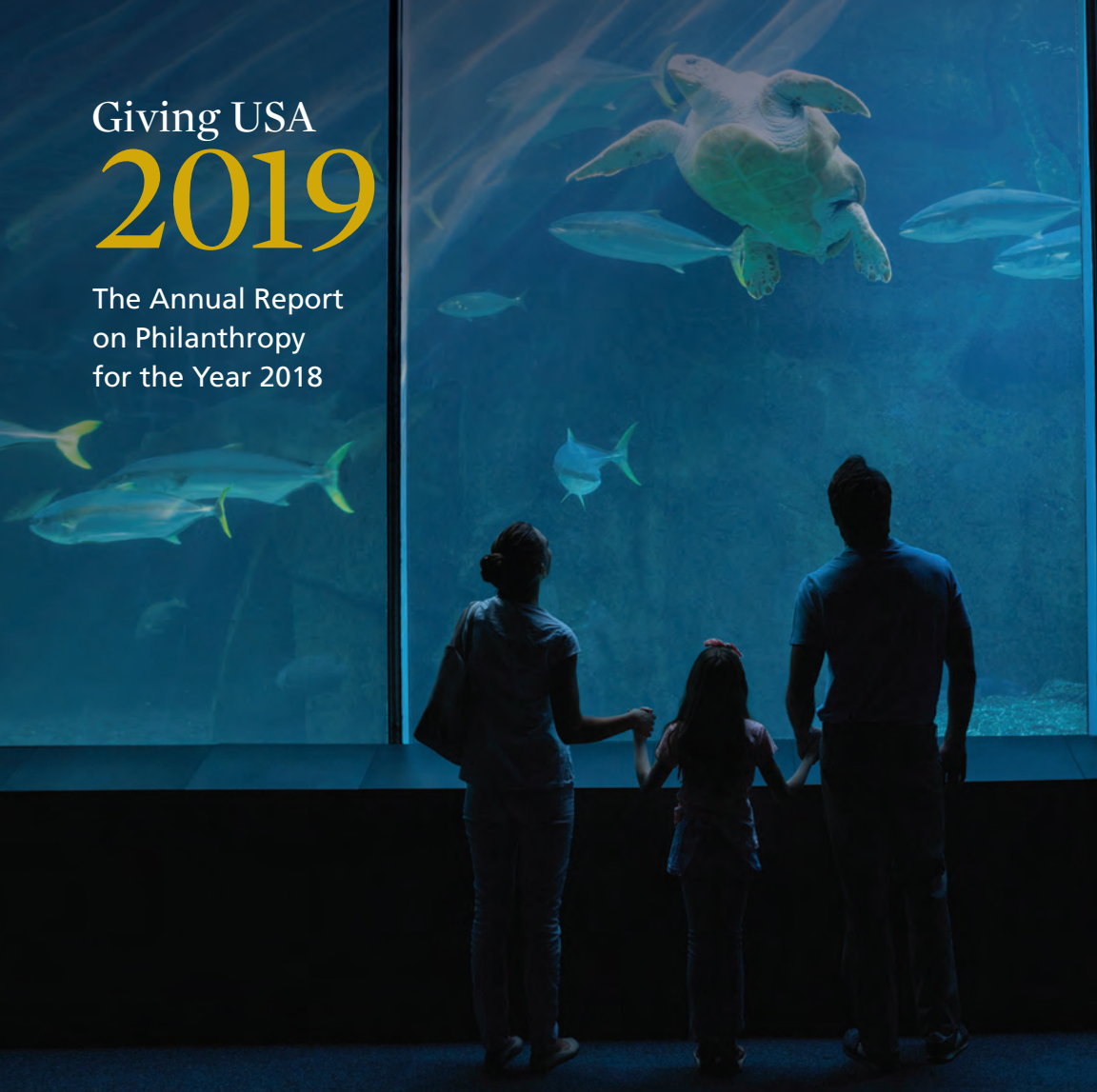


Giving USA 2019

The Annual Report
on Philanthropy
for the Year 2018



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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Giving USATM 2019

THE ANNUAL REPORT ON
PHILANTHROPY FOR THE YEAR 2018
64TH ANNUAL ISSUE

Researched and written at



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

Publisher



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Acknowledgements

Each year, the Indiana University Lilly Family School of Philanthropy (“the school”), the Giving USA Foundation, The Giving Institute, staff at the 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. This year’s report, describing a particularly complex year of philanthropy, required exceptional effort and coordination from the entire team behind *Giving USA*. I am grateful for the work of all of these individuals, and for our shared commitment to moving the field of philanthropy forward.

I sincerely thank Giving USA Foundation chair, Rick Dunham, and The Giving Institute chair, Rachel Hutchisson, for their leadership and unwavering belief in the importance of the report. I am also grateful to our leaders 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 assuring that the school offers the most timely, rigorous, and important research in the field of philanthropy, including the *Giving USA* report.

I thank Josh Birkholz, Giving USA Foundation Chair

of the Advisory Council on Methodology, who has worked closely with the team here at the school to ensure the strength of the estimates this year. Additional thanks goes to Josh for helping a new methodology subcommittee, which will undoubtedly help strengthen the report's methodology in years to come. In addition, I thank 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 and methodologies associated with the project and his patience in answering questions, running additional checks, and explaining complicated ideas clearly to our readership. I also thank Jon Durnford at DataLake, LLC who works with our team to produce the estimates for the subsectors of giving.

I thank Laura MacDonald and Wendy McGrady, Giving USA Foundation Co-Chairs of the Editorial Review Board (ERB). The partnership between the ERB and the school has grown thanks to their leadership. Thanks are also due to the members of the ERB that served as lead reviewers and chapter reviewers. These reviewers adapted to another new process this year and gave thorough, thoughtful feedback on the *Giving USA* chapters that invigorated this year's chapters and will provide a basis for next year's research as well.

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 authors, including: Tessa Skidmore, Josh Moore, Ruth Hansen, Marshawn Wolley, Andy Williams, Rafia Khader, Bryan Fegley, Maarten Bout, Kinga Horvath, and Rebecca TeKolste. I thank Elizabeth Giardina, who provided editorial support, and Amy Thayer, who provided a careful review of the information

in each chapter. Finally, my sincere gratitude goes to Karly Murat-Prater and Edward Vaughan, who worked tirelessly to assure the quality of this edition of *Giving USA*.

