⁶³ The goal of the initiative is to make art museum

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leadership, including curatorial decisionmaking, more representative of the national population. Together with 20 museums, the foundations will offer leadership development programs, including fellowships.

This joint effort followed an August 2017 announcement by the MacArthur Foundation that it will award \$5.7 million in grants to increase diversity among nonfiction media makers over the next three years. ⁶⁴ While roughly half of the

funds will directly support film projects, the other half will be used toward the professional development of filmmakers from underrepresented communities.

Creative placemaking projects aim to develop urban centers and rural communities

Communities across the country have engaged in creative placemaking or efforts to develop communities economically through the convergence of arts, culture, industry, and infrastructure—in 2017.65 While foundations have shown an interest in creative placemaking focused on small geographical areas, organizations themselves have also collaborated to spearhead initiatives. For example, a group of nonprofits in Evansville, IN, successfully completed a \$50,000 crowdfunding campaign for a trolley that would connect two of the city's main cultural districts.66

On a larger scale, ArtPlace, a public-private partnership between federal agencies, financial institutions, and foundations that seeks to include the arts in comprehensive community planning, announced the recipients of its 2017 National Creative Placemaking Fund grants in December.⁶⁷ ArtPlace awarded \$8.7 million in grants to 23 creative placemaking projects focused on 12 rural and 11 urban communities in 18 states.⁶⁸

Corporate support for arts and culture rises

Americans for the Arts partnered with The Conference Board to release the report Business Contributions to the Arts: 2017 Edition, examining corporate support for arts and culture. 69 Data for the report was collected through a survey of 125 businesses and analyzed corporate giving to arts and culture between 2013 and 2016. The report found that 89 percent of respondents are investing in arts and culture at either similar (44 percent) or increased (45 percent) levels since 2013. Small companies comprise the largest percent of businesses that increased their investment in arts and culture organizations during this time.

The *Business Contributions to the Arts: 2017 Edition* report found that approximately 53 percent of companies give to arts and culture through their philanthropy budgets and 36 percent give through their foundations. The report also found that sponsorship is an important vehicle through which businesses support arts and culture organizations, with 41 percent of companies using this mechanism. Smaller businesses in particular rely on arts and culture sponsorship to boost their public image.

Finally, the report identified measuring the impact of arts support as an area of opportunity for companies and arts and culture organizations.⁷¹ Only 28 percent of respondents reported that they attempt to evaluate the business or social impact of their contributions to arts and culture.

Organizational characteristics and marketing activities associated with fundraising success, studies find

A 2017 study by Kelly Krawczyk (Auburn University), Michelle Wooddell (Grand Valley University), and Ashley Dias (Auburn University) confirms previous research on the influence of organizational characteristics on the fundraising efficacy of nonprofits in arts and culture.⁷² Data for the study was derived from DataArts' Cultural Data Profile, which contains programmatic, demographic, and financial data collected through survey responses from 11,000 arts and culture organizations from 12 states and Washington, DC.⁷³

Using Cultural Data Profile information from 5,003 arts and culture nonprofits from 2009 through 2011, the researchers verified that greater organizational age and size have a significant, positive relationship with

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individual giving income.⁷⁴ Krawczyk, Wooddell, and Dias also found that higher overhead costs are associated with lower individual giving income and that higher fundraising expenses are associated with higher individual giving income. Additionally, the researchers found small, positive effects of program and event revenue, as well as government support, on individual giving income.

Another 2017 study by Hyunjung Lee (University of Hartford), Kyoungnam Catherine Ha (Pacific Lutheran University), and Youngseon Kim (Central Connecticut State University) finds that marketing expenses for both fundraising and program purposes are positively correlated with fundraising success in arts and culture organizations.75 Using DataArts' Cultural Data Profile information from 4,908 arts and culture nonprofits from 2003 through 2013, Lee, Ha, and Kim found that fundraising revenue increased both when organizations spend more on marketing fundraising activities (i.e., activities that encourage cultural consumers to give) and marketing program activities (i.e., activities that encourage cultural consumers to buy tickets and subscriptions).

However, Lee, Ha, and Kim found that marketing program activities had a greater impact on fundraising revenue than did marketing fundraising activities. The researchers suggest marketing program activities has greater potential to generate individual



giving revenue since the audience for these type of activities is wider than for marketing fundraising activities. Therefore, they recommend that arts and culture nonprofits consolidate marketing activities between fundraising and program departments and consider marketing an integral part of program delivery rather than an overhead cost.

Study finds foundation giving correlated with free access to performing arts programming

In 2018, Mirae Kim (University of Missouri), Sheela Pandey (Pennsylvania State University Harrisburg), and Sanjay K. Pandey (The George Washington University) published the results of a study on the relationship between performing arts organizations' revenue sources and free access to performing arts programming.⁷⁷ Kim, Pandey, and Pandey used DataArts' Cultural

Data Profile to analyze information collected from 2,823 performing arts organizations from 2002 to 2012.

Kim, Pandey, and Pandey found that funding from local foundations was significantly associated with the availability of free and low-cost access to performing arts programming. ⁷⁸ However, the researchers were cautious to infer a causal relationship, stating that while foundation support seems to inspire performing arts organizations to offer free access to programs, offering free access may instead influence foundation decision-making.

Representation of museums, arts and culture organizations, and public broadcasting organizations remains constant on the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations. ⁷⁹ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are

included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include six charities classified as arts and culture organizations (equal to the prior year), 11 museums and libraries (compared with 10 the prior year), and five public broadcasting organizations (equal to the prior year). The top five arts organizations on the list with the greatest amount of private support are:

- Ranking 40th: Detroit Institute of Arts, Detroit, MI, with \$568.9 million in private contributions (figure is for the previous fiscal year);
- Ranking 88th: Museum of Modern Art, New York, NY, with \$301.7 million in private contributions, an increase of 123.1 percent from the previous year;
- Ranking 101st: The Smithsonian Institution, Washington, DC, with \$269.9 million in private contributions, an increase of 33.0 percent;
- Ranking 113th: Metropolitan Museum of Art, New York, NY, with \$241.9 million in private contributions, a decline of 0.4 percent; and
- Ranking 131st: Public Broadcasting Service, Arlington, VA, with \$206.1 million in private donations (figure is for the previous fiscal year).



Key data from annual studies summarized

Table 3 presents three years of data from studies appearing annually about giving to arts, culture, and humanities organizations. Website addresses are provided so readers can access the full reports.

Table 3
Key findings from other studies about giving to arts, culture, and humanities organizations

Theatre Communications Group Theatre Facts: 2014–2016 www.tcg.org				
	2014	2015	2016	
Total average contributions to trend theatres*	\$3.25 million	\$3.72 million	\$4.09 million	
Average contributions to trend theatres from: Individuals Foundations Corporations Trustees	\$893,587 \$674,130 \$232,176 \$444,875	\$976,636 \$750,084 \$241,265 \$662,053	\$1,055,825 \$900,580 \$286,591 \$745,768	
Contributions as a percentage of total income in trend theatres**	44.2 percent	48.2 percent	50.8 percent	
IRS Statistics of Income Bulletin ⁸¹ Tax-exempt arts organizations: 2012–2014 www.irs.gov				
	2012	2013	2014	
Number of returns	27,064	28,275	28,527	
Charitable revenue	\$18.63 billion	\$19.76 billion	\$21.03 billion	

^{*} Trend theatres are nonprofit theatres that have participated in Theatre Communications Group's annual survey for at least five years. Private contributions in this table include those made by corporations, foundations, trustees, and individuals, as well as in-kind gifts, donations raised through fundraising events, and other types of contributions. There were 131 theatres included in the sample for the years 2014, 2015, and 2016; results were updated in the most-current year's edition of the trend theatre dataset.

^{**} Other contributions not included in this table are part of this calculation. These other sources include government support, fundraising events, United Arts funds, in-kind services and goods, and other contributions.

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Good to Know sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Patricia House, Laura MacDonald, Ashley Thompson, and Kathy Howrigan.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
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- 3 Practitioner Highlight authored by Editorial Review Board member Laura MacDonald.
- 4 Practitioner Highlight authored by Editorial Review Board member Kathy Howrigan.
- The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
- 6 This information was provided to Giving USA directly from Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month

- Blackbaud Index data on both online and total giving are available at www.blackbaud.com/nonprofit-resources/ blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in *Giving USA* may vary from current figures.
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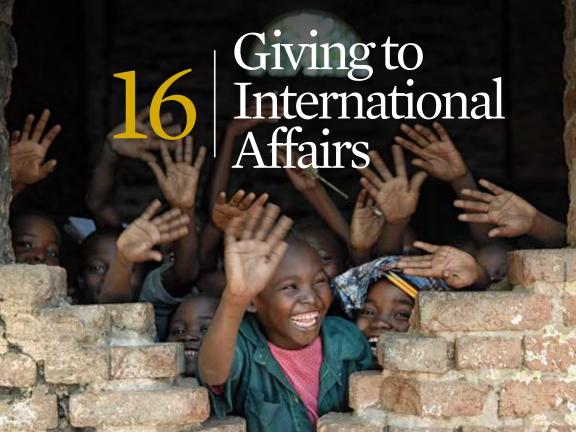
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Giving USA



- Contributions to the international affairs. subsector comprised 6 percent of all donations received by charities in 2017.1
- Giving to international affairs organizations decreased 4.4 percent in 2017, totaling \$22.97 billion. Adjusted for inflation, giving to international affairs decreased 6.4 percent between 2016 and 2017.
- The total for contributions to the international affairs subsector in 2017 did not surpass its previous highest inflationadjusted value, which was recorded in 2016, at \$24.54 billion.

Practitioner Highlights

- Giving to international affairs declined for the first time in seven years. This decline occurred despite ongoing refugee crises and a domestic immigration policy that is in flux.²
- According to several reports, giving to international affairs organizations experienced strong growth in online giving.3
- Despite declining in representation on the Philanthropy 400, a handful of international organizations realized significant growth in private giving.4

he information provided in this chapter derives from a number of sources, ▲ including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of Giving USA and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but rather a collection of examples from the field.

Trends in giving to international affairs in 2017

Giving to international affairs declined in 2017 after six consecutive years of growth, according to Giving USA data.5 Despite the decrease in 2017, giving to the international affairs subsector grew at an annualized average rate of 7.5 percent in the last five-year period (2013

to 2017), far exceeding the five-year annualized average growth rate for total giving (4.3 percent).

Several reports issued in 2018 note growth in overall contributions to international affairs organizations in 2017, with significant growth in online and montly giving to these groups. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and

sampling approaches account for the differences between these sources and *Giving USA* data. Some highlights on giving to this subsector include in 2017:

- In 2018, Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to international affairs realized an increase of 17.3 percent between 2016 and 2017.6 International affairs organizations saw the greatest year-over-year monthly increases in overall charitable revenue in the three-month periods ending in March 2017 (10.9 percent) and September 2017 (9.5 percent), recovering after dropping to their lowest points in May 2017 (2.3 percent) and June 2017 (0.5 percent).7
- Online giving increased 8.4 percent in 2017, and was slightly weaker than overall giving for a sample of Blackbaud international affairs organizations.8 Year-overyear monthly changes in online giving to international affairs organizations peaked in the threemonth periods ending in November 2017 (14.5 percent) and July 2017 (13.5 percent).9 Giving to these organizations reached the lowest point in the three-month periods ending in February 2017 (4.1 percent) and December 2017 (5.9 percent).
- According to Blackbaud's Luminate
 Online Benchmark Report 2017,

- disaster and international aid organizations realized an 8.0 percent increase in total online revenue in 2017 compared with 2016.¹⁰ Additionally, disaster and international relief organizations saw large increases in sustainer (i.e. monthly) online revenue (19.9 percent) as a percentage of total online giving.
- In a different study, the *Benchmarks* 2018 report by M+R and NTEN reported a strong increase in online giving to a sample of international organizations in 2017 after a strong decrease in 2016.¹¹ The international subsector also saw a 19 percent increase in the share of online giving from email revenue in 2017, after a decrease in email revenue





in 2016. International affairs raised more charitable dollars per website visitor than the other subsectors, with a rate of \$4.11 per visitor. Despite these positive indicators, international affairs was the only sector that saw a decrease in email list size in 2017 (-8.0 percent).

To provide additional context for giving to international affairs in 2017 and recent years, the following sections provide detail on recent trends, related campaigns, and news for this subsector.

International affairs organizations respond to new and proposed policy changes

The "Protecting the Nation from Terrorist Attacks by Foreign Nationals" Executive Order was signed by President Trump on January 27, 2018. The Executive Order suspended entry of all refugees to the United States for 120 days, barred Syrian refugees indefinitely, and blocked entry

into the United States for 90 days for citizens of seven countries: Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen. Both the Executive Order and proposed 2018 budget cuts to foreign aid put a spotlight on international aid organizations.

Organizations working with refugees garner support in response to President Trump's immigration order

Several international affairs organizations received donations and support in the wake of President Trump signing the "Protecting the Nation from Foreign Terrorist Entry into the United States" executive order. Oxfam America

Several international affairs organizations received donations and support in the wake of President Trump signing the "Protecting the Nation from Foreign Terrorist Entry into the United States" executive order.

responded by circulating a petition that called for the president to repeal the order. According to a spokesperson for the organization, the petition received roughly 33,000 signatures and raised approximately \$30,000 in one weekend.¹³ Google created a crisis fund for immigration causes, a composite of

a \$2 million fund offered by Google, and up to \$2 million more in employee donations, to support organizations providing services to immigrants and refugees, including the International Rescue Committee (IRC) and the UN Refugee Agency.¹⁴

In addition to the support from Google, IRC received a range of support after the executive order was issued:

- Airbnb announced \$4 million in grants to IRC over the next four years and the launch of the Open Homes platform, in which Airbnb will work with IRC and other organizations to connect refugees who need a temporary place to stay while searching for long-term housing with homeowners who want to donate rooms or entire homes:15
- Actor and former White House Engagement Coordinator Kal Penn raised over \$870,000 as of May 2018 for International Rescue Committee (IRC) through crowdfunding site CrowdRise;¹⁶
- IRC reported an increase in volunteer applications of nearly 200 percent in January and February 2017 as compared with the previous year.¹⁷

The Trump administration proposes foreign aid cuts for the second year running

Many international affairs organizations expressed concern after the Trump administration proposed cuts to foreign aid in the 2018 budget.¹⁸ The proposed budget would cut funding for the State Department, U.S. Agency for International Development (USAID), and overseas operations by 32 percent. The proposed cuts would have a substantial impact on the budgets of international affairs organization—some organizations receive up to one half of their annual budget from government grants according to one source.¹⁹ In response to these proposed cuts, Care



USA sent 350 representatives to lobby Congress, and Oxfam America drove a "Famine Food Truck" through the streets of Washington, DC, to raise awareness of the issues that need to be addressed around the world.²⁰ The proposed 2018 budget cuts regarding foreign assistance and international programs were ultimately rejected by Congress.²¹

International foundation grantmaking

Humanitarian and natural crises affected hundreds of millions of people worldwide in 2017. Foundations are showing increased interest in supporting and addressing these issues.²²

MacArthur Foundation 100&Change winners are all international affairs organizations

The Sesame Workshop and International Rescue Committee won the MacArthur Foundation's first "100&Change" grant competition for an early-childhood intervention program to educate Syrian refugee children on literacy, numeracy and social-emotional skills in Middle Eastern countries including Jordan, Lebanon, Iraq and Syria.²³ The project aims to reach 9.4 million children.²⁴

Once "Sesame Street" has been adapted for its refugee audience, the

program will be available via television and mobile phones.²⁵ In addition to the customized educational content, the project supports caregivers by facilitating communications with children to help them overcome trauma.²⁶

U.S foundations lead private giving toward peace and security

According to the *Peace and Security Funding Index: An Analysis of Global Foundation Grantmaking, 2017* produced by Foundation Center and the Peace and Security Funders Group, foundations of all sizes support worldwide peace and security.²⁷ The study reflects 290 foundations from around the world that made at least one grant in 2014 consistent with the study's definition of "peace and security" funding, defined as efforts to "prevent, mitigate, or resolve conflict and build peaceful, stable societies after a conflict."²⁸

The top 5 peace and security funders in 2014 were U.S. foundations:²⁹

- Carnegie Corporation of New York, \$36.1 million;
- Foundation to Promote Open Society, \$30.7 million;
- Howard G. Buffett Foundation, \$28.5 million;
- National Endowment for Democracy, \$23.7 million; and
- John D. and Catherine T. MacArthur Foundation. \$19.7 million.

These five foundations together provided \$138.7 million, nearly 39 percent of all foundation funding toward peace and security in 2014.³⁰

Community foundations reach global communities

The Council on Foundations and Foundation Center jointly published the report on *International Giving by U.S. Community Foundations: Local Communities with Global Reach* in July 2017. The report examines the sub-sample of community foundations included in Foundation Center's research sample, which includes all grants of \$10,000 or more reported by 1,000 of the largest U.S. foundations.³¹ The analysis includes 10,533 international grants—totaling \$697 million—provided by community foundations between 2011 and 2014.³²

According to the report, the average size of grants to international organizations is increasing, though the percentage of overall giving remained constant between 2011 and 2014.³³ The Silicon Valley Community Foundation (SVCF) is the flagship of international giving by U.S. community foundations: SVCF granted \$98 million to international programs, or 44 percent of the total amount of international grants made by the largest U.S. community foundations in 2014.

Digital funding tools expand options for international aid

New technologies, such as blockchain and crowdfunding, may have potential to improve the delivery of international aid. These technologies can support transparency and accountability of financing by providing up-to-date information for donors as well as nonprofit organizations working on international causes.