I thank the public relations, marketing, and sales teams behind *Giving USA*. The public relations team includes Adriene Davis Kalugyer, the Manager of Public Affairs for the school, as well as Amanda ReCupido, Casey Blickenstaff, and their colleagues at Public Communications Inc. (PCI), Giving USA Foundation's public relations firm. Thanks also goes to the *Giving USA* Foundation Marketing Sub-Committee. The school has been pleased to work with these teams to amplify the work of *Giving USA* and find an even wider readership. We also thank Sentergroup staff for assisting with all aspects of planning, producing, and marketing Giving USA as well as fulfilling *Giving USA* orders. These individuals specifically include Jean Bean, Joy Merten, and Erin Berggren. On the production side, a big "thank-you" to the creative team at Dunham+Company for providing design upgrades and producing the edition.

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 Candid (formerly Foundation Center); Jon Durnford at DataLake, LLC; John Van Drunen and Nicole Wallenfelsz at ECFA; Ann Kaplan at the Council for Advancement and Support of Education; the Association for Health Care Philanthropy; André Solórzano at CECF; and Chuck Longfield and Angele Vellake at Blackbaud Institute. We thank these organizations for their partnership on this edition of *Giving USA* as well as those in the future.

The research team at the school is an exceptional resource at every step of this report, and I am grateful

to my wonderful colleagues including Tessa Skidmore, Jacqueline Ackerman, Cathy Carrigan, Xiaonan Kou, Chelsea Clark, Sasha Zarins, Kinga Horvath, Xiao Han, Jon Bergdoll, and Diantha Daniels. I especially thank Rebecca TeKolste, who spearheaded the initiative to include more benchmarking data about online giving in the chapters and provided editorial support throughout the process. In addition, I thank my colleagues that provided careful and helpful final reviews of the chapters: Tessa Skidmore, Xiaonan Kou, Chelsea Clark, Sasha Zarins, and Kinga Horvath.

Finally, I would not be able to serve as Managing Editor for this publication without the support of my family and friends, for whom I am eternally grateful.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anna Pruitt', with a stylized flourish at the end.

Anna Pruitt, PhD

Managing Editor of *Giving USA*

Indiana University Lilly Family School of Philanthropy



Foreword:

Giving USA 2019

In 2018, charitable giving experienced one of its most complex years in recent memory.

The overall economy and the economic factors that most affect changes in giving were strong, yet a combination of countervailing forces produced a mixed picture for giving. Some of the key highlights include:

- Total giving was virtually flat compared to the preceding year.
- Giving by foundations and corporations saw healthy growth.
- Bequests were flat, and
- Contributions from individuals declined.

For many individual donors it was a year of uncertainty for a number of reasons. First, there were those who typically itemized deductions on their federal income tax forms, but no longer did so as a result of the doubling of the standard deduction in the Tax Cuts and Jobs Act. Multiple studies estimated that approximately 30 million households would stop itemizing in response to this new tax policy change, which reduced incentives for charitable giving. In addition, stock market volatility near the end of 2018 also may have contributed to the decline in individual giving.

These overarching influences on giving affected specific sources of giving and types of recipient organizations differently, contributing to uneven growth among different segments of the philanthropic sector.

The shifts that are occurring in the broader landscape of philanthropy may have added to the complexity of 2018 as well. These include new giving strategies and vehicles, such as impact investing and social entrepreneurship, and increased investment in donor-advised funds. Another factor is the growing use of technology, which is being adopted and expanded at an increasingly rapid rate. Then there are demographic changes and generational shifts in giving practices combined with a rising awareness of diversity and traditionally underrepresented philanthropy to form a stronger, multidimensional philanthropic environment.

Charitable giving in 2018 is one more chapter in a longer and still unfolding story – a story that we are watching closely. Giving USA Foundation and the Lilly Family School of Philanthropy will continue to monitor new developments over time, with an eye to helping you understand which changes may be short-lived and which can be expected to have longer-term impact.

One strong takeaway from this year's report is the need for nonprofit leaders and fundraisers to understand and be responsive to this changing environment. It's important to talk to donors about how they are responding to the new policy climate, and assess how these and other developments in the philanthropic world may be affecting their giving.

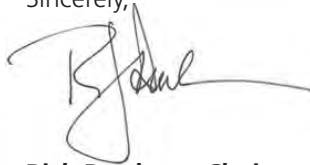
It is encouraging that many organizations continued to have success in 2018 amid a complicated season for giving. And with this changing environment effective fundraising will depend more than ever on how organizations manage themselves. This entails strong leadership and confident implementation of new

strategies, tools and methods—all based on solid testing and reputable research.

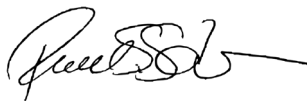
Giving USA Foundation, The Giving Institute and the Indiana University Lilly Family School of Philanthropy are pleased to continue serving you by providing you the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving. Now in its 64th year, *Giving USA* continues to incorporate data from numerous, top-quality sources and we continue to ensure the methods are extensively tested and peer-reviewed.

Finally, going beyond the numbers, *Giving USA's* chapters are designed to provide you the background and context you need to help you make sense of a complicated year and better understand the current climate for charitable giving. In addition, you will find Good to Know! sections that will equip you with important insights on how you can navigate changes and provide you with practical applications of research-based knowledge that will prepare you to achieve success for your organization.

Sincerely,



Rick Dunham, Chair
Giving USA Foundation



Rachel Hutchisson, Chair
The Giving Institute



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



What *Giving USA* Can Do for You

"...expert tips on how to put the data into immediate action..."

Whether you're a member of a development team, CEO, board member, nonprofit consultant, or educator, *Giving USA 2019* is an essential tool for success. It's more than an intelligence report—it's a guide to informed fundraising. *Giving USA 2019* is filled with opportunities to benchmark your nonprofit against national trends. The Practitioner Highlights at the beginning of each chapter will provide suggested strategies and an at-a-glance reference. *Giving USA 2019* 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.

TURN RESEARCH INTO DAY-TO-DAY ACTIONS

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. Below you can find how other practitioners have benefitted from *Giving USA*.

- “*Giving USA* products have informed my outlook, strategy, and goals, and have supported board and staff development in fundraising.” – Lara Kilpatrick, *Advancement Director*
- “The contents are helpful with bench-marking data, creating targets and Key Performance Indicators. It provides information on best practices and examples.” – Dave Neary, *Executive Director*
- “It helps me keep informed about trends in charitable giving and enriches my presentations, especially in terms of discussing trends and research in the field.” – Chris Yates, *Chief Advancement Officer*
- “It is essential in directing staff and board to focus on major gifts and individual gifts.” – Leonard laquinta, *President*
- “It is helpful to share with staff and boards of nonprofits, so that they have a clearer picture of the sector, where funding comes from and where it goes.” – Greg Kapp, *Senior Associate Vice President for Development Operations*
- “With this information, my students are able to make intelligent analyses about nonprofit organizations’ finances and their contributions. I also use it to encourage them to become intentional, consistent givers.” – Barbara Clemenson, *Adjunct Professor*

STAY SAVVY ON ECONOMIC TRENDS

Giving USA helps unravel economic trends (like stock market performance, disposable personal income, GDP, and personal consumption). You will learn how changes in these economic trends correlate to changes in giving by source. Being knowledgeable about these trends can help you better understand external factors that impact your donors’ philanthropic choices. You will also be better equipped to build rapport with people who closely monitor the economy, incorporate national trends into your forecasting, and potentially boost donations.

EVALUATE YOUR EFFECTIVENESS

- **Does your organization match national trends in terms of growth/decline?** If overall giving went up 4%, and your subsector only saw 2% growth, or your category went up 8%, consider reasons for the discrepancy and how you might need to adjust your forecasts.

- **Where should you focus your efforts?** Anticipate how national trends might impact your organization and develop plans to tap into them. Study the four sources of charitable donations—individuals, bequests, foundations and corporations. Then, compare trends against your organization’s historic sources of funding and how your organization is spending its time and energy fundraising.
- **Do your organization’s stakeholders have the same level of understanding about charitable giving?** Many nonprofits and their stakeholders mistakenly believe that corporations and foundations comprise the bulk of charitable giving, but overwhelmingly, individuals/households are the biggest source. Also, your stakeholders should recognize that donors have more methods than ever—from apps to financial vehicles such as donor-advised funds—to make charitable gifts quickly and easily. If your stakeholders do not understand these giving vehicles and other trends, 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 2018, with results based on econometric models rather than surveys (see Infographic, Key Findings, and the Numbers sections)
- ✗ Giving outside the U.S.
- ✗ Regional and state-level giving
- ✓ Total charitable donation amounts given by each of the four main giving sources (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 (such as direct mail or tele-fundraising)
- ✗ 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 2019 giving and giving in the future

Giving USA 2019 should be a central tool for your fundraising planning — and ingrained in your organizational philosophy. Refer to this book throughout the year as you communicate with donors, fine-tune your case for support, and plan for the future.

Written by Kaitlin Robb and Melissa James, with thanks to Keith Curtis, all of The Curtis Group.

How much did Americans give in 2018?

\$427.71 billion

Americans gave \$427.71 billion to charity in 2018 in a complex year for charitable giving.

Where did the generosity come from?

Contributions by source (by percentage of the total)

Giving by Foundations



18%

\$75.86 billion

(4.7% up when inflation adjusted)

Giving by Bequest



9%

\$39.71 billion

(2.3% down when inflation adjusted)

Giving by Corporations



5%

\$20.05 billion

(2.9% up when inflation adjusted)

Giving by Individuals



68%

\$292.09 billion

(3.4% down when inflation adjusted)



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



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Giving to foundations decreased the most, after experiencing strong double-digit growth in the year prior.













Giving to international affairs showed the largest growth in 2018 of any sector.



Where are all the charitable dollars going?

Contributions by source (by percentage of the total)

	% of total giving in 2018		% change from 2017	inflation adjusted
 29% to Religion \$124.52 billion		↓	-1.5%	-3.9%
 14% to Education \$58.72 billion		↓	-1.3%	-3.7%
 12% to Human Services \$51.54 billion		=	-0.3%	-2.7%
 12% to Foundations \$50.29 billion		↓	-6.9%	-9.1%
 10% to Health \$40.78 billion		=	0.1%	-2.3%
 7% to Public-Society Benefit \$31.21 billion		↓	-3.7%	-6.0%
 5% to International Affairs \$22.88 billion		↑	9.6%	7.0%
 5% to Arts, Culture, and Humanities \$19.49 billion		=	0.3%	-2.1%
 3% to Environment/Animals \$12.70 billion		↑	3.6%	1.2%
 2% to Individuals \$9.06 billion		-	-	-

= indicates growth in current dollars with a decline after adjusted for inflation

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 the generosity of Americans and related historical trends on U.S. charitable giving.



A close-up photograph of a hand holding a white daisy with a yellow center. The hand is positioned on the right side of the frame. In the background, a person's arm wearing a red, white, and blue striped shirt is visible, slightly out of focus. A large, semi-transparent oval shape is overlaid on the left side of the image, containing the title text.

Key Findings

This section includes an overview of U.S. giving trends in 2018 by donor and recipient type, including total amounts given and received and the rates of change in giving from 2017.

Total estimated charitable giving in the United States rose 0.7 percent between 2017 and 2018 (a decline of 1.7 percent, adjusted for inflation), to \$427.71 billion in contributions.¹ Adjusted for inflation, charitable giving reached its second highest level ever.

Sources

↓ **1.1%** **Giving by individuals** totaled an estimated \$292.09 billion, falling 1.1 percent in 2018 (a decline of 3.4 percent, adjusted for inflation).

↑ **7.3%** **Giving by foundations** increased 7.3 percent, to an estimated \$75.86 billion in 2018 (an increase of 4.7 percent, adjusted for inflation). These figures are provided by Candid. Grantmaking by community foundations rose 10.2 percent from 2017. Grantmaking by operating foundations and independent foundations also increased, at 4.9 percent and 7.2 percent, respectively.²

= **0.0%** **Giving by bequest** totaled an estimated \$39.71 billion in 2018, staying flat compared to 2017 with a 0.0 percent increase from 2017. When adjusted for inflation, giving by bequest experienced a -2.3 percent decline.

↑ **5.4%** **Giving by corporations** is estimated to have increased by 5.4 percent in 2018, totaling \$20.05 billion (an increase of 2.9 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 \$6.88 billion in 2018, an increase of 6.5 percent (in current dollars) from 2017.³

Uses

↓ **1.5%** **Giving to religion** declined 1.5 percent between 2017 and 2018, with an estimated \$124.52 billion in contributions. Inflation-adjusted giving to the religion subsector declined 3.9 percent in 2018.