Blockchain emerges as a new financial tool to transform international giving

Blockchain is a shared digital ledger system that records transactions in a public or private peer-to-peer network by recording all transactions that take place between the peers in the network, providing a transparent way for crossborder financing.³⁴ Indeed, blockchain

technology can reduce third-party theft and financial mismanagement in international relief that may increase the percentage of aid that successfully reaches the intended recipients. Additionally, as blockchain is able to store data and be transferable across borders, it can help international organizations better understand the needs of their beneficiaries.³⁵

The United Nations World Food Programme (WFP) launched the pilot program for Building Blocks, a blockchain technology, to provide food assistance to Syrian refugees in a refugee camp in Jordan.³⁶ Later that year, WFP reported that more than 100,000 Syrian refugees had received their food assistance on the blockchain-based system. WFP plans to build the program, and it has the potential to link to other health and education data indicators that may one day help organizations customize the aid sent to refugee camps.³⁷



New crowdfunding platforms enhance international giving

As traditional lenders consider refugees high-risk clients because of the lack of credit history and unstable income, crowdfunding loans can be an innovative way to support refugees.38 For example, Kiva, the crowdfunding platform that provides loans for smallscale entrepreneurs around the world, launched the World Refugee Fund in 2017.³⁹ Kiva's World Refugee Fund is a \$250,000 matching fund, followed by a rotating fund of up to \$9 million in loan capital that aims to support lending for refugees and host communities in countries such as Lebanon, Jordan, and Turkey. 40 While the matching fund aims to engage other sources by matching their contributions with an equal amount of funds, the rotating fund remains available to finance running projects in the future.

Refugee crises continue to arise around the world

According to the most up-to-date statistics from the UNHCR, global forced displacement reached record highs in 2016, with 65.6 million individuals forcibly displaced worldwide; refugees constituted 22.5 million or nearly 34 percent of those individuals.⁴¹ Eighty-four percent of refugees are hosted in developing countries such as Turkey, Pakistan, Lebanon, Iran, Uganda, and Ethiopia.⁴²

Into the seventh year of the conflict in Syria, the Syrian refugee crisis continued while the humanitarian response remained underfunded.⁴³ Meanwhile, the Venezuelan refugee crisis caused by hyperinflation, high unemployment and severe shortages of vital food and medicine has intensified.⁴⁴ Finally, the Rohingya, a Muslim ethnic minority in Myanmar, became one of the fastest growing refugee groups in 2017.⁴⁵

In light of these events, the following sections detail philanthropic responses and humanitarian aid to the global refugee crises.

The Rohingya refugee crisis struggles to find funding

Since August 2017, more than 650,000 Rohingya have fled to Bangladesh to escape persecution in Myanmar.46 Several U.S. foundations and nonprofit organizations have introduced refugee programs to address the Rohingya crisis, such as the Human Rights Funders Network and The Unitarian Universalist Service Committee.⁴⁷ However, by January 2018, only 72.4 percent of the financial requirements for the humanitarian response plan prepared by the United Nations Office for the Coordination of Humanitarian Affairs had been met.48 Thus, there is a continued opportunity for private funding, coming from both individuals and foundations, to play a significant role in addressing the Rohingya refugee crisis.

Second Humanitarian Index reveals perception issues related to the global refugee crisis

In May 2017, the Aurora Prize for Awakening Humanity, a humanitarian prize established in remembrance of the Armenian genocide, released the second iteration of the *Humanitarian Index*, an annual report on the general public's perceptions around global humanitarian issues. ⁴⁹ Nearly 6,500 online interviews were collected in 12 countries, including the U.S. According to the report, the vast majority of survey respondents felt personally helpless to make a difference in the refugee crises and lacked faith in current world leaders to address the crises.

c... the vast majority of survey respondents felt personally helpless to make a difference in the refugee crisis and lacked faith in current world leaders to address the crisis.⁴⁹

Overall, younger age groups had more optimism about the ability to address the situation than older age groups.⁵⁰ Sixty-eight percent of 18- to 34-year-olds responded that refugees deserve help, and this age group was also the most likely to take action to address the crises in the next year. The confidence of the younger generation may be a benefit to individual giving to the refugee crises.



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Good to Know

Donors to international affairs causes and organizations are faced with several challenges when it comes to sustaining donors. ⁵¹ There is uncertainty about trusting global leaders to enact real change, and the struggle of international restrictions that are being placed on NGOs. These challenges can mean fewer donations if not addressed directly by the organization.

Nonprofit organizations can imbue trust and affinity with donors by:

- Sharing leadership changes with stakeholders;
- Establishing a relationship between donors and leadership;
- Explaining challenges to effecting change and how the challenges will be met;
- Sharing victories small and large;
- Promoting impact data regularly; and
- Making sure the lines of communication are constantly open.

Famine and natural disasters draw support in 2017

In 2017, famine and natural disasters continued to emerge, causing humanitarian crises across the globe. The following sections highlight some of the most devastating disasters and philanthropic responses.

Food crises in Africa and the Middle East

According to the United Nations, the hunger crisis in Sub-Saharan Africa came to a head in 2017 as food insecurity is estimated to impact more than 20 million people in South Sudan, Somalia, Yemen and North-East Nigeria. 52 By the end of February 2017, the United Nations Secretary-General António Guterres and other officials called for the international community to support the affected communities before the situation worsened.53 According to the U.N. Office for the Coordination of Humanitarian Affairs, the U.N. had received less than 10 percent of the \$4.4 billion requested as of March 2017.54

Global Emergency Response Coalition accelerates famine fundraising

Eight of the world's largest U.S.-based international organizations launched the Global Emergency Response Coalition

in April 2017 to help raise funds for the hunger crisis threatening more than 20 million people in Nigeria, Yemen, South Sudan, Somalia and their neighboring countries.⁵⁵ Despite the scale of the problem, an independent public opinion poll commissioned by the International Rescue Committee found that only 15 percent of Americans are aware of the crisis.⁵⁶ The Coalition, comprised of CARE, International Medical Corps, Mercy Corps, Oxfam, Plan International, World Vision, and others, sought to raise awareness as well as charitable dollars.⁵⁷

In July 2017 the Global Emergency Response Coalition initiated a 2 week long fundraising appeal to raise money for its Hunger Relief Fund.58 Members of the Coalition shared their information, best practices, and other fundraising resources and worked together with Google, Twitter, PepsiCo, and other corporate partners to reach as many supporters as possible.59 Donations were matched up to \$2 million by The PepsiCo Foundation and BlackRock. The Coalition emphasized that small donations could make a big impact: \$10 could supply a malnourished child with one week's worth of nutrient-rich peanut paste.60



Hurricane Irma causes destruction in the Caribbean islands while Hurricane Maria strikes the Dominican Republic

On September 6, 2017, Hurricane Irma hit Cuba as well as numerous small Caribbean islands including Antigua and Barbuda, Anguilla, Turks and Caicos, the Bahamas, and other islands.⁶¹ Hurricane Irma left at least 10 dead and caused severe damage throughout the islands, with widespread power outages and damage to buildings and infrastructure throughout the region.⁶²

Soon after Hurricane Irma, Hurricane Maria hit the Caribbean region,

including the islands of Puerto Rico, Turks and Caicos and the Bahamas as well as the Dominican Republic on September 21-22, 2017. The island suffered devastating damages and at least 15 people died during the storm.⁶³

Fundraising efforts aimed specifically at providing relief to Hurricane Maria and Hurricane Irma from international affairs organizations included:

The Hand in Hand 2017 Benefit for hurricane relief set aside \$7 million exclusively for Hurricane Maria relief to be distributed to Direct Relief, Save the Children, and other organizations;⁶⁴

- GlobalGiving raised nearly \$3 million to provide immediate and long-term disaster relief to residents in the U.S. and the Caribbean for Hurricane Maria, and \$11.3 million to be directed exclusively to the Caribbean for Hurricane Irma relief;⁶⁵
- Google raised \$2 million to be divided among Catholic Relief Services,
 UNICEF, and the American Red Cross for Hurricane Irma recovery. 66

Multiple earthquakes hit Mexico

Several earthquakes hit Mexico in September 2017: an earthquake of 8.1 magnitude on September 7, an earthquake of 7.1 magnitude on September 19, and an earthquake of 6.1 on September 23.67 The earthquakes caused severe damage in Central Mexico and the State of Oaxaca and were responsible for the deaths of more than 400 people.

International affairs organizations received support for disaster recovery. Campaigns included:

- UNICEF raised \$5.2 million to provide immediate and short-term disaster relief;⁶⁸
- GlobalGiving raised \$4.3 million to provide immediate and long-term disaster relief;⁶⁹ and
- International Medical Corps received a pledge for \$1 million from Kaiser Permanente.⁷⁰

Restrictive NGO laws challenge international giving

A study published in 2017 by Kendra Dupuy (Michelsen Institute, Peace Research Institute) and Aseem Prakash (University of Washington) sheds light on how restrictive financial laws for NGOs may impact bilateral aid, defined as funding that flows from an official agency in one country to an official organization in another country.71 The study examined the volume of official development assistance provided by 29 developed countries to 134 recipient countries between 1993 and 2012 using the OECD's International Development Statistics database. According to the study, countries that implemented laws that make it more difficult for local and international NGOs working in the country to receive foreign aid experienced a 32 percent decline in bilateral aid, or assistance inflows from official agencies in the following years. Thus, restrictive NGO laws might affect international giving.

66... countries that implemented laws that make it more difficult for local and international NGOs working in the country to receive foreign aid experienced a 32 percent decline in bilateral aid ...⁷¹2.2

International affairs organizations decline in representation on the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁷² The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 53 international organizations (as compared to 57 reported in the previous year). The top five international organizations on the list with the greatest amount in private support are:⁷³

- Ranking 4th: The Task Force for Global Health, Decatur, GA, with \$3.16 billion in private contributions, an increase of 91.8 percent from the previous year;
- Ranking 15th: Food for the Poor, Coconut Creek, FL, with \$987.6

- million in private contributions, a decline of 14.6 percent;
- Ranking 18th: Americares Foundation, Stamford, CT, with \$914.39 million in private contributions, an increase of 23.7 percent;
- Ranking 23rd: World Vision, Federal Way, WA, with \$786.01 million in private contributions, a decline of 4.9 percent;
- Ranking 25th: Direct Relief, Santa Barbara, CA, with \$776.1 million in private contributions, a decrease of 12.9 percent;

Several international organizations on the Philanthropy 400 realized double or triple digit growth rates in private donations for fiscal year 2017 over 2016.⁷⁴ The Task Force for Global Health (+91.8 percent); Hadassah, the Women's Zionist Organization of America (+47.0 percent); and CitiHope International (+131.8 percent) all saw strong growth in private giving.

Other reports on giving to the international affairs subsector in previous years

Many research organizations study charitable revenue and reports based on IRS Forms 990, surveys, or other data sources. In 2017 and 2018, several studies were released about charitable giving and revenue trends for prior

years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

Individual donors drive increases in private giving for humanitarian assistance in 2016

Global private spending for international humanitarian aid reached an estimated high of \$6.9 billion in 2016, according to the *Global Humanitarian Assistance Report 2017*, published by Development Initiatives (DI).⁷⁵ This figure represents an estimate of private revenue to all humanitarian nonprofits from individuals, foundations, trusts, and corporations.

Total global private spending rose approximately 4.5 percent, providing nearly 25.3 percent of total international humanitarian assistance.⁷⁶ According to the report, humanitarian assistance from private donors grew 6 percent in 2016,

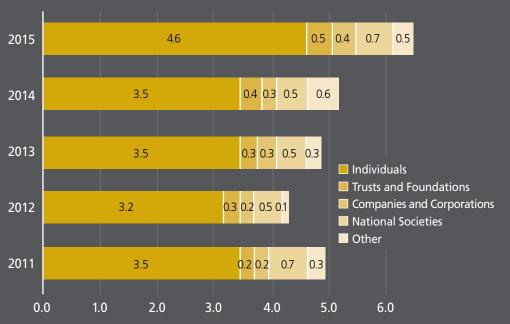
down from the 26 percent growth rate in 2015. Giving from private sources is mainly driven by individuals: from 2011 to 2015, individual gifts accounted for 70 percent of private humanitarian aid. Giving by individuals represents an even larger percentage of funding to NGOs specifically, comprising 79 percent of private funding sources for NGOs tracked by DI in 2014.

The report found the Syrian crisis response garnered the most reported private donations in 2016, mainly directed to NGO actors.⁷⁷ Driven by individuals, UN Office for the Coordination of Humanitarian Affairs Fincancial Tracking Service found private donors provided a total of \$223 million to address the Syrian crisis and a total of \$71 million to support the European refugee and migrant crisis.

Figure 1 details private humanitarian aid by donors in the 2011–2015 period.



Figure 1
Non-governmental international humanitarian assistance by donor type (2011–2015) (contributions in billions of U.S. dollars)



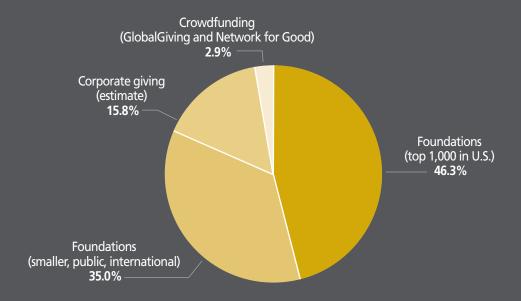
Data: X-axis reflects cumulative totals. *Global Humanitarian Assistance Report 2017*, Global Humanitarian Assistance, 2017, globalhumanitarianassistance.org

Disaster philanthropy snapshot for 2015

The Center for Disaster Philanthropy and Foundation Center jointly published the fourth annual *Measuring the State of Disaster Philanthropy 2017: Data to Drive Decisions* report on philanthropic disaster giving in 2015.⁷⁸ The report tracks sources of international disaster funding, including crowdfunding platforms, small foundations, and multilateral government giving for both domestic and international disaster philanthropy.

Reporting data sources indicated that approximately \$23 billion was given to disaster and humanitarian aid in 2015, with the majority of funds targeting immediate disaster response and relief efforts. Hultilateral and bilateral government agencies gave the majority of aid, totaling \$20.5 billion or 89.1 percent of the total amount. Figure 2 details the breakdown of disaster giving from non-governmental sources, including crowdfunding and corporate giving.

Figure 2 Non-governmental sources of funding for disaster philanthropy(Percentage of total non-government giving, 2015)



Data: Measuring the State of Disaster Philanthropy 2017: Data to Drive Decisions, The Center for Disaster Philanthropy and Foundation Center, 2017, disasterphilanthropy.org

Note: This report does not comprehensively include all crowdfunding measurements, as individual online giving data is difficult to capture. Two of the largest crowdfunding platforms, GlobalGiving and Network for Good, were surveyed for the report.



Key findings from annual studies summarized

Table 1 presents three years of data from studies released annually about contributions to international aid, development, and relief organizations. Website addresses are provided so readers can access the full reports.



Table 1
Key findings from other studies about giving to international affairs organizations

IRS Statistics of Income Bulletin ⁸⁰ Tax-exempt international organizations: 2012–2014 www.irs.gov				
	2012	2013	2014	
Number of returns	6,941	6,571	7,079	
Charitable revenue	\$22.59 billion	\$23.37 billion	\$26.67 billion	

Chapter authored by Kinga Zsofia Horvath, MA, Indiana University Lilly Family School of Philanthropy.

Good to Know section and Practitioner Highlights written by Giving USA Editorial Review Board members Jessica Browning, Merrell Milano, and Elaine Jansen.

Endnotes

- All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.
- 2 Practitioner Highlight authored by Editorial Review Board member Jessica Browning.
- 3 Practitioner Highlight authored by staff at the Indiana University Lilly Family School of Philanthropy; Luminate Online Benchmark Report 2017, Blackbaud, 2018, www.blackbaud.com; Benchmarks 2018, M+R and NTEN, 2018, www.mrbenchmarks.com.
- 4 Practitioner Highlight authored by Editorial Review Board member Merrell Milano; "The 2017 Philanthropy 400," The Chronicle of Philanthropy, November 1, 2017, www.philanthropy.com
- 5 This information is in current dollars
- This information was provided to Giving USA directly from the Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www. blackbaud.com/nonprofit-resources/blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in Giving USA may vary from current figures.
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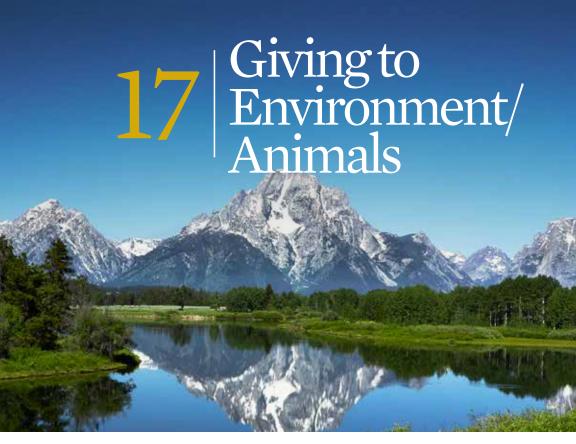
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Giving USA



- Giving to the environment/animals subsector amounted to 3 percent of total giving in 2017.1
- Contributions to environmental and animal organizations rose 7.2 percent between 2016 and 2017, to \$11.83 billion. Adjusted for inflation, giving to these organizations increased 5.0 percent.
- For the year 2017, contributions to environmental and animal organizations totaled the highest inflation-adjusted value recorded to date.

Practitioner Highlights

- Giving to environmental organizations continues to experience strong growth, particularly in the wake of national policy changes.²
- Coastal and river conservation efforts have attracted substantial funder investment, with economic interests spurring some business-minded donors to get involved.3
- Solid donor retention rates among wildlife and animal-welfare organizations, as well as gains on the Philanthropy 400, suggest strong donor commitment to these causes year after year.4

The information provided in this chapter derives from a number of sources, including publicly available reports, news stories, and websites from the most recent year. This chapter is meant to provide context for the giving trends reported in this edition of *Giving USA* and to illustrate some of the practical implications of the data. It is not intended to be a comprehensive survey of the subsector, but a collection of examples from the field.

Trends in giving to the environment/animals subsector in 2017

In 2017, giving to environmental and animal organizations had a two-year growth rate of 11.5 percent. In the last five-year period (2013 to 2017), giving grew at an average annualized rate of 5.8 percent, surpassing the five-year average annualized growth rate of

4.3 percent for total giving.

Several reports issued in 2018 observed strong growth in giving to environmental and animal organizations in 2017. The results of these reports are provided throughout the rest of this opening narrative and chapter. Different methodological and sampling approaches account for the differences between these sources and Giving USA data. Some highlights from 2017 on giving to this subsector include:

- In spring 2018, Blackbaud reported that among its sample of more than 8,800 nonprofits, giving to environmental and animal-welfare organizations increased 8.2 percent in 2017 over 2016.⁶ Environmental and animal-welfare organizations realized the greatest year-over-year monthly increase in overall charitable revenue in the three-month period ending in November (23.1 percent).⁷ Year-over-year monthly giving slowed in the three-month period ending in June (2.2 percent).
- Sixty percent of environmental organizations responding to the Nonprofit Research Collaborative's Winter 2018 Nonprofit Fundraising Survey reported an increase in charitable contributions received between 2016 and 2017.8 Additionally, 81 percent of respondents in the environment/animals subsector reported that they met their fundraising goals in 2017, among the highest percentage of all the subsectors surveyed.