↓ **1.3%** **Giving to education** is estimated to have declined 1.3 percent between 2017 and 2018, to \$58.72 billion. Adjusted for inflation, giving to education organizations declined 3.7 percent.

- = 0.3%** **Giving to human services** declined by an estimated 0.3 percent in 2018, totaling \$51.54 billion. Adjusted for inflation, giving to human services organizations declined by 2.7 percent.
- ↓ 6.9%** **Giving to foundations** is estimated to have declined by 6.9 percent in 2018, to \$50.29 billion. Adjusted for inflation, giving to foundations declined by 9.1 percent.
- = 0.1%** **Giving to health** is estimated to have had flat growth of 0.1 percent between 2017 and 2018 to \$40.78 billion. Adjusted for inflation, giving to health declined by 2.3 percent.
- ↓ 3.7%** **Giving to public-society benefit organizations** decreased an estimated 3.7 percent between 2017 and 2018, to \$31.21 billion. Adjusted for inflation, giving to public-society benefit organizations declined 6.0 percent.
- = 0.3%** **Giving to arts, culture, and humanities** is estimated to have stayed relatively flat, with growth of 0.3 percent between 2017 and 2018, to \$19.49 billion. Adjusted for inflation, giving to the arts, culture, and humanities subsector declined by 2.1 percent.
- ↑ 9.6%** **Giving to international affairs** is estimated to be \$22.88 billion in 2018, an increase of 9.6 percent from 2017. Adjusted for inflation, giving to international affairs organizations grew 7.0 percent.
- ↑ 3.6%** **Giving to environmental and animal organizations** is estimated to have increased 3.6 percent between 2017 and 2018, to \$12.70 billion. Adjusted for inflation, donations to the environment/animals subsector increased 1.2 percent.
- ↓ 2.6%** **Giving to individuals** is estimated to have declined 2.6 percent (4.9 percent in inflation-adjusted dollars) between 2017 and 2018, to \$9.06 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 \$6.53 billion in 2018. 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.

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 Data were provided by Candid in April 2019 and are subject to revision. Data on giving by and to foundations are available at www.candid.org
- 3 Data on corporate grantmaking were provided by Candid in April 2019 and are subject to revision. Data on giving by and to foundations are available at www.candid.org



The Numbers

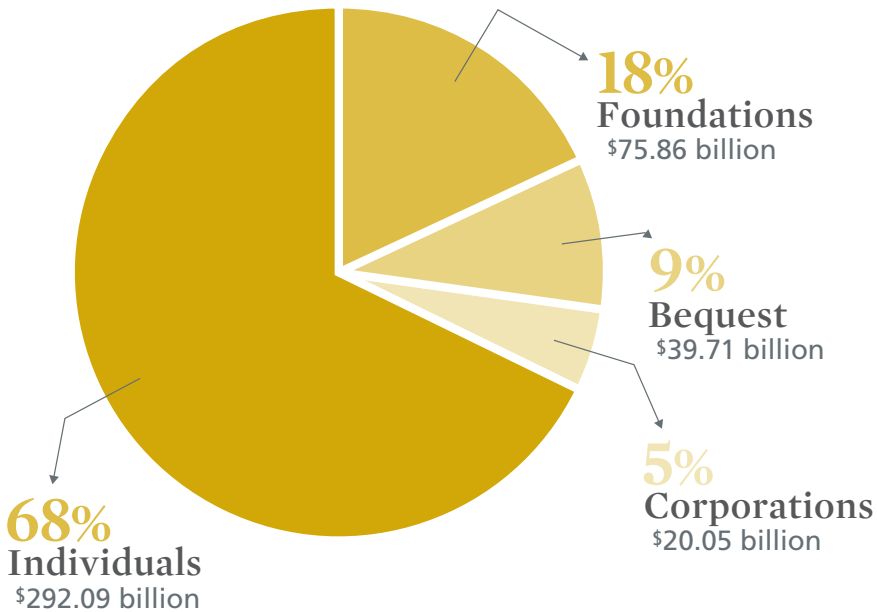
This section includes data and contextual information about U.S. giving trends, including:

- Giving USA pie charts on giving by source and to recipient organizations in 2018
- 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



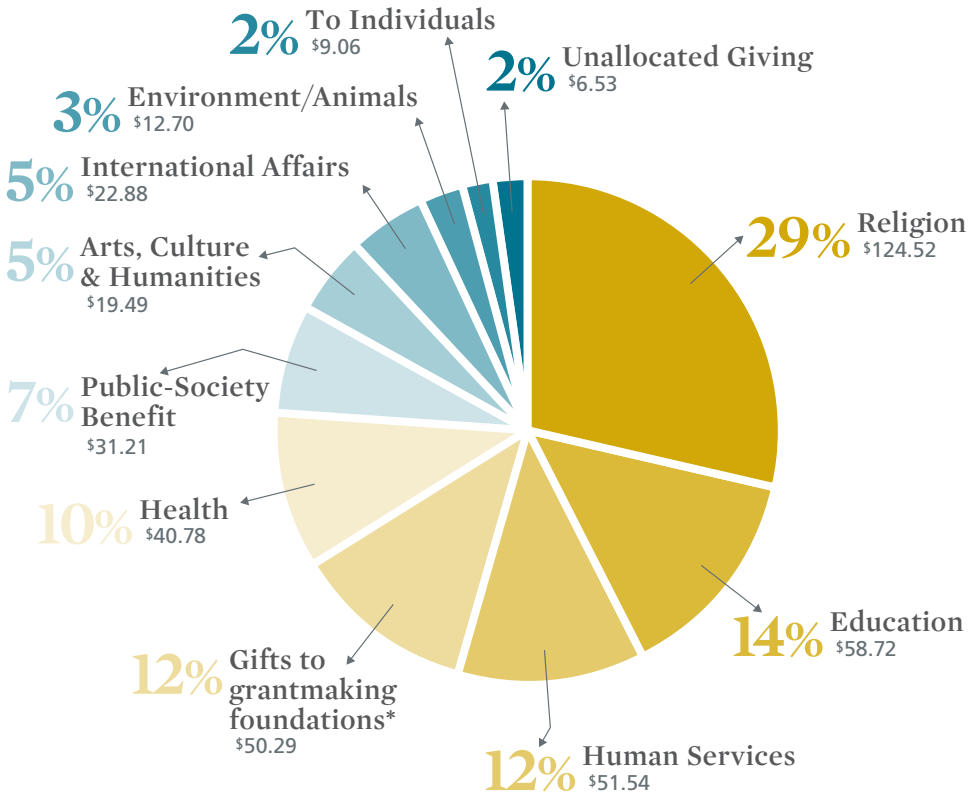
2018 contributions: \$427.71 billion by source of contributions

(in billions of dollars - all figures are rounded)



- The composition of gifts by source remained roughly the same in 2018 for corporations (a slight increase from 4 percent of overall giving in 2017) and bequests (remaining at 9 percent of overall giving) in 2018.
- Foundations increased in percent of overall giving (18 percent in 2018 vs. 17 percent in 2017).¹
- Giving by individuals decreased from 70 percent of overall giving in 2017 to 68 percent in 2018.² This year is the first time giving by individuals has fallen below 70 percent of overall giving since at least 1954.

2018 contributions:
\$427.71 billion by type of recipient organization
(in billions of dollars - all figures are rounded)



* Estimate developed jointly by Candid (formerly Foundation Center) and Giving USA

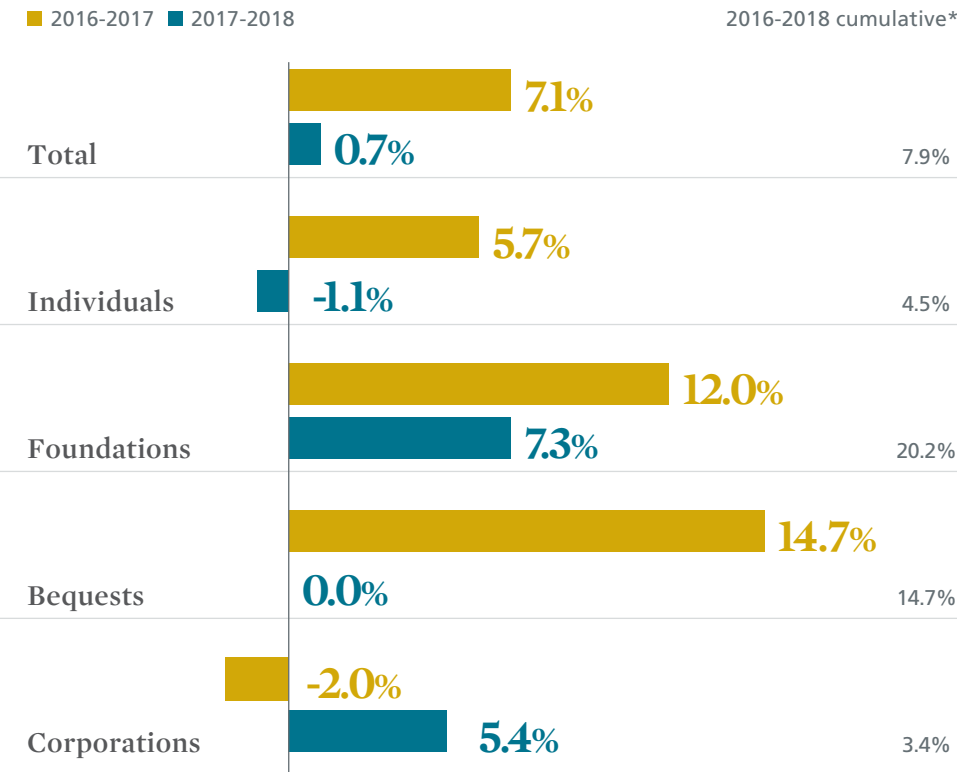
** Includes gifts to non-grantmaking foundations, deductions carried over, contributions to organizations not classified in a subsector, and other unallocated

- Religious organizations received the largest share of charitable dollars in 2018, with 29 percent of total giving.³ This is the first time that giving to religion has fallen below 30 percent of overall giving.
- The overall composition of other gifts remained roughly the same between 2017 and 2018. Gifts to human services (12 percent), health organizations (10 percent), arts & culture organizations (5 percent), international affairs organizations (5 percent), and

environmental organizations (3 percent) comprised an equal proportion of overall gifts in both 2017 and 2018.

- Gifts to foundations declined slightly as a proportion of overall giving (12 percent in 2018 versus 13 percent in 2017).
- Gifts to public-society benefit organizations declined slightly as a proportion of overall giving (7 percent in 2018 versus 8 percent in 2017).

Changes in giving by source: 2016–2017
and 2017–2018, 2016–2018 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.

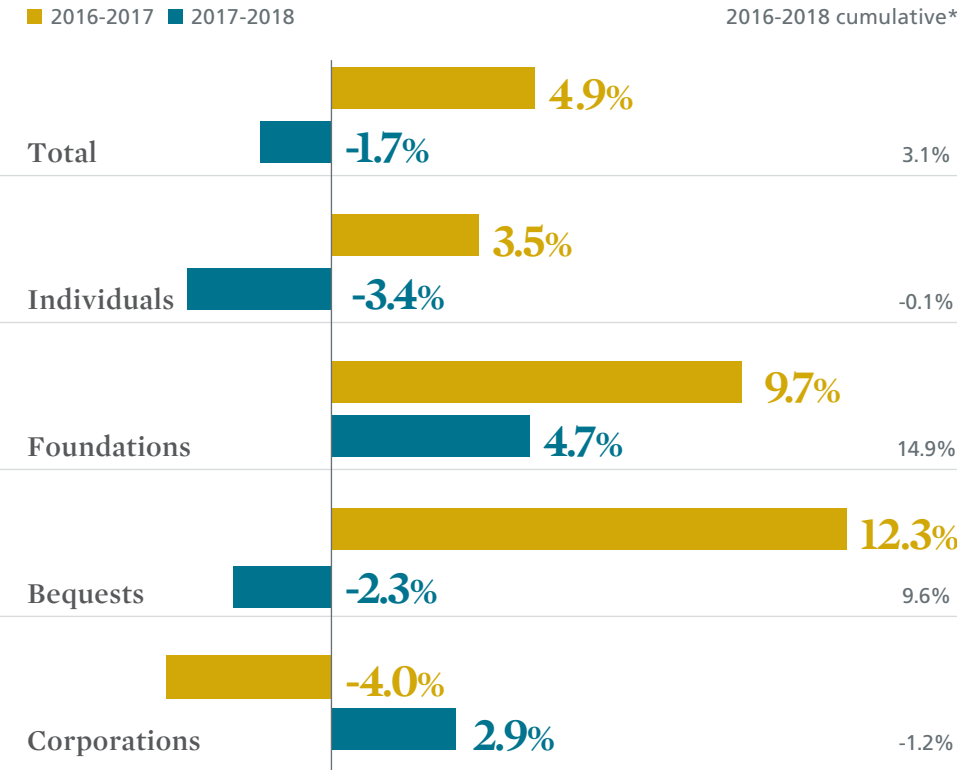
- In current dollars, total charitable giving increased 7.1 percent between 2016 and 2017, and increased 0.7 percent between 2017 and 2018.⁴ The cumulative change in current-dollar total giving between 2016 and 2018 is 7.9 percent.
- Giving by individuals increased 5.7 percent in current dollars between 2016 and 2017. Between 2017 and 2018, current-dollar individual giving decreased 1.1 percent. The cumulative change