To provide additional context for giving to environmental and animal organizations in 2017 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.

Online giving to environment/animal organizations posts strong growth

Three different reports noted positive results for giving to environmental and animal organizations via online methods in 2017. While different methodological and sampling approaches account for the differences between these sources and *Giving USA* data, these sources highlight trends seen by specific types of environmental and animal organizations.

Luminate Online Benchmark
Report, surveyed animal-welfare
organizations reported a 12.4 percent
increase in aggregate online revenue
in 2017 over 2016, while environment
and wildlife organizations saw an
increase of 21.1 percent. 11

The sample of Blackbaud environmental and animal-welfare organizations realized an increase of 17.6 percent in online giving over 2016, larger than the growth rates for all the other subsectors measured.⁹ Environmental and animal-welfare organizations realized the greatest year-over-year monthly

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increases in online charitable revenue in the three-month periods ending in March (19.2 percent) and October (18.4 percent). The lowest increase in online charitable revenue for these organizations occurred during the three-month period ending in February (7.9 percent).

According to Blackbaud's 2017 *Luminate Online Benchmark Report*, surveyed animal-welfare organizations reported a 12.4 percent increase in aggregate online revenue in 2017 over 2016, while environment and wildlife organizations saw an increase of 21.1 percent.¹¹ Both types of organizations saw a sizable increase in the share of monthly donors (sustainers) comprising total fundraising

revenue from 2016 to 2017, at 42 percent for environment and wildlife organizations and 16.3 percent for animal-welfare organizations.

The *Benchmarks 2018* report by M+R and NTEN also showed increases in online giving from 2016 to 2017 for a sample of environmental (34 percent) and wildlife/animal-welfare organizations (16 percent). ¹² Sustaining monthly revenue grew 67 percent for environmental organizations but declined for wildlife/animal-welfare organizations. However, wildlife/animal-welfare organizations reported strong prior-year donor retention rates (64 percent) and overall donor retention rates (46 percent).



Policy developments prompt individual, institutional support for environmental groups

Several environmental organizations that reported a surge in contributions following the election of U.S. President Donald Trump saw this trend continue in the early weeks and months of the new administration. The president's campaign rhetoric, including calling climate change a hoax and vowing to dismantle the Environmental Protection Agency (EPA), as well as the contentious nomination of Scott Pruitt as EPA administrator, have been cited as reasons for the rise in donations.

Earthjustice, a nonprofit focused on environmental law, reported a 160 percent increase in contributions between the November 2016 presidential election and the end of January 2017 when compared with the same period a year earlier. 14 Online donations, in particular, grew 300 percent. Driven by 30,000 new monthly donors, the Sierra Club reported a 700 percent increase in fundraising revenue during this time. According to Charity Navigator, contributions to the Environmental Defense Fund through the nonprofit ratings site rose 500 percent from January 20, 2017 to April 20, 2017, in comparison with the same period in 2016.15

On June 1, 2017, President Trump announced that the United States would withdraw from the Paris Agreement, an accord signed by 195 countries to reduce greenhouse gas emissions, that went into effect in December 2016.16 In response, former New York City mayor and philanthropist Michael Bloomberg pledged up to \$15 million to the Green Climate Fund stewarded by the United Nations Framework on Climate Change, the agency tasked with managing climate policy for international bodies.¹⁷ Additionally, a bipartisan group of government and business leaders formed We Are Still In, a coalition developed to honor the Paris Agreement's aim of reducing greenhouse gas emissions and establishing clean energy solutions.18

donors, the Sierra Club reported a 700 percent increase in fundraising revenue between the November 2016 presidential election and the end of January 2017. 14

Foundations spearhead efforts to promote renewable energy

In addition to individuals, corporations, and government agencies, foundations announced initiatives with goals similar to those of the Paris Agreement, despite U.S. withdrawal from the accord. In December 2017, the William and Flora Hewlett Foundation pledged to distribute \$600 million between 2018 and 2023 to organizations that address climate change. ¹⁹ The foundation is specifically dedicated to supporting clean energy sources to replace fossil fuels and limit emissions in the United States, China, India, and Europe.

The Barr Foundation awarded grants totaling \$23.36 million to organizations seeking to mitigate climate change through clean energy, sustainable mobility, and climate resilience, with a particular focus on the Northeastern United States, in 2017.²⁰ Grant recipients include:²¹

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- The Energy Foundation (\$3 million) to accelerate the transition to clean energy in the Northeast U.S.;
- The Environmental Defense
 Fund (\$400,000) and the Nature
 Conservancy (\$400,000) to promote
 the Alliance to Curb Climate Change
 in key Northeast states;
- The Clean Water Fund (\$400,000) to support organizing and policy education to ensure Massachusetts and Connecticut meet their clean energy goals; and
- The Regulatory Assistance Project (\$250,000) to advance innovative clean energy policy in New England.

In 2017, the John D. and Catherine T. MacArthur Foundation also announced

\$19 million in funding for nonprofits, businesses, and government agencies dedicated to diversifying energy options and enhancing economic development at the local level.²² The new grants are part of the \$120 million commitment the MacArthur Foundation made to climate solutions in 2015, and include:

- The Climate Policy Initiative (\$4.5 million) to enhance clean energy development and access in India;
- Earthworks (\$3 million) to help communities in oil- and gas-rich areas leverage technology to document methane pollution; and
- The U.S. Climate Action Network (\$1 million) to foster greater alignment on climate-related issues among its diverse membership.

Funders commit to preserving and promoting national monuments, parks

Building on policy developments and fundraising campaigns that began in previous years, efforts to protect and support access to environmental landmarks saw substantial contributions in 2017.

Bears Ears National Monument spurs philanthropic investment

In December 2016, then-President Barack Obama announced that 1.35 million acres of southeastern Utah would become the Bears Ears National Monument.²³ The monument comprises wilderness areas, as well as cultural sites that include artifacts and land of special significance to several Native American tribes. In December 2017, President Trump issued Proclamation 9558, which used the Antiquities Act of 1906 to justify reducing Bears Ears National Monument to 201,876 acres.²⁴

Due to the cultural importance of many sites in Bears Ears, the Hopi Tribe, Navajo Nation, Ute Mountain Ute Tribe, Pueblo of Zuni, and Ute Indian Tribe formed the Bears Ears Inter-Tribal Coalition in 2015 with the goal of conserving these sites.²⁵ When Bears Ears officially became a national monument, multiple funders raised \$1.5 million to form the Bears Ears Community Engagement Fund,

which seeks to include tribes and local communities in management decisions and care of the new monument.²⁶ Funders include the Wilburforce Foundation, Leonardo DiCaprio Foundation, David and Lucile Packard Foundation, and Grand Canyon Trust.

In December 2017, the Bears Ears Inter-Tribal Coalition filed a formal complaint in response to President Trump's reduction of the Bears Ears National Monument.²⁷ Outdoor clothing and gear companies such as The North Face and Patagonia have also taken legal action and launched fundraising campaigns to help pay for legal fees.²⁸

National Park Foundation realizes ongoing success from centennial celebration

After exceeding its \$350 million fundraising goal for the centennial celebration of the National Park Service in 2016, the National Park Foundation sought to maintain this momentum for the 101st anniversary of the National Parks Service in 2017.²⁹ As such, the foundation rolled out the "Parks 101" marketing campaign to educate the public on how to enjoy the parks and share stories about the history of lesser-known parks.³⁰ The foundation continued to raise funds for the centennial campaign as well, reaching a total of \$429 million by the fall of 2017.

The National Park Foundation also continued the "Find Your Park" campaign with a variety of partners

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in 2017. Apple donated \$1 for every purchase made using Apple Pay during the first fifteen days of July and offered a range of National Park-themed stickers to Apple Watch users who ran or walked 3.5 miles.³¹ In addition, Airbnb partnered with the National Park Foundation to help travelers find lodging near 10 national parks and contributed \$50,000 to the foundation.³²



Good to Know

Many environmental organizations mobilized donors around messages of opposition to federal policies or decisions in 2017.³³ The organizations that leveraged these moments most effectively were able to balance the urgency of a single development with the longer-term consequences. You can position your organization to strike the same balance by:

- Putting breaking news on an environmental issue in the context of the bigger picture of your mission and goals;
- Talking with leadership donors about how their support in highprofile moments sends a message to others about the opportunity to step up to ensure your important work continues; and
- Encouraging donors at all levels to join you in the long-term with recurring monthly donations.

Funders commit to coastline conservation, recovery

Major donors, as well as public-private partnerships dedicated to supporting and furthering study of ecosystems, made preservation of America's coasts a prevalent theme in giving to the environment/animals subsector in 2017.

The Nature Conservancy uses historic gift to preserve California coast

In December 2017, Jack and Laura Dangermond donated \$165 million to The Nature Conservancy (TNC) to preserve an undeveloped area of the California coast.34 The area encompasses more than 24,000 acres in Santa Barbara County, and will be named the Jack and Laura Dangermond Preserve in honor of the contribution, which made the land purchase possible and is the singlelargest philanthropic gift in the Nature Conservancy's history. The Dangermonds also donated \$1 million to establish the Jack and Laura Dangermond Endowed Chair in Conservation Studies at the University of California, Santa Barbara (UCSB).35 The new chair will utilize the Jack and Laura Dangermond Preserve for teaching and conducting innovative research in environmental and earth sciences, among other disciplines.

National Fish and Wildlife Foundation supports Gulf Coast recovery

The National Fish and Wildlife Foundation granted \$1.9 million in 2017 to organizations that protect animal species, conserve land, and manage resources in the Gulf of Mexico, including the coasts of Alabama, Florida, Louisiana, Mississippi, and Texas.³⁶ Grant recipients raised an additional \$6 million in matching funds to bolster the investment.37 The grants were made through the Gulf Coast Conservation Program, which partners with funders such as the Shell Marine & Wildlife Habitat Program, Southern Company's Power of Flight Program, and the U.S. Department of Agriculture's Natural Resources Conservation Service in an ongoing effort to preserve the Gulf Coast ecosystem following the 2010

Deepwater Horizon oil spill.³⁸ The program has granted nearly \$18 million and generated \$28 million in matching support since its founding in 2015.

Ocean conservation efforts rise to prominence

In June 2017, the Ocean Conference was held in New York City as part of the United Nations Conference to Support the Implementation of Sustainable Development Goal 14, which is to conserve oceans and foster sustainable economic development.³⁹ The conference brought government organizations, nonprofits, and members of the scientific community together to review agenda items, release findings, and build partnerships. Funders in the United States have also demonstrated an interest in ocean conservation in recent years.



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New report finds increased funding for ocean conservation

California Environmental Associates and the David and Lucile Packard Foundation released the Our Shared Seas report in 2017, which covers funding commitments to ocean issues between 2010 and 2015.40 Data was collected directly from grantmaking organizations, with additional information about grants to ocean-related organizations provided by the Foundation Center. The report found that philanthropic grantmaking for ocean conservation increased during this time period, starting at \$252 million in 2010 and rising to \$399 million in 2015. The most popular funding areas were science, which received more than \$400 million, fisheries management with \$205 million, and protected areas with

\$200 million. Of the geographic areas represented in the study, the United States received the largest share of grant dollars, with a total of \$499 million.

Large grants draw new philanthropic focus on river conservation

While coastal and ocean conservancy has been a priority for several years, efforts to support river preservation drew fresh attention from funders in 2017.

Funder seeks to protect Delaware River watershed

In September 2017, Philadelphia, PA-based William Penn Foundation gave \$17 million to protect and restore the Delaware River watershed.⁴¹ The foundation awarded grants to 35 area nonprofits, concentrating on efforts to encourage recreational use of the Delaware River and to educate the public on current issues surrounding river conservation, which is particularly important since the river supplies drinking water to 15 million people in the region.

Foundation supports preservation of Colorado River

Annual basin-wide water supply has dropped in recent years at the same time consumption has increased, leading to a decline in reservoir levels and worry about continued industrial, municipal,

and recreational access to the Colorado River. 42 Stakeholders are concerned for both ecological and economic reasons, as one study found that losing access to the Colorado River would cost the Southwestern United States \$1.4 trillion. In June 2017, the Walton Family Foundation announced \$20 million in grants to support conservation of the Colorado River, with a goal of distributing \$100 million by 2020. Early grantees include the Western Conservation Foundation and the Tamarisk Coalition.⁴³ The Walton Family Foundation also pledged \$15 million in funding for restoration of the Mississippi River Delta.44

Funder, nonprofits collaborate to restore White River

The Nina Mason Pulliam Charitable Trust awarded \$4.9 million to a coalition of nonprofits as part of a three-year initiative to protect and restore the White River in Indiana. 45 Announced in August 2017, the White River Partnership is composed of the Central Indiana Land Trust, the daVinci Pursuit, Friends of the White River, the Hoosier Environmental Council, the Indianapolis Wildlife Federation, Keep Indianapolis Beautiful, Reconnecting to Our Waterways, the Nature Conservancy, and the White River Alliance. The collaboration will support initiatives that promote greater appreciation of the river and its surrounding habitat, as well as improve water quality and public access.

Major gift facilitates unique partnership to protect endangered species

The World Wildlife Fund (WWF) and Duke University announced a 10year, joint \$25 million gift from Jeff and Laurie Ubben in December 2017.46 WWF will receive \$20 million to support the organization's conservation programs, with a particular focus on efforts to subvert the illegal ivory trade in China, which drives poaching that threatens endangered elephants.⁴⁷ Duke University's Nicholas School of the Environment will receive \$5 million to allow students and faculty to partner with WWF on education and research projects that promote conservation and sustainable development. Mr. and Mrs. Ubben are both Duke alumni and Mr. Ubben is a member of the university's Board of Trustees.48

The World Wildlife Fund and Duke University announced a 10-year, joint \$25 million gift from Jeff and Laurie Ubben in December 2017.4699

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Several environment and animal-welfare organizations see big gains on the Philanthropy 400

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations. ⁴⁹ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the Chronicle compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2017 for giving in the fiscal year ending in 2016 include 15 charities classified as environmental and animal-welfare organizations (compared with 16 the prior year). The top five environmental and animal-welfare organizations on the list with the greatest amount in private support are:

- Ranking 31st: The Nature
 Conservancy, Arlington, VA,
 with \$626.9 million in private
 contributions, a decrease of 0.6
 percent from the previous year;
- Ranking 136th: The American Society for the Prevention of Cruelty to Animals, New York City, NY, with \$197.1 million in private contributions, an increase of 7.9 percent;
- Ranking 155th: World Wildlife Fund,
 Washington, DC, with \$179.5 million

in private contributions, an increase of 15.2 percent;

- Ranking 156th: Conservation International, Arlington, VA, with \$179.2 million in private contributions, an increase of 25.8 percent; and
- Ranking 160th: The Humane Society of the United States, Washington, DC, with \$174.6 million in private contributions, a decrease of 6.7 percent.

Key findings from annual studies

Table 3 presents three years of data from studies released annually about contributions to organizations in the environment/animals subsector. Website addresses are provided so readers can access the full reports.

Table 3

Key findings from other studies about giving to environmental and animal organizations

IRS Statistics of Income Bulletin ⁵¹ Tax-exempt environment and animal organizations: 2012–2014 WWW.irs.gov						
	2012	2013	2014			
Number of returns	12,913	13,551	14,543			
Charitable revenue	\$11.45 billion	\$11.74 billion	\$13.24 billion			

Chapter authored by Anna Pruitt, PhD, Managing Editor for *Giving USA* at the Indiana University Lilly Family School of Philanthropy.

Good to Know section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Sarah Anderson, Nicole McWhorter, and Sandi Reinardy.

Endnotes

- 1 All data in this section are reported as estimates, which are subject to revision. To provide the most accurate estimates for charitable giving, as new data become available, Giving USA revises its estimates for at least the last two years. See more about how Giving USA calculates charitable giving by sources and uses in the "Brief Summary of Methods Used" section of this report.
- 2 Practitioner Highlight authored by Editorial Review Board member Sandi Reinardy.