in giving by individuals between 2016 and 2018 is 4.5 percent in current dollars. The decrease in individual giving for individuals between 2017 and 2018 is the only source that decreased in this period.

- Current-dollar grantmaking by independent, community, and operating foundations increased 12.0 percent between 2016 and 2017. Between 2017 and 2018, foundation giving increased 7.3 percent in current dollars. The cumulative change in current-dollar giving by foundations between 2016 and 2018 is 20.2 percent.⁵ This is the greatest percent increase of any source in this period.
- Giving by bequest increased 14.7 percent in current dollars between 2016 and 2017. This increase preceded a standstill, where bequests did not change between 2017 and 2018. The cumulative change in current-dollar bequest giving between 2016 and 2018 is 14.7 percent.
- In current dollars, giving by corporations decreased by 2.0 percent between 2016 and 2017, and increased 5.4 percent between 2017 and 2018. The cumulative change in current-dollar giving by corporations between 2016 and 2018 is 3.4 percent.

Changes in giving by source: 2016–2017
and 2017–2018, 2016–2018 cumulative

(in inflation-adjusted dollars, 2018 = \$100)



Percentage change from previous year

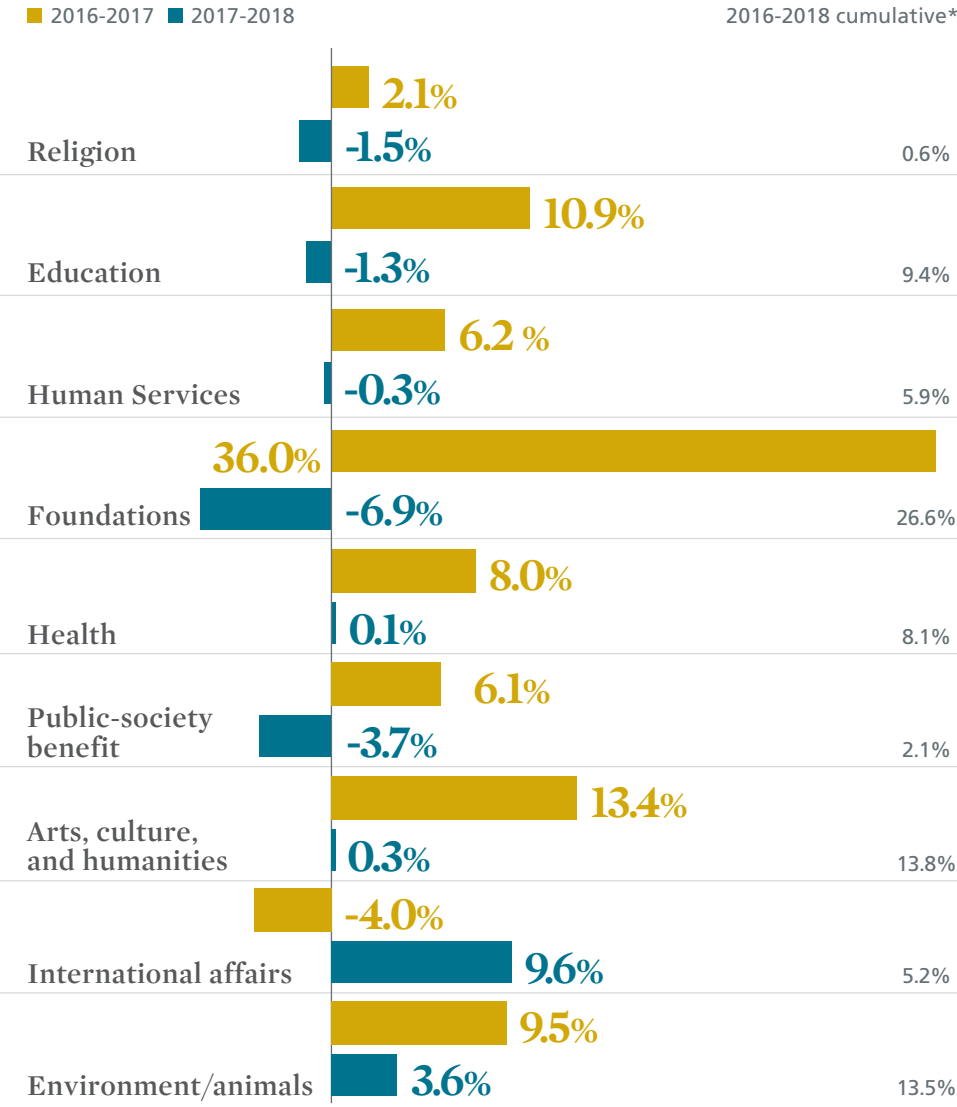
*The two-year change is calculated separately and is not the sum of the changes in the two years.

- In inflation-adjusted dollars, total charitable giving increased 4.9 percent between 2016 and 2017, and declined 1.7 percent between 2017 and 2018.⁶ The cumulative change in total giving between 2016 and 2018 is 3.1 percent in inflation-adjusted dollars.
- Inflation-adjusted giving by individuals increased 3.5 percent between 2016 and 2017. Individual giving declined between 2017 and 2018, at -3.4 percent in inflation-adjusted dollars. The

cumulative change in inflation-adjusted giving by individuals between 2016 and 2018 is -0.1 percent.

- Adjusted for inflation, grantmaking by independent, community, and operating foundations increased 9.7 percent between 2016 and 2017. Between 2017 and 2018, foundation giving increased by 4.7 percent in inflation-adjusted dollars. The cumulative change in inflation-adjusted giving by foundations between 2016 and 2018 is 14.9 percent.⁷
- Giving by bequest increased 12.3 percent in inflation-adjusted dollars between 2016 and 2017. This increase preceded a -2.3 percent decline in inflation-adjusted bequest giving between 2017 and 2018. The cumulative change in giving by bequest between 2016 and 2018 is 9.6 percent in inflation-adjusted dollars.
- Inflation-adjusted giving by corporations declined 4.0 percent between 2016 and 2017. Giving by corporations increased between 2017 and 2018, at 2.9 percent in inflation-adjusted dollars. The cumulative change in inflation-adjusted giving by corporations between 2016 and 2018 is -1.2 percent.

Changes in giving by type of recipient organization:
2016–2017 and 2017–2018, 2016–2018 cumulative
(in current dollars)



Percentage change from previous year

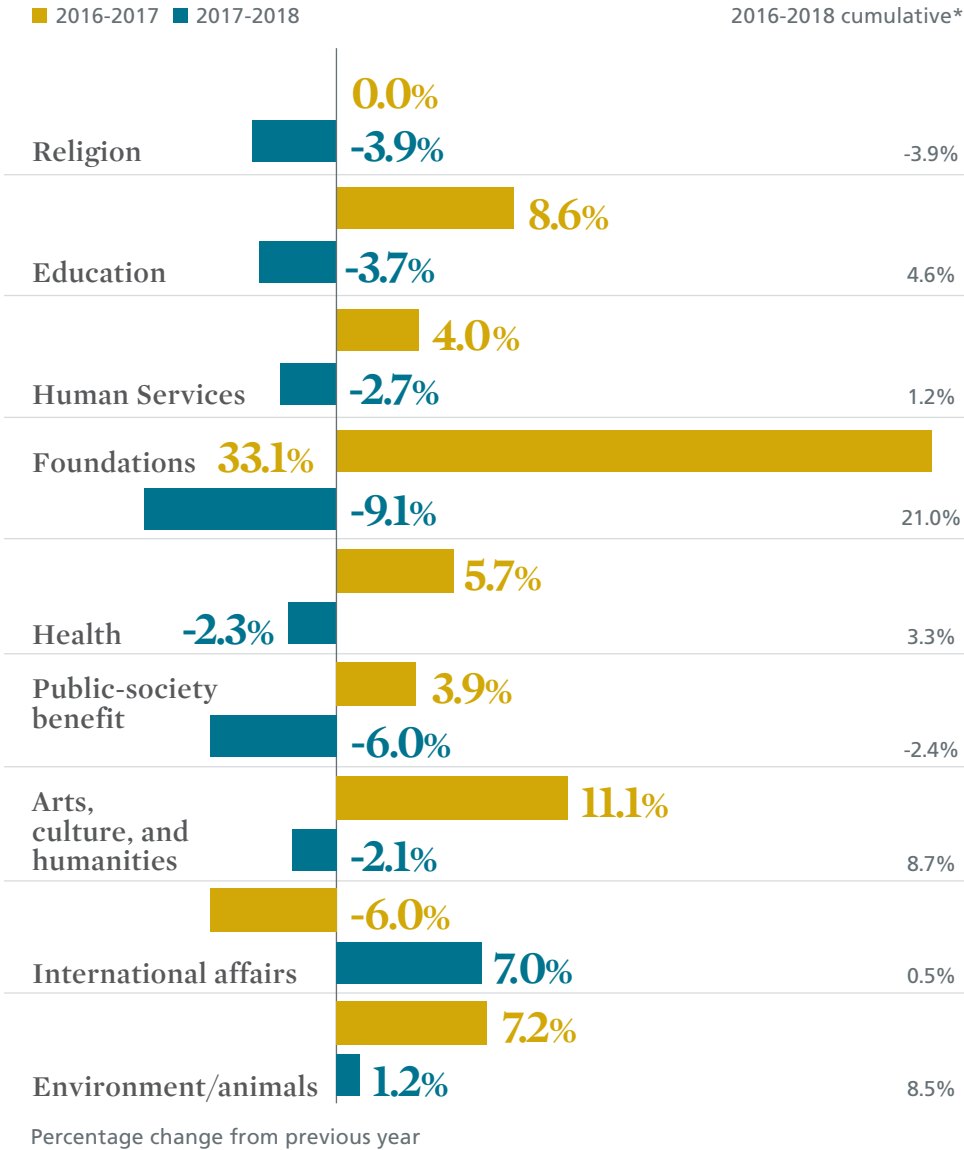
*The two-year change is calculated separately and is not the sum of the changes in the two years.

- In current dollars, giving to religion increased 2.1 percent between 2016 and 2017, and declined 1.5 percent between 2017 and 2018.⁸ Cumulatively, current-dollar giving to religion increased 0.6 percent between 2016 and 2018.
- Giving to education increased 10.9 percent in current dollars between 2016 and 2017. Between 2017 and 2018, current-dollar giving to education declined 1.3 percent. The cumulative change in giving to education between 2016 and 2018 is 9.4 percent in current dollars.
- In current dollars, giving to human services increased 6.2 percent between 2016 and 2017, and declined 0.3 percent between 2017 and 2018. Cumulatively, current-dollar giving to human services increased 5.9 percent between 2016 and 2018.
- Giving to foundations increased 36.0 percent in current dollars between 2016 and 2017. Between 2017 and 2018, current-dollar giving to foundations declined 6.9 percent. The cumulative change in giving to foundations between 2016 and 2018 is 26.6 percent in current dollars.
- In current dollars, giving to health increased 8.0 percent between 2016 and 2017, and increased 0.1 percent between 2017 and 2018. Cumulatively, current-dollar giving to health increased 8.1 percent between 2016 and 2018.
- Giving to public-society benefit increased 6.1 percent in current dollars between 2016 and 2017. Between 2017 and 2018, current-dollar giving to public-society benefit declined 3.7 percent. The cumulative change in giving to public-society benefit between 2016 and 2018 is 2.1 percent in current dollars.
- In current dollars, giving to arts, culture, and humanities increased 13.4 percent between 2016 and 2017, and increased 0.3 percent between 2017 and 2018. Cumulatively, current-dollar giving to arts, culture, and humanities increased 13.8 percent between 2016 and 2018.
- Giving to international affairs decreased 4.0 percent in current dollars between 2016 and 2017. Between 2017 and 2018, current-dollar giving to international affairs increased 9.6 percent. The cumulative change in giving to international affairs between 2016 and 2018 is 5.2 percent in current dollars.