- 3 Same as note 2.
- 4 Practitioner Highlight authored by Editorial Review Board member Nicole McWhorter; Benchmarks 2018, M+R and NTEN, 2018, www.mrbenchmarks.com; Peter Olsen-Phillips and Brian O'Leary, "How Much America's Biggest Charities Raise: 27 Years of Data," The Chronicle of Philanthropy, October 31, 2017, https://www.philanthropy.com/ interactives/philanthropy-400#id=table_2017
- 5 This information is in current dollars.
- 6 This information was provided to Giving USA directly from Blackbaud Institute in April 2018. The Blackbaud Index of Charitable Giving assesses changes in total charitable giving

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- from year to year using a three-month rolling median of the charitable revenue reported by a selected sample of U.S. nonprofits. This information reflects data on total charitable giving reported by 8,868 organizations across the nonprofit sector, representing total charitable revenue of \$31.8 billion in 2017. Online giving data are reported by 5,764 nonprofits with charitable support amounting to \$3.2 billion in 2017. Month-by-month Blackbaud Index data on both online and total giving are available at www. blackbaud.com/nonprofit-resources/blackbaud-index. Note that Blackbaud data are constantly being updated; therefore, figures published in *Giving USA* may vary from current figures.
- 7 Year-over-year monthly giving data are from the Blackbaud Index, May 2018, https://www.blackbaud.com/nonprofitresources/blackbaud-index
- The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector. In 2018, this collaboration included the Giving USA Foundation, the Association of Fundraising Professionals, CFRE International, the Association of Philanthropic Counsel, and the National Association of Charitable Gift Planners. In early 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for the 2017 calendar year. The survey asked leaders of public charities and foundations to report on changes in charitable revenue received and changes in the number of donors by specific donor type, among other questions. Data in this section come from the Winter 2018 Nonprofit Fundraising Survey report from the Nonprofit Research Collaborative, April 2018, www.npresearch.org. A convenience sample of 1,222 respondents, 146 of them Canadian, constitutes the survey results.
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- 14 Same as note 13.
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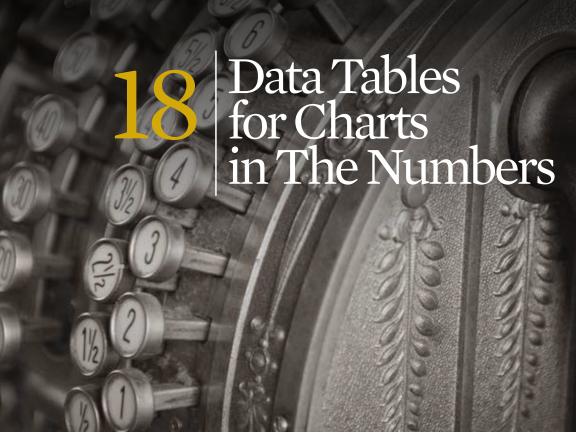
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Giving USA



This section provides data on giving by donor and recipient type for the last 40 years in current and inflation-adjusted dollars. Also included are 40-year trend data on:

- Total giving as a percentage of GDP
- Individual giving as a percentage of disposable personal income
- Corporate giving as a percentage of corporate pre-tax profits

Giving USA Data Tables for Charts in The Numbers

Giving by source, 1977–2017

(in billions of current dollars)

Year	Total	Percent change	Corp- orations	Percent change	Foundations	Percent change	Bequests	Percent change	Individuals	Percent change
1977	35.21	10.5	1.54	15.8	2.00	5.3	2.12	-7.8	29.55	12.3
1978	38.57	9.5	1.70	10.4	2.17	8.5	2.60	22.6	32.10	8.6
1979	43.11	11.8	2.05	20.6	2.24	3.2	2.23	-14.2	36.59	14.0
1980	48.63	12.8	2.25	9.8	2.81	25.4	2.86	28.3	40.71	11.3
1981	55.28	13.7	2.64	17.3	3.07	9.3	3.58	25.2	45.99	13.0
1982	59.11	6.9	3.11	17.8	3.16	2.9	5.21	45.5	47.63	3.6
1983	63.21	6.9	3.67	18.0	3.60	13.9	3.88	-25.5	52.06	9.3
1984	68.58	8.5	4.13	12.5	3.95	9.7	4.04	4.1	56.46	8.5
1985	71.69	4.5	4.63	12.1	4.90	24.1	4.77	18.1	57.39	1.6
1986	83.25	16.1	5.03	8.6	5.43	10.8	5.70	19.5	67.09	16.9
1987	82.20	-1.3	5.21	3.6	5.88	8.3	6.58	15.4	64.53	-3.8
1988	88.04	7.1	5.34	2.5	6.15	4.6	6.57	-0.2	69.98	8.4
1989	98.30	11.7	5.46	2.2	6.55	6.5	6.84	4.1	79.45	13.5
1990	98.48	0.2	5.46	0.0	7.23	10.4	6.79	-0.7	79.00	-0.6
1991	102.58	4.2	5.25	-3.8	7.72	6.8	7.68	13.1	81.93	3.7
1992	111.29	8.5	5.91	12.6	8.64	11.9	9.54	24.2	87.20	6.4
1993	116.58	4.8	6.47	9.5	9.53	10.3	8.86	-7.1	91.72	5.2
1994	120.05	3.0	6.98	7.9	9.66	1.4	11.13	25.6	92.28	0.6
1995	123.10	2.5	7.35	5.3	10.56	9.3	10.41	-6.5	94.78	2.7
1996	138.89	12.8	7.51	2.2	12.00	13.6	12.03	15.6	107.35	13.3
1997	162.46	17.0	8.62	14.8	13.92	16.0	16.25	35.1	123.67	15.2
1998	176.56	8.7	8.46	-1.9	17.01	22.2	13.41	-17.5	137.68	11.3
1999	203.19	15.1	10.23	20.9	20.51	20.6	17.82	32.9	154.63	12.3
2000	229.66	13.0	10.74	5.0	24.58	19.8	20.25	13.6	174.09	12.6
2001	232.09	1.1	11.66	8.6	27.22	10.7	20.15	-0.5	173.06	-0.6
2002	232.72	0.3	10.79	-7.5	26.98	-0.9	21.16	5.0	173.79	0.4
2003	237.45	2.0	11.06	2.5	26.84	-0.5	18.08	-14.6	181.47	4.4
2004	260.26	9.6	11.36	2.7	28.41	5.8	18.53	2.5	201.96	11.3
2005	292.43	12.4	15.20	33.8	32.41	14.1	24.00	29.5	220.82	9.3
2006	296.09	1.3	14.52	-4.5	34.91	7.7	21.90	-8.8	224.76	1.8
2007	311.06	5.1	14.22	-2.1	40.00	14.6	23.79	8.6	233.05	3.7
2008	299.61	-3.7	12.40	-12.8	42.21	5.5	31.24	31.3	213.76	-8.3
2009	274.78	-8.3	13.79	11.2	41.09	-2.7	19.12	-38.8	200.78	-6.1
2010	288.16	4.9	15.82	14.7	40.95	-0.3	23.40	22.4	207.99	3.6
2011	298.50	3.6	15.58	-1.5	43.83	7.0	25.18	7.6	213.91	2.8
2012	332.61	11.4	17.22	10.5	46.37	5.8	24.63	-2.2	244.38	14.2
2013	332.52	0.0	15.86	-7.9	49.88	7.6	24.35	-1.1	242.43	-0.8
2014	357.57	7.5	18.26	15.1	54.91	10.1	32.15	32.0	252.25	4.0
2015	376.05	5.2	18.44	1.0	57.29	4.3	35.63	10.8	264.69	4.9
2016	389.64	3.6	19.24	4.3	63.12	10.2	34.89	-2.1	272.38	2.9
2017	410.02	5.2	20.77	8.0	66.90	6.0	35.70	2.3	286.65	5.2

Notes: All figures are rounded. Data on giving by foundations provided by the Foundation Center. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to Giving USA data for years prior to 2017.

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Giving by source, 1977–2017

(in billions of inflation-adjusted dollars)

Year	Total	Percent change	Corp- orations	Percent change	Foundations	Percent change	Bequests	Percent change	Individuals	Percent change
1977	142.40	3.8	6.23	8.7	8.09	-1.2	8.57	-13.5	119.51	5.4
1978	144.93	1.8	6.39	2.6	8.15	0.8	9.77	13.9	120.62	0.9
1979	145.60	0.5	6.92	8.4	7.57	-7.2	7.53	-22.9	123.58	2.5
1980	144.65	-0.7	6.69	-3.3	8.36	10.5	8.51	12.9	121.09	-2.0
1981	149.03	3.0	7.12	6.3	8.28	-1.0	9.65	13.4	123.98	2.4
1982	150.15	0.8	7.90	11.0	8.03	-3.0	13.23	37.1	120.99	-2.4
1983	155.56	3.6	9.03	14.3	8.86	10.4	9.55	-27.8	128.12	5.9
1984	161.82	4.0	9.75	7.9	9.32	5.2	9.53	-0.2	133.22	4.0
1985	163.36	1.0	10.55	8.3	11.17	19.8	10.87	14.0	130.78	-1.8
1986	186.17	14.0	11.25	6.6	12.14	8.8	12.75	17.3	150.04	14.7
1987	177.33	-4.8	11.24	-0.1	12.68	4.5	14.19	11.4	139.21	-7.2
1988	182.49	2.9	11.07	-1.5	12.75	0.5	13.62	-4.1	145.05	4.2
1989	194.37	6.5	10.80	-2.5	12.95	1.6	13.52	-0.7	157.10	8.3
1990	184.75	-4.9	10.24	-5.1	13.56	4.7	12.74	-5.8	148.21	-5.7
1991	184.62	-0.1	9.45	-7.8	13.89	2.4	13.82	8.5	147.46	-0.5
1992	194.41	5.3	10.32	9.3	15.09	8.6	16.67	20.6	152.33	3.3
1993	197.82	1.8	10.98	6.3	16.17	7.1	15.03	-9.8	155.63	2.2
1994	198.53	0.4	11.54	5.1	15.97	-1.2	18.41	22.4	152.60	-1.9
1995	198.02	-0.3	11.82	2.4	16.99	6.3	16.75	-9.0	152.46	-0.1
1996	217.05	9.6	11.74	-0.7	18.75	10.4	18.80	12.3	167.76	10.0
1997	248.09	14.3	13.16	12.2	21.26	13.3	24.81	32.0	188.85	12.6
1998	265.50	7.0	12.72	-3.4	25.58	20.3	20.17	-18.7	207.03	9.6
1999	299.00	12.6	15.05	18.3	30.18	18.0	26.22	30.0	227.54	9.9
2000	326.91	9.3	15.29	1.6	34.99	15.9	28.83	9.9	247.81	8.9
2001	321.29	-1.7	16.14	5.6	37.68	7.7	27.89	-3.2	239.57	-3.3 -1.1
2002	317.13	-1.3	14.70	-8.9	36.77	-2.4	28.84	3.4	236.83	
2003 2004	316.40	-0.2	14.74 14.74	0.2	35.76	-2.7	24.09	-16.5 -0.2	241.80	2.1
2004	337.75 367.04	6.7 8.7	19.08	0.0 29.4	36.87 40.68	3.1 10.3	24.05 30.12	25.3	262.09	8.4 5.8
2005	360.02	-1.9	17.66	-7.5	40.68	4.3	26.63	-11.6	277.16 273.29	-1.4
2007	367.74	2.1	16.81	-4.8	47.29	11.4	28.12	5.6	275.51	0.8
2007	341.10	-7.2	14.12	-16.0	48.06	1.6	35.57	26.5	243.36	-11.7
2009	313.95	-8.0	15.76	11.6	46.95	-2.3	21.85	-38.6	229.40	-5.7
2010	323.92	3.2	17.78	12.9	46.03	-1.9	26.30	20.4	233.80	1.9
2011	325.28	0.4	16.98	-4.5	47.76	3.8	27.44	4.3	233.10	-0.3
2012	355.10	9.2	18.38	8.3	49.51	3.7	26.30	-4.2	260.91	11.9
2013	349.89	-1.5	16.69	-9.2	52.48	6.0	25.62	-2.6	255.09	-2.2
2014	370.24	5.8	18.91	13.3	56.86	8.3	33.29	29.9	261.18	2.4
2015	388.91	5.0	19.07	0.9	59.24	4.2	36.85	10.7	273.74	4.8
2016	397.94	2.3	19.65	3.0	64.47	8.8	35.64	-3.3	278.18	1.6
2017	410.02	3.0	20.77	5.7	66.90	3.8	35.70	0.2	286.65	3.0

Notes: All figures are rounded. Data on giving by foundations provided by the Foundation Center. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to *Giving USA* data for years prior to 2017. Inflation adjustment calculated using the Consumer Price Index calculator available at www.bls.gov, 2017 = 100.

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Giving USA Data Tables for Charts in The Numbers

Contributions received by type of organization, 1977-2017

(in billions of current dollars)

(III DII	1110113 01	Curren	t dollar.	3)							Public-	
		Percent		Percent		Percent	Human	Percent		Percent	society	Percent
Year	Total	change	Religion	change	Education		services	change	Health			change
1977	35.21	10.5	16.98	19.7	3.89	8.4	4.10	1.7	3.93	5.1	1.29	-12.8
1978	38.57	9.5	18.35	8.1	4.32	11.1	4.22	2.9	4.10	4.3	1.50	16.3
1979	43.11	11.8	20.17	9.9	4.70	8.8	4.31	2.1	4.28	4.4	1.82	21.3
1980	48.63	12.8	22.23	10.2	5.07	7.9	4.45	3.2	4.48	4.7	2.28	25.3
1981	55.28	13.7	25.05	12.7	5.93	17.0	4.59	3.1	4.63	3.3	2.13	-6.6
1982	59.11	6.9	28.06	12.0	4.94	-16.7	2.88	-37.3	3.06	-33.9	3.21	50.7
1983	63.21	6.9	31.84	13.5	5.33	7.9	3.04	5.6	3.46	13.1	3.77	17.4
1984	68.58	8.5	35.55	11.7	6.37	19.5	3.34	9.9	3.87	11.8	4.68	24.1
1985	71.69	4.5	38.21	7.5	6.75	6.0	3.68	10.2	4.59	18.6	4.09	-12.6
1986	83.25	16.1	41.68	9.1	8.46	25.3	3.77	2.4	4.37	-4.8	7.66	87.3
1987	82.20	-1.3	43.51	4.4	8.08	-4.5	3.99	5.8	4.71	7.8	4.86	-36.6
1988	88.04	7.1	45.15	3.8	8.79	8.8	4.45	11.5	5.59	18.7	5.20	7.0
1989	98.30	11.7	47.77	5.8	11.31	28.7	6.52	46.5	6.42	14.8	6.02	15.8
1990	98.48	0.2	49.79	4.2	11.83	4.6	6.69	2.6	7.75	20.7	6.56	9.0
1991	102.58	4.2	50.00	0.4	12.10	2.3	7.50	12.1	7.63	-1.5	6.73	2.6
1992	111.29	8.5	50.95	1.9	13.21	9.2	9.14	21.9	8.52	11.7	7.15	6.2
1993	116.58	4.8	52.89	3.8	14.36	8.7	9.67	5.8	8.79	3.2	8.27	15.7
1994	120.05	3.0	56.43	6.7	14.09	-1.9	9.67	0.0	8.98	2.2	8.11	-1.9
1995	123.10	2.5	58.07	2.9	16.47	16.9	10.67	10.3	17.92	99.6	8.76	8.0
1996	138.89	12.8	61.90	6.6	17.94	8.9	11.97	12.2	18.35	2.4	9.40	7.3
1997	162.46	17.0	64.69	4.5	22.00	22.6	14.35	19.9	13.62	-25.8	11.23	19.5
1998	176.56	8.7	68.25	5.5	23.98	9.0	16.32	13.7	12.77	-6.2	12.51	11.4
1999	203.19	15.1	71.25	4.4	26.63	11.1	17.56	7.6	13.58	6.3	13.58	8.6
2000	229.66	13.0	76.95	8.0	28.81	8.2	20.79	18.4	15.30	12.7	15.00	10.5
2001	232.09	1.1	79.87	3.8	28.07	-2.6	24.28	16.8	16.41	7.3	16.56	10.4
2002	232.72	0.3	82.98	3.9	27.25	-2.9	22.71	-6.5	15.70	-4.3	14.22	-14.1
2003	237.45	2.0	84.12	1.4	29.59	8.6	23.49	3.4	17.78	13.2	15.96	12.2
2004	260.26	9.6	87.51	4.0	31.66	7.0	26.10	11.1	19.06	7.2	17.66	10.7
2005	292.43	12.4	90.86	3.8	34.99	10.5	30.35	16.3	20.33	6.7	20.76	17.6
2006	296.09	1.3	94.63	4.1	40.07	14.5	30.74	1.3	24.22	19.1	23.16	11.6
2007	311.06	5.1	97.79	3.3	42.69	6.5	31.45	2.3	25.28	4.4	19.99	-13.7
2008	299.61	-3.7	98.22	0.4	35.89	-15.9	35.44	12.7	24.14	-4.5	17.95	-10.2
2009	274.78	-8.3	99.56	1.4	34.96	-2.6	35.95		26.08	8.0	17.31	-3.6
2010	288.16	4.9	97.54	-2.0	42.22	20.8	36.78	2.3	27.68	6.1	19.21	11.0
2011	298.50	3.6	101.78	4.3	42.92	1.7	37.40	1.7	25.86	-6.6	21.35	11.1
2012	332.61	11.4	105.77	3.9	46.85	9.2	41.14		26.18	1.2	22.88	7.2
2013	332.53	0.0	110.42	4.4	44.48	-5.1	41.13		32.26	23.2	24.27	6.1
2014	357.57	7.5	115.95	5.0	49.34	10.9	43.57	5.9	33.15	2.8	25.71	5.9
2015	376.05	5.2	119.21	2.8	53.08	7.6	46.70		34.21	3.2	26.85	4.4
2016	389.64	3.6	123.81	3.9	55.48	4.5	47.64	2.0	35.65		27.45	2.2
2017	410.02	5.2	127.37	2.9	58.90	6.2	50.06	5.1	38.27	7.3	29.59	7.8

Note: All figures are rounded. Gifts to environment/animals and international affairs began to be tracked in 1987, and gifts to foundations began to be tracked in 1978. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to *Giving USA* data for years prior to 2017. The difference between adding the subsectors together and the total noted is the amount of contributions that are unallocated each year. Please see the annual report for more details about unallocated giving. Inflation adjustment calculated using the Consumer Price Index calculator available at www.bls.gov, 2017 = 100.

Contributions received by type of organization, 1977-2017

(in billions of current dollars)

Year	Arts, culture, humanities	Percent change	International affairs	Percent change	Environment/ animals		Gifts to foundations	Percent change	Gifts to individuals	Un- allocated
1977	1.84	19.5								3.18
1978	1.87	1.6					1.61			2.60
1979	1.98	5.9					2.21	37.3		3.64
1980	2.12	7.1					1.98	-10.4		6.02
1981	2.28	7.5					2.39	20.7		8.28
1982	0.97	-57.5					4.00	67.4		10.29
1983	1.41	45.4					2.71	-32.3		10.06
1984	1.69	19.9					3.36	24.0		7.90
1985	1.89	11.8					4.73	40.8		5.98
1986	2.50	32.3					4.96	4.9		7.59
1987	2.60	4.0	1.45		0.84		5.16	4.0		7.00
1988	3.01	15.8	1.46	0.7	0.94	11.9	3.93	-23.8		9.52
1989	3.42	13.6	1.64	12.3	1.08	14.9	4.41	12.2		9.71
1990	3.69	7.9	2.06	25.6	1.29	19.4	3.83	-13.2		4.99
1991	3.82	3.5	1.62	-21.4	1.49	15.5	4.46	16.4		7.23
1992	4.16	8.9	2.12	30.9	1.59	6.7	5.01	12.3		9.44
1993	4.26	2.4	1.94	-8.5	1.79	12.6	6.26	25.0		8.35
1994	4.60	8.0	2.47	27.3	1.99	11.2	6.33	1.1		7.38
1995	5.29	15.0	2.63	6.5	2.23	12.1	8.46	33.6		-7.40
1996	5.98	13.0	2.99	13.7	2.60	16.6	12.63	49.3		-4.87
1997	7.18	20.1	3.14	5.0	2.91	11.9	13.96	10.5		9.38
1998	8.10	12.8	4.11	30.9	3.79	30.2	19.92	42.7		6.81
1999	8.80	8.6	5.36	30.4	4.52	19.3	28.76	44.4		13.15
2000	10.56	20.0	6.28	17.2	4.87	7.7	24.71	-14.1		26.39
2001	9.73	-7.9	6.68	6.4	5.30	8.8	25.67	3.9		19.52
2002	9.93	2.1	7.97	19.3	4.66	-12.1	19.16	-25.4		28.14
2003	11.11	11.9	9.44	18.4	4.98	6.9	21.62	12.8		19.36
2004	11.23	1.1	11.52	22.0	5.78	16.1	20.32	-6.0	1.74	27.68
2005	12.43	10.7	12.71	10.3	6.47	11.9	24.46	20.4	3.11	35.96
2006	13.92	12.0	13.51	6.3	7.39	14.2	27.10	10.8	3.83	17.52
2007	14.92	7.2	15.78	16.8	8.05	8.9	37.67	39.0	3.37	14.08
2008	12.29	-17.6	20.57	30.4	7.71	-4.2	30.14	-20.0	3.60	13.66
2009	12.59	2.4	16.39	-20.3	7.32	-5.1	32.39	7.5	4.20	-11.97
2010	13.38	6.3	13.89	-15.3	7.93	8.3	26.07	-19.5	4.88	-1.42
2011	12.82	-4.2	15.18	9.3	8.16	2.9	30.20	15.8	6.10	-3.27
2012	13.89	8.3	16.01	5.5	8.92	9.3	40.13	32.9	5.84	5.00
2013	14.64	5.4	19.41	21.2	8.56	-4.0	40.83	1.7	7.22	-10.68
2014	15.90	8.6	20.30	4.6	9.56	11.7	43.79	7.2	6.83	-6.54
2015	17.61	10.7	23.66	16.5	10.61	10.9	38.46	-12.2	6.85	-1.18
2016	17.95	1.9	24.03	1.6	11.03	4.0	39.72	3.3	9.93	-3.06
2017	19.51	8.7	22.97	-4.4	11.83	7.2	45.89	15.5	7.87	-2.24

Note: All figures are rounded. Gifts to environment/animals and international affairs began to be tracked in 1987, and gifts to foundations began to be tracked in 1978. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to *Giving USA* data for years prior to 2017. The difference between adding the subsectors together and the total noted is the amount of contributions that are unallocated each year. Please see the annual report for more details about unallocated giving. Inflation adjustment calculated using the Consumer Price Index calculator available at www.bls.gov, 2017 = 100.

Giving USA Data Tables for Charts in The Numbers

Contributions received by type of organization, 1977-2017

(in billions of inflation-adjusted dollars)

(III DIII	110113 01	IIIIauc	n-auju:	steu uc	niais)						Public-	
		Percent		Percent		Percent	Human	Percent		Percent		Percent
Year	Total	change	Religion	change	Education	change	services	change	Health	change		change
1977	142.40	3.8	68.67	12.4	15.73	1.7	16.58	-4.5	15.89	-1.3	5.22	-18.2
1978	144.93	1.8	68.95	0.4	16.23	3.2	15.86	-4.4	15.41	-3.1	5.64	8.0
1979	145.60	0.5	68.12	-1.2	15.87	-2.2	14.56	-8.2	14.46	-6.2	6.15	9.1
1980	144.65	-0.7	66.12	-2.9	15.08	-5.0	13.24	-9.1	13.33	-7.8	6.78	10.3
1981	149.03	3.0	67.53	2.1	15.99	6.0	12.37	-6.5	12.48	-6.3	5.74	-15.3
1982	150.15	0.8	71.28	5.5	12.55	-21.5	7.32	-40.9	7.77	-37.7	8.15	42.0
1983	155.56	3.6	78.36	9.9	13.12	4.5	7.48	2.3	8.52	9.6	9.28	13.8
1984	161.82	4.0	83.88	7.0	15.03	14.6	7.88	5.3	9.13	7.2	11.04	19.0
1985	163.36	1.0	87.07	3.8	15.38	2.3	8.39	6.4	10.46	14.5	9.32	-15.6
1986	186.17	14.0	93.21	7.1	18.92	23.0	8.43	0.5	9.77	-6.6	17.13	83.8
1987	177.33	-4.8	93.86	0.7	17.43	-7.9	8.61	2.1	10.16	4.0	10.48	-38.8
1988	182.49	2.9	93.58	-0.3	18.22	4.5	9.22	7.2	11.59	14.0	10.78	2.8
1989	194.37	6.5	94.46	0.9	22.36	22.7	12.89	39.8	12.69	9.6	11.90	10.4
1990	184.75	-4.9	93.41	-1.1	22.19	-0.8	12.55	-2.6	14.54	14.5	12.31	3.4
1991	184.62	-0.1	89.99	-3.7	21.78	-1.9	13.50	7.6	13.73	-5.5	12.11	-1.6
1992	194.41	5.3	89.00	-1.1	23.08	6.0	15.97	18.3	14.88	8.4	12.49	3.1
1993	197.82	1.8	89.75	0.8	24.37	5.6	16.41	2.8	14.92	0.2	14.03	12.3
1994	198.53	0.4	93.32	4.0	23.30	-4.4	15.99	-2.5	14.85	-0.4	13.41	-4.4
1995	198.02	-0.3	93.41	0.1	26.49	13.7	17.16	7.3	28.83	94.1	14.09	5.1
1996	217.05	9.6	96.74	3.6	28.04	5.8	18.71	9.0	28.68	-0.5	14.69	4.2
1997	248.09	14.3	98.79	2.1	33.60	19.8	21.91	17.1	20.80	-27.5	17.15	16.7
1998	265.50	7.0	102.63	3.9	36.06	7.3	24.54	12.0	19.20	-7.7	18.81	9.7
1999	299.00	12.6	104.85	2.2	39.19	8.7	25.84	5.3	19.98	4.1	19.98	6.2
2000	326.91	9.3	109.54	4.5	41.01	4.7	29.59	14.5	21.78	9.0	21.35	6.8
2001	321.29	-1.7	110.57	0.9	38.86	-5.2	33.61	13.6	22.72	4.3	22.92	7.4
2002	317.13	-1.3	113.08	2.3	37.13	-4.4	30.95	-7.9	21.39	-5.8	19.38	-15.5
2003	316.40	-0.2	112.09	-0.9	39.43	6.2	31.30	1.1	23.69	10.7	21.27	9.7
2004	337.75	6.7	113.56	1.3	41.09	4.2	33.87	8.2	24.73	4.4	22.92	7.8
2005	367.04	8.7	114.04	0.4	43.92	6.9	38.09	12.5	25.52	3.2	26.06	13.7
2006	360.02	-1.9	115.06	0.9	48.72	10.9	37.38	-1.9	29.45	15.4	28.16	8.1
2007	367.74	2.1	115.61	0.5	50.47	3.6	37.18	-0.5	29.89	1.5	23.63	-16.1
2008	341.10	-7.2	111.82	-3.3	40.86	-19.0	40.35	8.5	27.48	-8.0	20.44	-13.5
2009	313.95	-8.0	113.75	1.7	39.94	-2.2	41.07	1.8	29.80	8.4	19.78	-3.2
2010	323.92	3.2	109.65	-3.6	47.46	18.8	41.34	0.7	31.12	4.4	21.59	9.2
2011	325.28	0.4	110.91	1.2	46.77	-1.5	40.76	-1.4	28.18	-9.4	23.27	7.7
2012	355.10	9.2	112.92	1.8	50.02	6.9	43.92	7.8	27.95	-0.8	24.43	5.0
2013	349.89	-1.5	116.19	2.9	46.80	-6.4	43.28	-1.5	33.94	21.4	25.53	4.5
2014	370.24	5.8	120.06	3.3	51.09	9.2	45.12	4.2	34.33	1.1	26.62	4.2
2015	388.91	5.0	123.29	2.7	54.89	7.4	48.29	7.0	35.38	3.1	27.77	4.3
2016	397.94	2.3	126.45	2.6	56.66	3.2	48.66	8.0	36.41	2.9	28.04	1.0
2017	410.02	3.0	127.37	0.7	58.90	4.0	50.06	2.9	38.27	5.1	29.59	5.5

Note: All figures are rounded. Gifts to environment/animals and international affairs began to be tracked in 1987, and gifts to foundations began to be tracked in 1978. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to Giving USA data for years prior to 2017. The difference between adding the subsectors together and the total noted is the amount of contributions that are unallocated each year. Please see the annual report for more details about unallocated giving. Inflation adjustment calculated using the Consumer Price Index calculator available at www.bls.gov, 2017 = 100.

Contributions received by type of organization, 1977-2017

(in billions of inflation-adjusted dollars)

Year	Arts, culture, humanities	Percent change	International affairs	Percent change	Environment/ animals		Gifts to foundations	Percent change	Gifts to individuals	Un- allocated
1977	7.44	12.2								12.86
1978	7.03	-5.6					6.05			9.77
1979	6.69	-4.8					7.46	23.4		12.29
1980	6.31	-5.7					5.89	-21.1		17.91
1981	6.15	-2.5					6.44	9.4		22.32
1982	2.46	-59.9					10.16	57.7		26.14
1983	3.47	40.8					6.67	-34.4		24.76
1984	3.99	14.9					7.93	18.9		18.64
1985	4.31	8.0					10.78	36.0		13.63
1986	5.59	29.8					11.09	2.9		16.97
1987	5.61	0.3	3.13		1.81		11.13	0.4		15.10
1988	6.24	11.2	3.03	-3.3	1.95	7.5	8.15	-26.8		19.73
1989	6.76	8.4	3.24	7.2	2.14	9.6	8.72	7.0		19.20
1990	6.92	2.4	3.86	19.2	2.42	13.3	7.19	-17.6		9.36
1991	6.88	-0.7	2.92	-24.6	2.68	10.8	8.03	11.7		13.01
1992	7.27	5.7	3.70	27.0	2.78	3.6	8.75	9.0		16.49
1993	7.23	-0.5	3.29	-11.1	3.04	9.4	10.62	21.4		14.17
1994	7.61	5.2	4.08	24.1	3.29	8.3	10.47	-1.5		12.20
1995	8.51	11.9	4.23	3.6	3.59	9.0	13.61	30.0		-11.90
1996	9.35	9.8	4.67	10.5	4.06	13.3	19.74	45.0		-7.61
1997	10.96	17.3	4.79	2.6	4.44	9.4	21.32	8.0		14.32
1998	12.18	11.1	6.18	28.9	5.70	28.3	29.95	40.5		10.24
1999	12.95	6.3	7.89	27.6	6.65	16.7	42.33	41.3		19.35
2000	15.03	16.1	8.94	13.3	6.93	4.2	35.18	-16.9		37.56
2001	13.47	-10.4	9.25	3.4	7.34	5.8	35.54	1.0		27.02
2002	13.53	0.5	10.86	17.4	6.35	-13.4	26.11	-26.5		38.34
2003 2004	14.80 14.57	9.4 -1.6	12.58 14.95	15.8 18.9	6.64 7.50	4.5 13.0	28.81 26.37	10.3 -8.5	2.26	25.79 35.92
2004	15.60	7.1	15.95	6.7	8.12	8.3	30.70	16.4	3.90	45.14
2005	16.93	8.5	16.43	3.0	8.99	10.6	32.95	7.3	4.66	21.30
2007	17.64	4.2	18.66	13.6	9.52	5.9	44.53	35.1	3.98	16.64
2007	13.99	-20.7	23.42	25.5	8.78	-7.8	34.31	-23.0	4.10	15.55
2009	14.38	2.8	18.73	-20.0	8.36	-4.7	37.01	7.9	4.80	-13.68
2010	15.04	4.6	15.61	-16.6	8.91	6.6	29.31	-20.8	5.49	-1.60
2011	13.97	-7.1	16.54	5.9	8.89	-0.2	32.91	12.3	6.65	-3.57
2012	14.83	6.1	17.09	3.3	9.52	7.1	42.84	30.2	6.23	5.35
2013	15.41	3.9	20.43	19.5	9.01	-5.4	42.96	0.3	7.60	-11.24
2014	16.47	6.9	21.02	2.9	9.90	9.9	45.34	5.5	7.07	-6.77
2015	18.21	10.6	24.47	16.4	10.97	10.8	39.77	-12.3	7.08	-1.21
2016	18.33	0.6	24.54	0.3	11.27	2.7	40.57	2.0	10.14	-3.13
2017	19.51	6.4	22.97	-6.4	11.83	5.0	45.89	13.1	7.87	-2.23

Notes: All notes in the giving by recipient type (current dollar) table are applicable to this inflation-adjusted table. *Giving USA* uses the Consumer Price Index to calculate inflation, 2017=\$100. All figures are rounded. See the "Brief summary of methods used" section of the full report for explanation of the revisions made to *Giving USA* data for years prior to 2017.

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Total giving as a percentage of gross domestic product (GDP), 1977-2017 (in billions of inflation-adjusted dollars)

V	Total giving inflation	GDP inflation	Giving/GDP
Year	adjusted to 2017 dollars	adjusted to 2017 dollars	percentage
1977	142.40	8,437	1.7
1978	144.93	8,855	1.6
1979	145.60	8,890	1.6
1980	144.65	8,514	1.7
1981	149.03	8,656	1.7
1982	150.15	8,497	1.8
1983	155.56	8,954	1.7
1984	161.82	9,534	1.7
1985	163.36	9,905	1.6
1986	186.17	10,265	1.8
1987	177.33	10,506	1.7
1988	182.49	10,887	1.7
1989	194.37	11,187	1.7
1990	184.75	11,218	1.6
1991	184.62	11,112	1.7
1992	194.41	11,424	1.7
1993	197.82	11,672	1.7
1994	198.53	12,087	1.6
1995	198.02	12,328	1.6
1996	217.05	12,659	1.7
1997	248.09	13,146	1.9
1998	265.50	13,668	1.9
1999	299.00	14,216	2.1
2000	326.91	14,640	2.2
2001	321.29	14,704	2.2
2002	317.13	14,959	2.1
2003	316.40	15,338	2.1
2004	337.75	15,930	2.1
2005	367.04	16,435	2.2
2006	360.02	16,848	2.1
2007	367.74	17,115	2.1
2008	341.10	16,757	2.0
2009	313.95	16,474	1.9
2010	323.92	16,822	1.9
2011	325.28	16,910	1.9
2012	355.10	17,248	2.1
2013	349.89	17,563	2.0
2014	370.24	18,045	2.1
2015	388.91	18,740	2.1
2016	397.94	19,021	2.1
2017	410.02	19,391	2.1

Notes: Disposable personal income data from "Personal Income and Its Disposition," Table 2.1, Bureau of Economic Analysis, retrieved April 2018 from www.bea.gov. All figures are rounded. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to Giving USA data for years prior to 2017.

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Individual giving as a percentage of disposable personal income, 1977-2017 (in billions of current dollars)

_	Individual Giving	Disposable Income	Individual Giving/
Year	(in billions of current dollars)	(in billions of current dollars)	Disposable Income (%)
1977	29.55	1,435	2.1
1978	32.10	1,607	2.0
1979	36.59	1,791	2.0
1980	40.71	2,003	2.0
1981	45.99	2,237	2.1
1982	47.63	2,413	2.0
1983	52.06	2,600	2.0
1984	56.46	2,892	2.0
1985	57.39	3,079	1.9
1986	67.09	3,259	2.1
1987	64.53	3,435	1.9
1988	69.98	3,726	1.9
1989	79.45	3,991	2.0
1990	79.00	4,254	1.9
1991	81.93	4,445	1.8
1992	87.20	4,737	1.8
1993	91.72	4,922	1.9
1994	92.28	5,184	1.8
1995	94.78	5,457	1.7
1996	107.35	5,760	1.9
1997	123.67	6,075	2.0
1998	137.68	6,499	2.1
1999	154.63	6,803	2.3
2000	174.09	7,327	2.4
2001	173.06	7,649	2.3
2002	173.79	8,010	2.2
2003	181.47	8,486	2.1
2004	201.96	9,002	2.2
2005	220.82	9,401	2.3
2006	224.76	10,037	2.2
2007	233.05	10,507	2.2
2008	213.76	10,994	1.9
2009	200.78	10,943	1.8
2010	207.99	11,238	1.9
2011	213.91	11,801	1.8
2012	244.38	12,404	2.0
2013	242.43	12,396	2.0
2014	252.25	13,033	1.9
2015	264.69	13,615	1.9
2016	272.38	13,969	1.9
2017	286.65	14,379	2.0

Notes: Disposable personal income data from "Personal Income and Its Disposition," Table 2.1, Bureau of Economic Analysis, retrieved April 2018 from www.bea.gov. All figures are rounded. See the "Brief summary of methods used" section of the full report for an explanation of the revisions made to Giving USA data for years prior to 2017.

Any use of this data requires the following full citation: Giving USA 2018: The Annual Report on Philanthropy for the Year 2017. Researched and written by Indiana University Lilly Family School of Philanthropy. Sponsored by Giving USA Foundation, a public service initiative of The Giving Institute.

Corporate giving as a percentage of pre-tax corporate profits, 1977-2017 (in billions of current dollars)

- Year	Corporate giving	Corporate pre-tax profits	Corporate giving as percentage of pre-tax profits
1977	1.54	211	0.7
1978	1.70	246	0.7
1979	2.05	272	0.8
1980	2.25	254	0.9
1981	2.64	244	1.1
1982	3.11	199	1.6
1983	3.67	234	1.6
1984	4.13	269	1.5
1985	4.63	257	1.8
1986	5.03	246	2.0
1987	5.21	323	1.6
1988	5.34	390	1.4
1989	5.46	390	1.4
1990	5.46	412	1.3
1991	5.25	425	1.2
1992	5.91	474	1.2
1993	6.47	519	1.2
1994	6.98	599	1.2
1995	7.35	684	1.1
1996	7.51	741	1.0
1997	8.62	802	1.1
1998	8.46	728	1.2
1999	10.23	766	1.3
2000	10.74	747	1.4
2001	11.66	691	1.7
2002	10.79	789	1.4
2003	11.06	969	1.1
2004	11.36	1,255	0.9
2005	15.20	1,653	0.9
2006	14.52	1,851	0.8
2007	14.22	1,748	0.8
2008	12.40	1,382	0.9
2009	13.79	1,473	0.9
2010	15.82	1,841	0.9
2011	15.58	1,807	0.9
2012	17.22	2,131	0.8
2013	15.86	2,156	0.7
2014	18.26	2,249	0.8
2015	18.44	2,159	0.9
2016	19.24	2,159	0.9
2017	20.77	2,248	0.9

Notes: Corporate pre-tax profits data from "Corporate Profits Before Tax by Industry," Table 6.17D, Bureau of Economic Analysis, retrieved April 2018 from http://www.bea.gov/īTable/index_nipa.cfm. All figures are rounded. See the "Brief summary of methods used" section of the full report for explanation for the revisions made to Giving USA data for years prior to 2017.

Any use of this data requires the following full citation: Giving USA 2018: The Annual Report on Philanthropy for the Year 2017. Researched and written by Indiana University Lilly Family School of Philanthropy. Sponsored by Giving USA Foundation, a public service initiative of The Giving Institute.



Overview of methodology for 2017 estimates

Giving USA estimates primarily rely on econometric methods developed by leading researchers in philanthropy and the nonprofit sector and are reviewed and approved by the members of the Giving USA Advisory Council on Methodology (ACM). Members of the ACM include research directors from national nonprofit organizations, as well as scholars from such disciplines as economics and public affairs, all of whom are involved in studying philanthropy and the nonprofit sector.

The Indiana University Lilly Family School of Philanthropy prepares all of the estimates in Giving USA for the Giving USA Foundation. Giving USA

develops estimates for giving by each type of donor (sources) and for recipient organizations categorized by subsectors (uses). Most of *Giving USA's* annual estimates are based on econometric analyses and tabulations of tax data, economic indicators, and demographics.

Sources of the data used in the estimates include the Internal Revenue Service (IRS), Bureau of Economic Analysis (BEA), the Philanthropy Panel Study (PPS), Council for Aid to Education (CAE), the Evangelical Council for Financial Accountability (ECFA), U.S. Census Bureau, and others. Estimates for giving by foundations are provided by the Foundation Center. The methods for estimating giving to religious organizations and foundations are not based on econometric models.

Econometric models cannot capture giving related to anomalous events, like natural and man-made disasters, or very large gifts called "mega-gifts." In these instances, *Giving USA* uses additional estimates for contributions given by donor type or to particular subsectors.

For the year 2017, Giving USA added estimates for mega-gifts from individual donors (or couples) and mega-bequests. The threshold amount for mega-gifts of all types was \$300 million. See the "Giving by individuals" and "Giving by bequest" sections of this summary for more information about these gifts.

Revisions for prior years

Current *Giving USA* estimates are developed before final tax data, some economic indicators, and some demographic data are available. The estimates are revised and updated as final versions of these data become available—for example, final tax return information about itemized deductions made by individuals, corporations, and estates. Publications for these statements are released about two full years from the tax filing year.

The relationship between charitable giving and broader economic trends is less certain when people change their giving as a result of infrequent events... ??

The relationship between charitable giving and broader economic trends is less certain when people change their giving as a result of infrequent events, such as tax law changes, high mortgage foreclosure rates, extreme stock market volatility, and natural disasters. As a result, the difference between *Giving USA's* initial total estimate and the revised total estimate for some years ranges outside of the norm. This is true for 2005, when contributions to support Hurricane Katrina relief efforts boosted giving significantly beyond what could

have been estimated, especially since limits on charitable deductions were temporarily suspended and individuals were allowed to claim deductions into tax-year 2006 for certain types of contributions. This is also true for years that fell during the Great Recession (2007–2009), specifically the year 2009. As a result, the difference between the initial and revised total estimate for that year is larger than usual, at -9.5 percent.

For 2009, the -9.5 percent difference between the initial and revised total estimates, as released in this edition, is largely attributable to the difference in the individual giving estimate, which realized a total change of 11.7 percent between *Giving USA* 2010 and *Giving USA* 2014. In 2011, *Giving USA* enhanced the model for estimating giving by individuals to more effectively capture itemized giving during times of economic distress. As a result of this change, the average difference between

the original and revised estimates for giving by individuals for the years 2010 to 2016 as released in *Giving USA* editions 2011 to 2018 is -0.5 percent (or 2.2 percent in absolute terms).

By comparison, *Giving USA* analyzed IRS data on itemized giving by individuals for the last seven years available. For the years 2009–2015, the average percentage difference between the IRS' initial and final estimates for individual giving is 9.1 percent (and also 9.1 percent in absolute terms). The IRS tends to underestimate individual giving between its initial and revised estimates; thus, differences are usually positive. Go to www.irs.gov/taxstats for more information.

The following sections provide an overview of the methods used to develop the estimates for 2017 and prior years, beginning with the sources of giving and followed by the recipients of giving by subsector.¹





Estimating giving by individuals

The Giving USA estimate for giving by itemizing individuals (and households) is based on a projection that incorporates historical trends in itemized giving and changes in economic variables related to personal income and wealth. These factors include personal consumption expenditures, the Standard & Poor's 500 Index, and personal income-tax rates. In spring 2011, Partha Deb, an econometrician at Hunter College in New York, tested Giving USA's model for estimating giving by individuals and found that personal consumption was a more accurate predictor of giving by itemizing individuals for recent years than personal income—a variable that had been used previously.

In addition, for estimating itemized charitable giving by individuals for the

years 2010 to 2017, *Giving USA* used a blended forecasting model to capture the most recent IRS data available, including preliminary data on itemized giving.

In the past, prior to the 2011 edition, *Giving USA* used only final IRS data from two years prior in the econometric model to estimate the most recent year for giving by these individuals.

To estimate non-itemized charitable giving by individuals through 2017, Giving USA used the latest dataset available from the Philanthropy Panel Study (PPS) series, which is part of a longitudinal study of more than 9,000 households who are asked, among other questions, about their charitable giving behaviors every other year. Each year, Giving USA adjusts the data for changes in household income and the changing number of non-itemizing households for the current year. The most recent PPS dataset available to Giving USA for the purposes of estimating individual giving in this edition was for the year 2014 (PPS 2015).

In some years, individuals make an extraordinary number of contributions in response to particular events. In the past, these events included relief and recovery efforts following the September 11 terrorist attacks and Hurricane Katrina, among others. To ensure that Giving USA is accurately capturing giving related to relief efforts of natural and man-made disasters, estimates for these related relief efforts are added to base estimates for charitable giving that Giving USA initially creates. To the 2017 individual giving estimate, Giving USA added \$0.95 billion in contributions to support relief efforts for Hurricanes Harvey, Irma, and Maria, as well as the earthquakes in Mexico, the wildfires in California, and

the mass shooting in Las Vegas. This is a very conservative estimate of individual support for these relief efforts and may be updated in the future.²

In addition, in some years, particular individuals make very large gifts, called "mega-gifts," to charitable organizations. *Giving USA* 2018 includes a conservative estimate of \$4.1 billion for gifts of this magnitude that were likely paid by individuals in 2017. These mega-gifts are added to the individual giving estimate amount for 2017, because *Giving USA's* estimation model cannot otherwise capture these very large gifts. Table 1 lists these gifts, while Table 2 shows the components of the estimates for giving by individuals in 2014, 2015, 2016, and 2017.

Table 1
Mega-gifts included in the Giving USA estimate for giving by individuals in 2017

Donors	Amount of gift	Recipient		
Mark Zuckerberg and Priscilla Chan	\$1.8 billion	Chan Zuckerberg Foundation		
Michael and Susan Dell	\$1 billion	Michael & Susan Dell Foundation		
Michael Bloomberg	\$0.7 billion	Various organizations		
Florence and the late Herbert Irving	\$0.6 billion	Columbia University/ NewYork-Presbyterian Hospital		
Total	\$4.1 billion			

Source: Mario Di Mento and Drew Lindsay, "America's Superrich Made Near-Record Contributions to Charity in 2017," *The Chronicle of Philanthropy*, February 6, 2018, https://www.philanthropy.com/article/America-s-Superrich-Made/242446

Table 2 Estimates for giving by individuals, 2014–2017 (in billions of dollars)*

2014	
2014 itemized contributions (using final IRS data for itemized contributions in 2014)	210.60
Estimate for giving by non-itemizers (using 2014 PPS data)	+41.6!
Total estimated individual giving	252.2
2015	
2015 itemized contributions (using final IRS data for itemized contributions in 2015)	221.85
Estimate for giving by non-itemizers (using 2014 PPS data)	+42.84
Total estimate individual giving	264.69
2016	
2015 itemized contributions (using final IRS data for itemized contributions in 2015)	221.85
Estimated change in itemized giving for 2016 over 2015 (using preliminary IRS data for itemized contributions in 2016)	+7.22
Estimate for giving by non-itemizers (using 2014 PPS data)	+43.3
Total estimated individual giving	272.38
2017	
2015 itemized contributions (using final IRS data for itemized contributions in 2015)	221.85
Estimated change in itemized giving for 2016 over 2015 (using preliminary IRS data for itemized contributions in 2016)	+7.22
Estimated change in itemized giving for 2017 over 2016 (using preliminary IRS data for itemized contributions in 2016)	+7.78
Estimate for disaster giving in 2017	+0.95
Estimate for mega-gifts likely paid in 2017	+4.
Estimate for giving by non-itemizers (using 2014 PPS data)	+44.75
Total estimated individual giving	286.6

^{*}Figures are rounded and may not exactly equal the total

Estimating giving by bequest

The method for estimating contributions by bequest in 2017 includes three primary components: an estimate for bequests made by estates with assets at \$5 million or more, an estimate for estates with assets between \$5 million and \$1 million, and an estimate for estates with assets below \$1 million.

Table 3 details the breakdown of giving by bequest from these three estate categories.

To estimate bequest giving by estates with assets of \$5 million or more (what *Giving USA* terms as "filing estates"), *Giving USA* followed the procedure

introduced in *Giving USA* 2005. This procedure uses data collected by the Council for Aid to Education (CAE) about bequests received at institutions of higher education. CAE data are incorporated into the estimate for bequest giving because it has been demonstrated that the trend in bequest giving to higher education closely follows overall charitable bequest deduction trends as reported by the IRS.

... it has been demonstrated that the trend in bequest giving to higher education closely follows overall charitable bequest deduction trends as reported by the IRS.

Table 3
Estimate for giving by bequest, 2017 (in billions of dollars)

Council for Aid to Education (CAE) findings, bequest receipts, higher educational institutions, 2016–2017	2.89
CAE result divided by 0.1626 (five-year average, 2012–2016) to yield base estimate of all giving by estates that file estate tax returns	17.74
Mega-bequests likely paid in 2017	+0.85
Total estimated giving by estates with assets of \$5 million or more	18.59
Total estimated giving by estates with assets of \$5 million or more Total estimate for giving by estates with assets between \$1 million and \$5 million	18.59 +6.92
Total estimate for giving by estates with assets between \$1 million	

^{*}Figures are rounded and may not exactly equal the total. The italicized figure is not added into the total.



Giving USA incorporated CAE data by generating a ratio using historical amounts contributed by estates to higher education for the years 2012 to 2016, as provided by CAE, to final IRS tax data on filed charitable bequest deductions for the same years. For 2017, CAE reported to Giving USA that institutions of higher education received \$2.89 billion from estates. Giving USA took this CAE amount and divided by 0.1626 (the ratio) to get \$17.74 billion (rounded).

To the \$17.74 billion figure, *Giving USA* added an amount of \$850 million for "mega-bequests," which are very large estate gifts likely to have completed the estate tax filing process in 2017. These mega-bequests are added to the giving

by bequest estimate amount for 2017 because *Giving USA*'s estimation model cannot otherwise capture these very large gifts. These estates are identified by examining announced gifts reported as paid in 2017. Table 4 shows the mega-bequests added to *Giving USA*'s estimate for beguest giving in 2017.

Added to the total figure resulting from the CAE estimate and megabequests (\$18.59 billion) are two estimates of contributions made by estates with assets below \$5 million. The first method estimates giving by estates with assets between \$1 million and \$5 million, and the second method estimates giving by estates with assets below \$1 million. The

methods used to estimate giving by estates below the filing threshold is deliberately conservative and is likely to underestimate total charitable bequests in a given year. In the absence of firm data about bequests from estates with gross estate value below the tax filing threshold, *Giving USA* has adopted this conservative approach that sets a lower boundary for the estimate.

"Wealthy non-filers" represent those estates with assets between \$1 and \$5 million that had previously been largely captured in the filing data but no longer are due to changes in the tax law. Using historical IRS data, it was found that these estates represented approximately 30 percent of the total amount of estate tax filings. Using this relationship, along with a modifier that represents the slight decline in giving due to lack of a tax incentive,3 Giving USA now creates an estimate for wealthy non-filers for every year post-2011 in which IRS beguest information is available, as well as for the estimation year based on the filing

estate estimate. For the year 2017, this amount is \$6.92 billion.

The estimate for contributions made by estates below the federal estate tax filing threshold and below \$1 million in assets most heavily relies on the following information:

- Number of deaths for adults age 55 and above;
- Average net worth of adults age 55 and above;
- The percentage of each group,
 by age, that leaves a bequest (4.7 percent is standard); and
- The average percentage of net estate value left to charity by adults age 55 and above for those estates with less than \$1 million in assets.

Giving USA estimates that non-wealthy, non-filing estates made \$10.19 billion in charitable bequests in 2017. Added together, estates with assets below \$5 million made an estimated \$17.11 billion in charitable bequests in 2017.

Table 4

Mega-bequests included in the *Giving USA* estimate for giving by bequest in 2017

Estate	Amount	nount Recipient(s)	
Henry L. Hillman	\$0.85 billion	Henry L. Hillman Foundation	
Total	\$0.85 billion		

Source: Mario Di Mento and Drew Lindsay, "America's Superrich Made Near-Record Contributions to Charity in 2017," The Chronicle of Philanthropy, February 6, 2018, https://www.philanthropy.com/article/America-s-Superrich-Made/242446

Estimating giving by foundations

Giving by foundations data for 2017 are provided to *Giving USA* by the Foundation Center for giving by independent, community, and operating foundations.⁴ The Foundation Center also provides estimates for giving by corporate foundations. This component is moved from the Foundation Center's estimate for giving by all types of foundations and calculated in the *Giving USA* estimate for giving by corporations.

Visit www.foundationcenter.org for more information about the Foundation Center's estimates for giving by foundations in 2017 and prior years.

To the 2017 foundation giving estimate, *Giving USA* added \$0.11 billion in contributions to support relief efforts for Hurricanes Harvey, Irma, and Maria, as well as the earthquakes in Mexico, the wildfires in California, and the mass shooting in Las Vegas. This is a very conservative estimate of foundation support for these relief efforts and may be updated in the future.⁵



Estimating giving by corporations

The estimate for giving by corporations in 2017 is based on the most recent data available for itemized contributions claimed by companies on federal tax returns for years 2014 and prior. For estimating corporate giving in 2017, *Giving USA*:

- Uses an econometric model developed by Chin, Brown, and Rooney in 2004.⁶ This model relies on final IRS corporate income and tax data for the year 2014 and economic variables, including the S&P 500 index and Gross Domestic Product (GDP);
- An estimated amount of change in charitable contributions for 2014–2015, 2015–2016, and 2016–2017, based on the model using the latest data available on changes in corporate pretax profits, GDP, and the consumer price index, all available from the Bureau of Economic Analysis.

The 2017 estimate for giving by corporations, like the 2016 estimate last year, incorporates one additional year of prediction than is typically done by *Giving USA*. In previous years, final IRS corporate income and tax data was available in early March, but due to new requirements surrounding IRS disclosure avoidance rules, this release has been delayed.

The Foundation Center estimates corporate foundation grantmaking to be \$6.09 billion in 2017. From that amount, *Giving USA* subtracted \$4.88 billion for the estimated amount that corporations gave to their own foundations in 2017.

To the 2017 corporate giving estimate, *Giving USA* added \$0.405 billion in contributions to support relief efforts for Hurricanes Harvey, Irma, and Maria, as well as the earthquakes in Mexico, the wildfires in California, and the mass shooting in Las Vegas. This is a very conservative estimate of corporate support for these relief efforts and may be updated in the future.⁷

Table 5 illustrates components of the estimate for giving by corporations for 2014, 2015, 2016, and 2017.

The Foundation Center estimates corporate foundation grantmaking to be \$6.09 billion in 2017.

From that amount, Giving USA subtracted \$4.88 billion for the estimated amount that corporations gave to their own foundations in 2017.

Table 5 Estimates for giving by corporations, 2014–2017 (in billions of dollars)

2014	
2014 itemized deductions for charitable contributions (IRS)	17.76
Less gifts to foundations in 2014 (FC*)	-4.64
Plus corporate foundation grants made (FC*)	+5.15
Estimated total	18.26
2015	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving, 2015	+0.19
Sub-total before adjustments for foundations	17.95
Less gifts to foundations in 2015 (FC*)	-5.01
Plus corporate foundation grants made (FC*)	+5.51
Estimated total	18.44
2016	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving, 2015	+0.19
Estimated change in corporate giving, 2016	+0.45
Sub-total before adjustments for foundations	18.40
Less gifts to foundations in 2016^	-4.98
Plus corporate foundation grants made (FC*)	+5.82
Estimated total	19.24
2017	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving in 2015	+0.19
Estimated change in corporate giving in 2016	+0.45
Estimated change in corporate giving in 2017	+0.76
Sub-total before adjustments for foundations	19.16
Less gifts to foundations in 2017^	-4.88
Plus corporate foundation grants made (FC*)	+6.09
Plus corporate disaster giving	+0.41
Estimated total	20.77

Data sources are in parentheses.

^{*}Updated figures provided by the Foundation Center (FC) in April 2018.

[^] Calculated this year by taking the three-year rolling average of gifts to corporate foundations from their corporate affiliates. Note: Figures are rounded in the report

Estimating giving to recipient organizations

Giving USA relies on data provided by other research organizations for components of the estimates for giving by type of recipient, which include organizations in the religion; education; human services; health; public-society benefit; arts, culture, and humanities; international affairs; and environment/ animals subsectors, as well as for giving to foundations.

The following sections briefly describe the data sources and methods used for developing estimates for recipient subsectors.

Estimating giving to the religion subsector

The estimate for giving to religious organizations relies on the following data:

- A baseline estimate developed in 1986 and tested in 2005 of \$50 billion in contributions to religious organizations;⁸ and
- A percentage change in giving to religious organizations developed by collecting amounts given to congregations and other types of religious organizations as reported by members of the Evangelical Council for Financial Accountability (ECFA).9



Methodology for estimating giving to religion for prior years

In this edition, *Giving USA* updated its estimate for giving to religion based on its receipt of 2016 fiscal year data from the ECFA. For the year 2016, *Giving USA* estimates that giving to religion amounted to \$123.81 billion, an increase of 3.9 percent over 2015 (in current dollars).¹⁰

Methodology for estimating giving to religion in 2017

Because denominational contribution data are typically released a year or more after *Giving USA* releases its initial estimates for giving by subsector, for the current year's estimate of giving to religious organizations, *Giving USA* used the average inflation-adjusted rate of change for giving by these organizations for the last three years for which data are available: 2014 to 2016. Using the inflation-adjusted growth rate, we estimate a 2.9 percent change in current dollars for 2017.

This figure is applied as the rate of change for current dollar giving to religion between 2015 and 2016, which results in \$127.37 billion in giving to religion for 2017. The inflation-adjusted change in giving is 0.7 percent for 2017.

Giving USA also added \$0.01 billion to the 2017 giving to religion estimate for contributions made to support relief efforts for Hurricanes Harvey, Irma, and Maria, as well as the earthquakes in Mexico, the wildfires in California, and the mass shooting in Las Vegas.

Estimating giving to foundations

Historically, *Giving USA*'s estimate relied solely on final data from the Foundation Center on giving to foundations. While *Giving USA* continues to use Foundation Center data for its giving to foundations estimate, since 2005, *Giving USA* has made adjustments for the following items:

- Adjusting for Warren Buffett's gifts to the Bill & Melinda Gates Foundation, which began in 2006. Giving USA's Advisory Council on Methodology agreed to adjust for these gifts because they are quickly distributed to nonprofit organizations across the charitable subsectors;
- Adjusting for pharmaceutical donations to operating foundations that are redistributed to patient assistance programs that provide



individuals with medications;

- Adding disaster gifts made to foundations in particular years; and
- Adding mega-gifts made to foundations in particular years.

Table 6 shows giving to foundation estimates for the years 2012 to 2016, including a breakdown of the Foundation Center's original estimates and *Giving USA's* adjustments.

Table 6
Calculations for giving to foundations, 2012–2016 (in billions of dollars)

	Foundation Center data for giving to foundations	Estimated pharmaceutical gifts	Verified Warren Buffett gifts to the Bill & Melinda Gates Foundation	Final Calculation
2012	47.49	-5.84 ^	-1.52	40.13
2013	50.05	-7.22^	-2.00	40.83
2014	53.43	-6.83^	-2.81	43.79
2015	48.15	-6.85^	-2.84	38.46
2016	52.52	-9.93^	-2.87	39.72

[^] Based on verified IRS Forms 990 contributions paid out to individuals via 13 top patient assistance programs for 2012-2016. Figures are a very conservative estimate for overall giving to patient assistance programs for these years. *Italicized figures were updated this year.*

Methodology for estimating giving to foundations in 2017

Giving USA estimates that giving to foundations totaled \$45.89 billion in 2017. Because Foundation Center data for giving to foundations in 2017 will not be available until 2019, Giving USA created the 2017 estimate by incorporating the following steps:

- Calculating an estimate for giving to all foundations in 2017 by averaging the last three years of data provided by the Foundation Center. This amount equals \$51.37 billion;
- Calculating an estimate for giving by pharmaceutical companies' operating foundations to patient assistance programs that are then passed on to

individuals. For 2017, this amount equals \$7.87 billion, which was then subtracted from the estimated \$51.37 billion given to foundations (as noted above);

- Subtracting the verified amount of contributions made by Warren Buffett to the Bill & Melinda Gates Foundation, which totaled \$2.4 billion in 2017;
- Adding \$0.45 billion in disaster gifts made to foundations in 2017; and
- Adding \$4.35 billion in mega gifts made to foundations in 2017.



Estimating giving to other subsectors

For estimating charitable contributions to recipient subsectors other than religion and foundations, *Giving USA* collaborates with nonprofit research firm DataLake, LLC, to obtain giving data from nonprofit organizations' Forms 990 and 990-EZ.

Beginning this year, *Giving USA* has shifted from using the IRS Statistics of Income (SOI) dataset to using final 2015 IRS-provided e-file data, combined with

data from the Revenue Transaction Files (RTF), as well as Guidestar-provided data from scanned paper filings for the years 2013 through 2015, to calculate the subsector estimates for *Giving USA*.

These new data sources offer two distinct advantages over the SOI data used in previous years:

- They are provided with one fewer years of lag, so Giving USA now only needs to predict the dollar amount of change for two years instead of three.
- They provide information from several thousand more organizations per year on which to base the estimates, reducing Giving USA's reliance on weighting up the SOI data.

Datalake categorizes organizations contained in these data sources using National Taxonomy of Exempt Entities (NTEE) codes to estimate amounts of giving to the education; human services; health; public-society benefit; arts, culture, and humanities; international affairs; and environments/animals subsectors. See the NTEE code section of this report for more details about how charities are categorized.

The econometric process that *Giving USA* uses incorporates historical trends in charitable giving to organizations and changes in economic variables. The model predicts the dollar amount of change in giving to each subsector for 2016 and 2017 by incorporating inflation-adjusted changes in:

- The Standard & Poor's 500 Index;
- Personal income;
- Total giving two years ago (lagged); and
- Contributions to the same subsector one year earlier (lagged).

This model was developed and tested by Partha Deb, an econometrician and specialist in time-series forecasting. The model was first implemented with *Giving USA* 2008.

In some years, *Giving USA* adds additional amounts to the estimated totals for giving to particular subsectors to capture contributions given under unusual circumstances or for gifts that are exceptionally large.

For 2016, Giving USA added \$1 billion to the estimate for giving to education. This amount represents the total of two contributions from individuals and one bequest that surpassed the \$200 million mega-gift threshold for 2016.

For 2017, Giving USA added \$0.6 billion to the estimate for giving to health.¹¹ This amount represents an individual contribution that surpassed the \$300 million mega-gift threshold for 2017 and is reflected on the list of mega-gifts made by individual donors.

Additionally, *Giving USA* added \$1.02 billion to the 2017 estimates for the recipient subsectors in support of relief efforts for Hurricanes Harvey, Irma,

and Maria, as well as the earthquakes in Mexico, the wildfires in California, and the mass shooting in Las Vegas. This is a very conservative estimate of contributions to these relief efforts and may be updated in the future. The subsector breakdown of this \$1.02 billion in disaster giving is as follows:

- \$886.29 million to human services;
- \$63.86 million to publicsociety benefit;
- \$56.19 million to international affairs;
- \$7.48 million to environment/animals;
- \$2.2 million to education; and
- \$1 million to health.

As noted in the preceding sections, *Giving USA* also added \$10.03 million and \$453.13 million in disaster giving to the 2017 estimates for giving to religion and giving to foundations, respectively.

66... Giving USA added \$1.02 billion to the 2017 estimates for the recipient subsectors in support of relief efforts for Hurricanes Harvey, Irma, and Maria, as well as the earthquakes in Mexico, the wildfires in California, and the mass shooting in Las Vegas.

Giving USA Brief Summary of Methods Used



Common questions

Below are summary responses to common questions about *Giving USA* estimates and data.

What is excluded from Giving USA estimates?

Giving USA researchers develop estimates for philanthropic giving to charitable organizations located in the United States. Giving USA does not estimate all forms of revenue to nonprofit organizations. Among the types of revenue not included in Giving USA are allocations to nonprofits from other charitable organizations, such as United Ways or communal funds; fees

for services; payments that are not tax deductible as gifts; gross proceeds from special events; government grants; membership dues; and contributions from crowdfunding campaigns beyond what is reported on IRS Forms 990 and 990-EZ of 501(c)(3) organizations on the recipient side.

Why can't all giving be allocated to a recipient?

Each year, a portion of total charitable receipts reported by *Giving USA* is labeled as "unallocated," meaning that *Giving USA* cannot attribute all giving to a particular subsector. In 2017, unallocated giving amounted to -\$2.24 billion, comprising -0.5 percent of total giving.

Below are reasons why unallocated giving occurs:

- All Giving USA figures are estimates. Giving USA estimates giving for years when final tax, economic, or demographic data are not yet available
- Estimates done in different ways should not match. It is not expected that the estimate for giving by source will exactly match the estimate for giving to recipients. Government agencies, such as those that release GDP figures, also acknowledge differences between estimates developed using one method and those developed using a different method.
- Giving USA does not track charitable gifts received by government agencies, such as school districts (with one exception noted in the following bullet point); parks and recreation departments; civic improvement programs; state institutions of higher education; and public libraries. There is no single national list of public organizations that receive gifts. They cannot be identified and surveyed.
- Donations to school districts, especially by foundations, have grown significantly in recent years. Giving USA sometimes includes large publicly reported gifts (\$1 million or more) to public schools to supplement the estimate for giving to education and to balance gifts made on the source's side of the estimates. Other donations

- to public schools, such as school fundraisers, are not included.
- Foundation grants paid to organizations in other countries that are not registered as charities in the United States appear on the sources side of the estimates but are not tracked by type of recipient. In 2010, grantmaking to organizations located overseas comprised 36 percent of all international grantmaking (in terms of dollars), according to the Foundation Center.
- A gift made during the calendar year may not appear in a fiscal year by a charity filing IRS Form 990 or Form 990-EZ. Giving USA uses the data charities report as the basis for the estimates. Therefore, if a charity reports on a fiscal year rather than a calendar year, total annual charitable contributions for these organizations will not correspond with donors' receipts, which are reported to the IRS on a calendar-year basis.
- Some donors make arrangements for significant deferred charitable gifts without telling the nonprofit. For instance, a donor can create a trust through a financial institution and take the allowed deduction, subject to IRS rules for valuing such gifts. Unless the donor informs the nonprofit organization that will ultimately receive some of the trust's proceeds, the nonprofit is unaware of the gift and does not report it as revenue.

Giving USA Brief Summary of Methods Used

A donor might claim a different amount for a deduction than the recipient charity records as a receipt. This discrepancy can occur for an in-kind gift in which the donor claims fair market value and the charity reports as charitable revenue the amount it received from the sale of the item (or some other value based on a different scale than the one the donor used).

Why does Giving USA make revisions?

Giving USA's results are a series of estimates that primarily rely on

econometric methodologies and are not a tabulation of actual charitable receipts from the prior year. The estimates are revised as additional information, such as final charitable receipts, becomes available. Government agencies, such as the IRS, the Bureau of Economic Analysis, and many others, routinely issue preliminary estimates that are revised as more data are obtained and analyzed. *Giving USA* uses this updated information in the models for estimating both sources and uses of giving each year.

Endnotes

- 1 For more information on the original model, see: Partha Deb, Mark Wilhelm, Patrick Rooney, and Melissa Brown, "Estimating Charitable Deductions in Giving USA," Nonprofit and Voluntary Sector Quarterly, December 4, 2003, 548-567
- 2 This estimate is based on data gathered by the Indiana University Lilly Family School of Philanthropy using a number of sources, including extensive web searches of news reports and charities' websites, as well as data from research centers and government agencies.
- 3 David Joulfaian, "Estate Taxes and Charitable Bequests by the Wealthy," Working Paper 7663, National Bureau of Economic Research, April 2000, www.nber.org
- 4 Data on giving by and to foundations are available in the Foundation Center's Key Facts on U.S. Foundations reports, available at the Foundation Center's website at www. foundationcenter.org
- 5 This estimate is based on data gathered by the Indiana University Lilly Family School of Philanthropy using a number of sources, including extensive web searches of news reports and charities' websites, as well as data from research centers and government agencies.
- 6 A more technical explanation of the Giving USA estimating procedure for giving by corporations appears in a paper written in 2004 by William Chin, Melissa Brown, and Patrick Rooney, which is available at www.philanthropy. iupui.edu/research
- 7 This estimate is based on data gathered by the Indiana University Lilly Family School of Philanthropy using a number of sources, including extensive web searches of

- news reports and charities' websites, as well as data from research centers and government agencies.
- 8 An examination of Giving USA's estimate for giving to the religion subsector, compared with estimates developed using two other methods, appears in the paper, "Reconciling Estimates of Religious Giving," written in 2005 by J.C. Harris, Melissa Brown, and Patrick Rooney. The three methods yield estimates within 5 percent of one another, offering some reassurance that using 1986 findings as a baseline is at least as good as some other approaches.
- 9 Data about Evangelical Council for Financial Accountability (ECFA) members' charitable receipts obtained directly from ECFA in April 2018. Giving USA only uses religious organizations in its dataset that can be categorized as "X" according to the NTEE coding system.
- 10 Data about Evangelical Council for Financial Accountability (ECFA) members' charitable receipts obtained directly from ECFA in April 2018. Giving USA only uses religious organizations in its dataset that can be categorized as "X" according to the NTEE coding system.
- 11 Mario Di Mento and Drew Lindsay, "America's Superrich Made Near-Record Contributions to Charity in 2017," The Chronicle of Philanthropy, February 6, 2018, https:// www.philanthropy.com/article/America-s-Superrich-Made/2424446
- 12 This estimate is based on data gathered by the Indiana University Lilly Family School of Philanthropy using a number of sources, including extensive web searches of news reports and charities' websites, as well as data from research centers and government agencies.



Charitable bequest: A gift to one or more nonprofit organizations included in one's will and dispersed after death. These gifts are tax-deductible.

Charitable revenue: Philanthropic gifts received by a charitable organization. These gifts include cash, securities, and gifts of property and other in-kind donations.

Charity or charitable organization:

For Giving USA purposes, an entity recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code. Charitable organizations are exempt from federal income taxes because of their religious, educational, scientific, or public purpose. They are eligible to

receive tax-deductible gifts. See also Private foundation, Public charity.

Direct public support: Used on Form 990, line 1a, up until the year 2007, this term referred to an organization's charitable revenue. Although no longer on the form, this term is still used to refer to this type of revenue. Organizations now report this information in Part VIII, line 1f. of the form.

Donor-advised fund: An account through which donors may provide charitable gifts. Tax-exempt charitable organizations—such as community foundations, financial services companies, or single-issue charities may serve as donor-advised fund

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sponsors, which administer these accounts and ensure compliance with all regulations. Donors typically contribute large amounts in the form of tax-deductible assets to these accounts in order to grow the assets, and usually choose to have significant control over the funds, directing which nonprofits will be recipients of the gifts.

Foundation: A type of organization set up as a trust or corporation for the primary purpose of grantmaking to other nonprofit organizations and individuals. These organizations can be private or public. Private foundations are funded by single entities, whereas public grantmaking charities are funded by many, such as individuals, foundations, and government agencies. These organizations are classified within the public-society benefit subsector by the National Center for Charitable Statistics (NCCS) under the NTEE code "T" and include private/independent, corporate, and operating types, as well as public types. Giving USA analyzes giving to foundations separately from other public-society benefit organizations. See also Charity or charitable organization, Private foundation, Public charity.

Gift: Transfer of cash, property, or other asset by an individual, corporation, estate, or foundation. Gifts do not include government grants or contracts.

Indirect public support: Used on Form 990, line 1b, up until the year 2007, this term referred to an organization's revenue received from another nonprofit, a federated fund, a donor-advised fund, or another type of transfer. Organizations now separately report this information in Part VIII, lines 1a, 1c, and 1d, on the form.

IRS Form 990: An annual return filed with the Internal Revenue Service by nonprofit, tax-exempt organizations (even those that are not charities) with gross annual receipts of \$25,000 or more. Organizations with gross annual receipts between \$25,000 and \$100,000 and assets less than \$250,000 may submit Form 990-EZ, the "short form." Beginning in October 2010, organizations with less than \$25,000 in gross annual receipts are now required to file Form 990-N, or risk losing their tax-exempt status. Private foundations are required to file Form 990-PF, with additional information required.

Mega-bequest or mega-gift: A gift large enough to affect the rounded change in total giving by at least one-tenth of one percentage point from one year to the next in *Giving USA*'s estimates. The threshold for mega-gifts in the 2018 edition is \$300 million and only includes gifts that were likely paid in 2017.

National Taxonomy of Exempt Entities (NTEE): A definitive classification system developed by the

National Center for Charitable Statistics (NCCS) for organizing nonprofit organizations according to tax-exempt purpose. The NTEE classification system is also used by the IRS to recognize tax-exempt status. See the "Summary of the NTEE" in this report for a listing of the 26 major groups (named by letters of the alphabet) and examples of organizations within each group. Major groups are clustered into 10 subsectors as follows. See also Subsector.

Subsector	Major groups
Arts, culture, & humanities	5 A
Education	В
Environment/animals	C,D
Health	E, F, G, H
Human services I, J, K	, L, M, N, O, P
International affairs	Q
Public-society benefit R	R, S, T, U, V, W
Religion	X
Mutual/membership benef	it* Y
Unknown, unclassified	Z
*This subsection is a status dead by Christian LICA	

^{*}This subsector is not tracked by Giving USA

Nonprofit organization: An

organization in which net revenue is not distributed to individuals or other stakeholders, but is used to further the organization's mission. The organization is not owned, but rather is governed by a board of trustees. Not all nonprofit organizations are charities.

Nonprofit sector: A sector of the economy, apart from the government, for which profit is not a motive. Organizations may be exempt

from federal, state, and local taxes. Includes houses of worship; charitable organizations formed under section 501(c)(3) of the Internal Revenue Code; and organizations formed under other sections of the Code, such as advocacy organizations, membership organizations, and others.

NTEE: See National Taxonomy of **Exempt Entities**.

Planned gift: According to the Association of Fundraising Professionals, a planned gift is structured and integrates personal, financial, and estate-planning goals with a donor's lifetime or testamentary (will) giving. Many planned giving vehicles are used, including beguests, charitable trusts, and charitable annuities.

Private foundation: Private foundation status is granted to an organization formed for a charitable purpose under section 501(c)(3) of the Internal Revenue Code that does not receive one-third or more of its support from public donations. Most, but not all, private foundations give grants to public charities. See also Charity or charitable organization, Public charity.

Public charity: An organization that qualifies for such status under Section 509(a) of the Internal Revenue Code. A public charity includes tax-exempt organizations formed for certain purposes (a church; an

Giving USA Glossary

educational organization, including public schools; a hospital or medical research facility; or an endowment operated for the benefit of a higher education institution). An organization formed for other purposes can also be a public charity if it receives a substantial part of its support from the general public. Support from a governmental unit is considered public support by proxy via taxes. Complete information about public charities can be found in IRS Publication 557. Note that some, but not all, charitable organizations formed under section 501(c)(3) are public charities. See also Charity or charitable organization, Private foundation

Public support: Used on Form 990, line 1d, up until the year 2007, this term referred to an organization's revenue received indirectly (transfers from other organizations) and/or directly (charitable donations or grants). Organizations now separately report this information in Part VIII, line 1e, on the form.

Reporting organization: A charitable organization that files an IRS Form 990.

Sector: The portion of the national economy that fits certain criteria for ownership and distribution of funds, goods, and services. Examples include the business sector, the government sector, and the nonprofit sector. *See also* **Subsector**.

Subsector: There are several nonprofit subsectors based on organizational purpose. See also **National Taxonomy of Exempt Entities, Sector**.

Tax-deductible: A contribution to an organization is deductible for income tax purposes if the organization is a church or registered with and recognized by the IRS as a tax-exempt, nonprofit charity.

Tax-exempt: An organization may be exempt because it is a church or because it is registered within a state or with the Internal Revenue Service. State exemptions may cover sales tax, property tax, and/or state income tax. Approved registration with the IRS will exempt an organization from federal income tax. Organizations that have more than\$5,000 in annual gross revenue annually are legally responsible for registering with the IRS.





Giving USA is grateful for information from other organizations. The following resource guide is intended to assist users of Giving USA who want to expand their search for data on philanthropy. The list is in alphabetical order by organization name and includes contact information and web addresses.

This is not an exhaustive list of all entities that provide resources on nonprofits and charitable giving. Rather, it includes sources of data and reports the researchers of Giving USA have consulted in producing the report this year and in years passed.

The Alliance for Nonprofit Management

11628 Old Ballas Rd. Saint Louis, MO 63141 800.397.2034 www.allianceonline.org

American Alliance of Museums

2451 Crystal Dr., Suite 1005 Arlington, VA 22202 202.289.1818 www.aam-us.org

The American Council on Education

1 Dupont Circle NW Washington, DC 20036 202.939.9300 www.acenet.edu

Americans for the Arts

1000 Vermont Ave., 6th Floor Washington, DC 20005 202.371.2830 www.americansforthearts.org

Arabella Advisors

1201 Connecticut Ave. NW Suite 300 Washington, DC 20036 202.595.1020 www.arabellaadvisors.com

Association for Healthcare Philanthropy

313 Park Ave., Suite 400 Falls Church, VA 22046 703.532.6243 www.ahp.org

Association for Research on Nonprofit Organizations and Voluntary Action

441 W. Michigan St. Indianapolis, IN 46202 317.684.2120 www.arnova.org

Association of Art **Museum Directors**

120 E. 56th St., Suite 520 New York, NY 10022 212.754.8084 www.aamd.org

Association of Fundraising **Professionals**

4300 Wilson Blvd., Suite 300 Arlington, VA 22203 703.684.0410 www.afpnet.org

Association of Professional Researchers for Advancement

330 N. Wabash Ave., Suite 2000 Chicago, IL 60611 312.321.5196 www.aprahome.org

Barna Group

PO Box 1030 Ventura, CA 93002 805.639.0000 www.barna.org

BBB Wise Giving Alliance

3033 Wilson Blvd., Suite 600 Arlington, VA 22201 703.276.0100 www.give.org

Blackbaud

2000 Daniel Island Dr. Charleston, SC 29492 800.443.9441 To locate Blackbaud research: www.blackbaud.com/ nonprofit-resources

BoardSource

750 9th St. NW, Suite 650 Washington, DC 20001 202.349.2500 www.boardsource.org

Bureau of Economic Analysis U.S. Department of Commerce

4600 Silver Hill Rd. Suitland, MD 20746 301.278.9004 www.bea.gov

CECP

5 Hanover Square, Suite 2102 New York, NY 10004 212.825.1000 www.cecp.co

Center for Community Change

1536 U St. NW Washington, DC 20009 202.339.9300 www.communitychange.org

Center for Disaster Philanthropy

1201 Connecticut Ave. NW, Suite 300 Washington, DC 20036 202.595.1026 www.disasterphilanthropy.org

Center on Nonprofits and Philanthropy The Urban Institute

2100 M St. NW Washington, DC 20037 202.833.7200 www.urban.org/policy-centers/ center-nonprofits-and-philanthropy

Charities Aid Foundation

25 Kings Hill Ave. Kings Hill, West Malling Kent ME 19 4TA England 011.44.03000.123.000 www.cafonline.org

CharityChannel LLC

424 Church St., Suite 2000 Nashville, TN 37219 949.589.5938 www.charitychannel.com

The Chronicle of Philanthropy

1255 23rd St. NW, 6th Floor Washington, DC 20037 202.466.1200 www.philanthropy.com

CIVICUS World Alliance

1775 Eye Street NW, Suite 1150 Washington, DC 20006 www.civicus.org

The Columbus Foundation

1234 E. Broad St. Columbus, OH 43205 614.251.4000 www.columbusfoundation.org

The Communications Network

718 7th St. NW, 2nd Floor Washington, DC 20001 202.909.1214 www.comnetwork.org

Cone Communications

290 Congress St. Boston, MA 02110 617.227.2111 www.conecomm.com

The Conference Board

845 3rd Ave. New York, NY 10022 212.759.0900 www.conference-board.org

The Conference Board Europe

Chaussée de La Hulpe 178 6th Floor B-1170 Brussels Belgium 011.32.2.675.5405 https://www.conference-board.org/ regions/europe/

The Conference Board of Canada

255 Smyth Rd. Ottawa, Ontario, K1H 8M7 Canada 866.711.2262 www.conferenceboard.ca

Corporation for National & **Community Service**

250 E St. SW Washington, DC 20525 800.833.3722 www.nationalservice.gov

Corporation for Public Broadcasting

401 9th St. NW Washington, DC 20004 202.879.9600 www.cpb.org

Council for Advancement and Support of Education (CASE)

1307 New York Ave. NW, Suite 1000 Washington, DC 20005 202.328.2273 To locate CASE publications: http://www.case.org/Publications_ and Products.html

Council for Aid to Education

215 Lexington Ave., 16th Floor New York, NY 10016 212.661.5800 www.cae.org

Council on Foundations

2121 Crystal Dr., Suite 700 Arlington, VA 22202 703.879.0600 www.cof.org

CQ Roll Call

1625 Eye St. NW Washington, DC 20006 202.650.6500 www.cg.com

Dance/USA

1029 Vermont Ave. NW, Suite 400 Washington, DC 20005 202.833.1717 www.danceusa.org

DMA Nonprofit Federation

235 Reinekers Ln., Suite 325 Alexandria, VA 22314 www.nonprofitfederation.org

Engage for Good

(formerly Cause Marketing Forum) 63 Overlook Pl. Rye, NY 10580 914.921.3914 www.causemarketingforum.com

European Foundation Centre

Rue Rovale 94 1000 Brussels Belaium 011 32 2 512 8938 www.efc.he

Evangelical Council for Financial Accountability

440 W. Jubal Early Dr., Suite 100 Winchester, VA 22601 540.535.0103 www.ecfa.org

Forbes Insights Forbes Media

499 Washington Blvd. Jersey City, NJ 07310 212.690.2200 www.forbes.com/forbesinsights

Foundation Center

32 Old Slip. 24th Floor New York, NY 10005 212.620.4230 www.foundationcenter.org

Foundation Source

55 Walls Dr. Fairfield, CT 06824 800.839.0054 www.foundationsource.com

The Fund Raising School

301 N. University Blvd., Suite 3000 Indianapolis, IN 46202 317.274.7063 www.philanthropy.iupui.edu

The Giving Institute

225 W. Wacker Dr. Chicago, IL 60606 www.givinginstitute.org

Grenzebach Glier and Associates

200 S. Michigan Ave., Suite 2100 Chicago, IL 60604 312 372 4040 www.grenzebachglier.com

GuideStar

4801 Courthouse St., Suite 220 Williamsburg, VA 23188 www.guidestar.org

HUD Exchange

U.S. Department of Housing and Urban Development 451 7th St. SW Washington, DC 20410 800.245.2691 www.hudexchange.info

Independent Sector

1602 L St. NW. Suite 900 Washington, DC 20036 202.467.6100 www.independentsector.org

Indiana University Lilly Family School of Philanthropy

301 N. University Blvd., Suite 3000 Indianapolis. IN 46202 317.274.4200 www.philanthropy.iupui.edu

Intergovernmental Panel on Climate Change

7bis Avenue de la Paix C.P. 2300 CH- 1211 Geneva 2 Switzerland 011 41 22 730 8208 54 84 www.ipcc.ch

Internal Revenue Service Tax Statistics

1111 Constitution Ave. NW K-Room 4112 Washington, DC 20224 202.803.9285 www.irs.gov/statistics

The International Center for Not-for-Profit Law

1126 16th St. NW, Suite 400 Washington, DC 20036 202.452.8600 www.icnl.org

International Society for Third-Sector Research

5801 Smith Ave. McAuley Hall, Suite 245 Baltimore, MD 21209 410.735.4221 www.istr.org

Jewish Federations of **North America**

Wall Street Station PO Box 157 New York, NY 10268 212.284.6500 www.jewishfederations.org

The Kresge Foundation

3215 W. Big Beaver Rd. Troy, MI 48084 248.643.9630 www.kresge.org

League of American Orchestras

33 W. 60th St., Suite 5 New York, NY 10023 212.262.5161 www.americanorchestras.org

LISC Institute for Comprehensive Community Development

501 7th Ave. New York, NY 10018 212.455.9594 www.instituteccd.org

M & R Benchmarks Study

1101 Connecticut Ave. NW 7th Floor Washington, DC 20036 202.223.9541 www.mrbenchmarks.com

Marts & Lundy

1200 Wall St. W Lyndhurst, NJ 07071 201.460.1660 www.martsandlundy.com

Maurice and Marilyn Cohen **Center for Modern Jewish Studies Brandeis University**

415 South St., MS 014 Waltham, MA 02454 781.736.2060 www.brandeis.edu/cmjs

National Association of Independent Schools

1129 20th St. NW, Suite 800 Washington, DC 20036 202.973.9700 www.nais.org

National Catholic Development Conference

86 Front St. Hempstead, NY 11550 516.481.6000 www.ncdc.org

National Center for Charitable Statistics The Urban Institute

2100 M St. NW Washington, DC 20037 202.833.7200 www.nccs.urban.org

National Committee for Responsive Philanthropy

1900 L St. NW, Suite 825 Washington, DC 20036 202.387.9177 www.ncrp.org

National Council for Voluntary Organisations

8 All Saints St. London, N1 9RL England 011.44.020.7713.6161 www.ncvo.org.uk

National Council of Churches

110 Maryland Ave. NE, Suite 108 Washington, DC 20002 202.544.2350 www.nationalcouncilofchurches.us

National Council of Nonprofits

1001 G St. NW, Suite 700 East Washington, DC 20001 202.962.0322 www.councilofnonprofits.org

National Endowment for the Arts

400 7th St. SW Washington, DC 20506 202.682.5400 www.arts.gov

National Law Center on **Homelessness & Poverty (NLCHP)**

2000 M St. NW, Suite 210 Washington, DC 20036 202.638.2535 To locate the NLCHP's research: www.nlchp.org/reports

National Philanthropic Trust

165 Township Line Rd., Suite 1200 Jenkintown, PA 19046 215.277.3010 www.nptrust.org

Network for Good

1140 Connecticut Ave. NW, Suite 700 Washington, DC 20036 888.284.7978 www.networkforgood.com

Nonprofit Finance Fund

5 Hanover Square, 9th Floor New York, NY 10004 212.457.4700 www.nonprofitfinancefund.org

Nonprofit Leadership Alliance

1801 Main St., Suite 200 Kansas City, MO 64108 816.561.6415 www.nonprofitleadershipalliance.org

The Nonprofit Quarterly

112 Water St., Suite 400 Boston, MA 02109 617.227.4624 www.nonprofitquarlery.org

Nonprofit Research Collaborative

530.690.5746 www.npresearch.org

The NonProfit Times

201 Littleton Rd., 2nd Floor Morris Plains, NJ 07950 973.401.0202 www.thenonprofittimes.com

OPERA America

330 7th Ave., 7th Floor New York, NY 10001 212.796.8620 www.operaamerica.org

Pew Research Center

1615 L St. NW, Suite 800 Washington, DC 20036 202.419.4300 www.pewresearch.org

Planned Giving Today Mary Ann Liebert, Inc.

140 Huguenot St., 3rd Floor New Rochelle, NY 10801 914.740.2100 www.pgtoday.com

Program on Philanthropy and Social Innovation The Aspen Institute

2300 N St. NW, Suite 700 Washington, DC 20037 202.736.5800 https://www.aspeninstitute.org/ programs/program-on-philanthropyand-social-innovation-psi/

Tax Foundation

1325 G St. NW, Suite 950 Washington, DC 20005 202.464.6200 www.taxfoundation.org

Taxwise Giving

PO Box 299 Old Greenwich, CT 06870 800.243.9122 www.taxwisegiving.com

Theatre Communications Group

520 8th Ave. New York, NY 10018 212.609.5900 www.tcg.org

The United States **Conference of Mayors**

1620 Eye St. NW Washington, DC 20006 202.293.7330 www.usmayors.org

United Way Worldwide

701 N. Fairfax St. Alexandria, VA 22314 703.836.7112 www.unitedway.org

VolunteerMatch

550 Montgomery St., 8th Floor San Francisco, CA 94111 415.241.6868 www.volunteermatch.org

Women's Funding Network

156 2nd St. San Francisco, CA 94105 415.441.0706

Women's Philanthropy Institute

301 N. University Blvd., Suite 3000 Indianapolis, IN 46202 317.278.8990 www.philanthropy.iupui.edu

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Member firms, in seeking at all times to provide candid, rigorous counsel, and the highest quality of service to every client, adhere to the following ethical standards:

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- Member firms disclose to clients and prospective clients any professional, personal, or client relationships that might be construed as conflicts of interest.
- Member firms continuously seek to ensure that their clients will deploy gifts for the purposes for which they were given.
- Member firms do not guarantee fundraising results, promise access to the donors of current or previous client institutions, or otherwise engage in marketing methods that are misleading to prospective clients, to the public or to individual donors.
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- Member firms will provide credible references for their previous client work and ensure ready access to those client references.
- Member firms affirm their commitment to the appropriate recognition and stewardship of each gift, irrespective of its size or source.
- Member firms counsel their clients on the value of institutional stakeholders, and their professional staff taking the lead in the solicitation of every gift.
- Members are committed to the shared standards of Best Practice for Global Philanthropy and Civil Society, wherever they come to exist.

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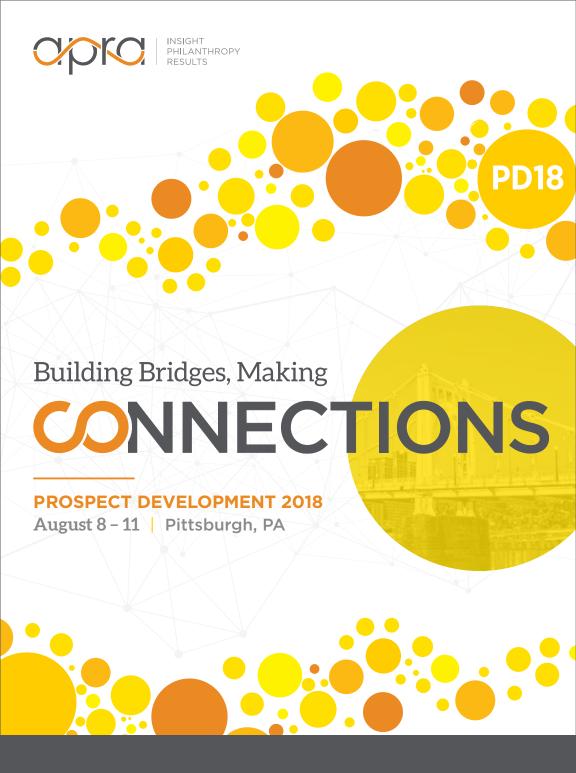
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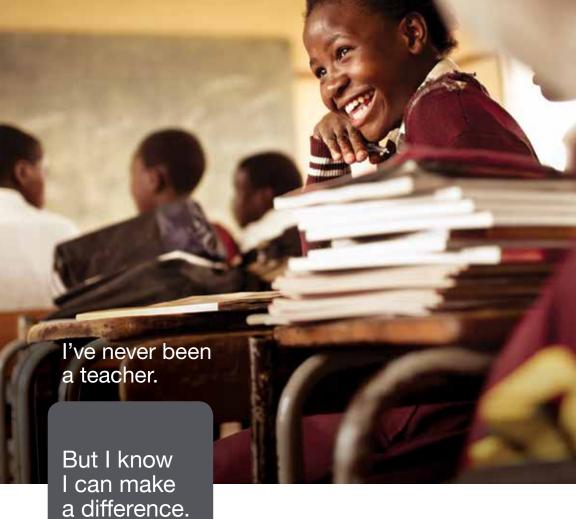


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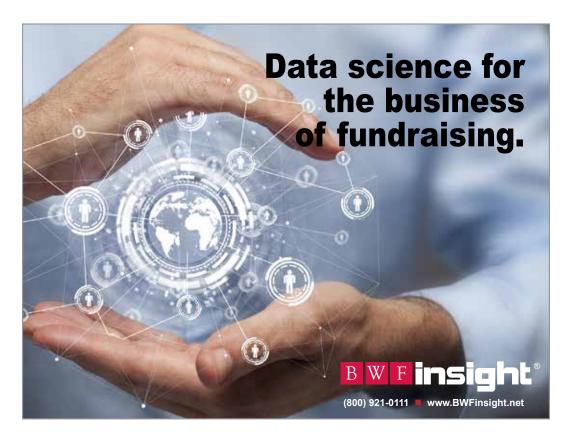
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