- In current dollars, giving to environment/animals increased 9.5 percent between 2016 and 2017, and increased 3.6 percent between 2017 and 2018. Cumulatively, current-dollar giving to environment/animals increased 13.5 percent between 2016 and 2018.

Changes in giving by type of recipient organization: 2016–2017 and 2017–2018, 2016–2018 cumulative

(in inflation-adjusted dollars, 2018 = \$100)



*The two-year change is calculated separately and is not the sum of the changes in the two years.

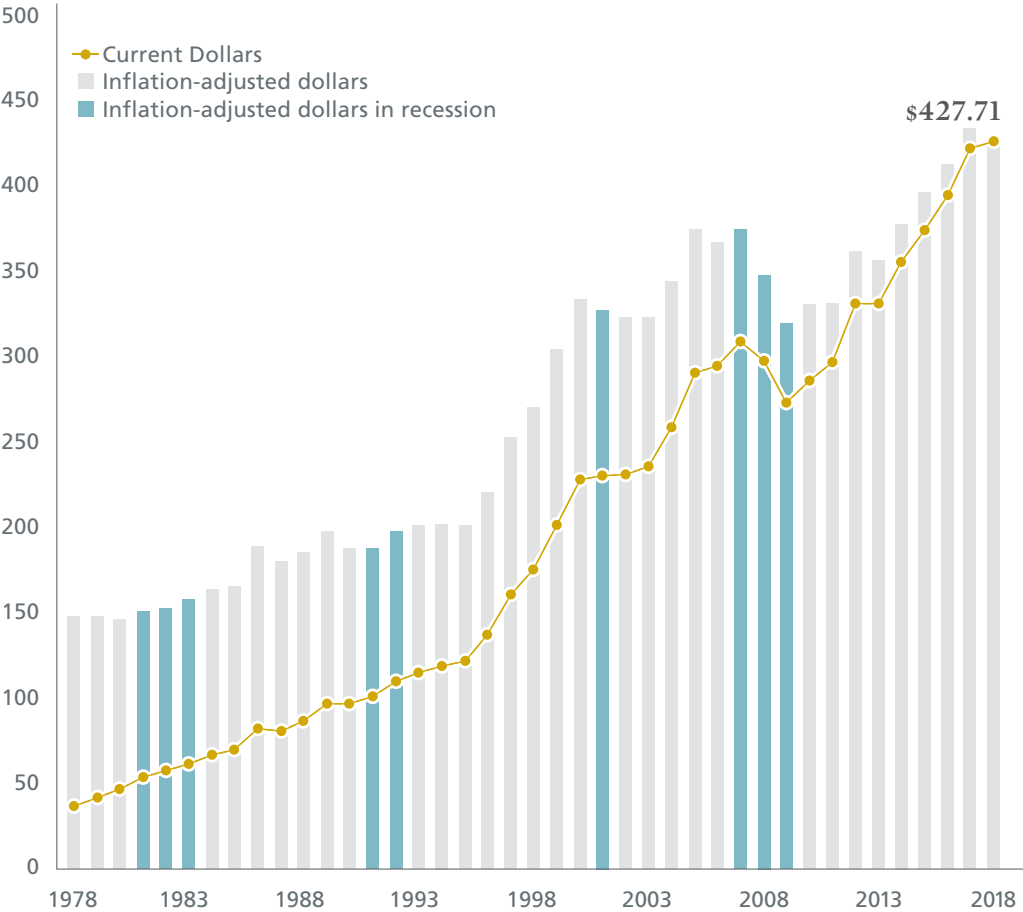
- Adjusted for inflation, giving to religion remained stagnant between 2016 and 2017, and declined 3.9 percent between 2017 and 2018. Cumulatively, giving to religion declined 3.9 percent in inflation-adjusted dollars between 2016 and 2018.⁸
- Giving to education increased 8.6 percent in inflation-adjusted dollars between 2016 and 2017. Between 2017 and 2018, inflation-adjusted giving to education declined 3.7 percent. The cumulative change in giving to education between 2016 and 2018 is 4.6 percent in inflation-adjusted dollars.
- Adjusted for inflation, giving to human services increased 4.0 percent between 2016 and 2017, and declined 2.7 percent between 2017 and 2018. Cumulatively, giving to human services increased 1.2 percent in inflation-adjusted dollars between 2016 and 2018.
- Giving to foundations increased 33.1 percent in inflation-adjusted dollars between 2016 and 2017. Between 2017 and 2018, inflation-adjusted giving to foundations declined 9.1 percent. The cumulative change in giving to foundations between 2016 and 2018 is 21.0 percent in inflation-adjusted dollars.
- Adjusted for inflation, giving to health increased 5.7 percent between 2016 and 2017, and declined 2.3 percent between 2017 and 2018. Cumulatively, giving to health increased 3.3 percent in inflation-adjusted dollars between 2016 and 2018.
- Giving to public-society benefit increased 3.9 percent in inflation-adjusted dollars between 2016 and 2017. Between 2017 and 2018, inflation-adjusted giving to public-society benefit declined 6.0 percent. The cumulative change in giving to public-society benefit between 2016 and 2018 is -2.4 percent in inflation-adjusted dollars.
- Adjusted for inflation, giving to arts, culture, and humanities increased 11.1 percent between 2016 and 2017, and declined 2.1 percent between 2017 and 2018. Cumulatively, giving to arts, culture, and humanities increased 8.7 percent in inflation-adjusted dollars between 2016 and 2018.
- Giving to international affairs declined 6.0 percent in inflation-adjusted dollars between 2016 and 2017. Between 2017 and 2018, inflation-adjusted giving to international affairs increased 7.0 percent. The cumulative change in giving to international affairs

between 2016 and 2018 is 0.5 percent in inflation-adjusted dollars.

- Adjusted for inflation, giving to environment/animals increased 7.2 percent between 2016 and 2017, and increased 1.2 percent between 2017 and 2018. Cumulatively, giving to environment/animals increased 8.5 percent in inflation-adjusted dollars between 2016 and 2018.

Total giving, 1978-2018

(in billions of dollars)

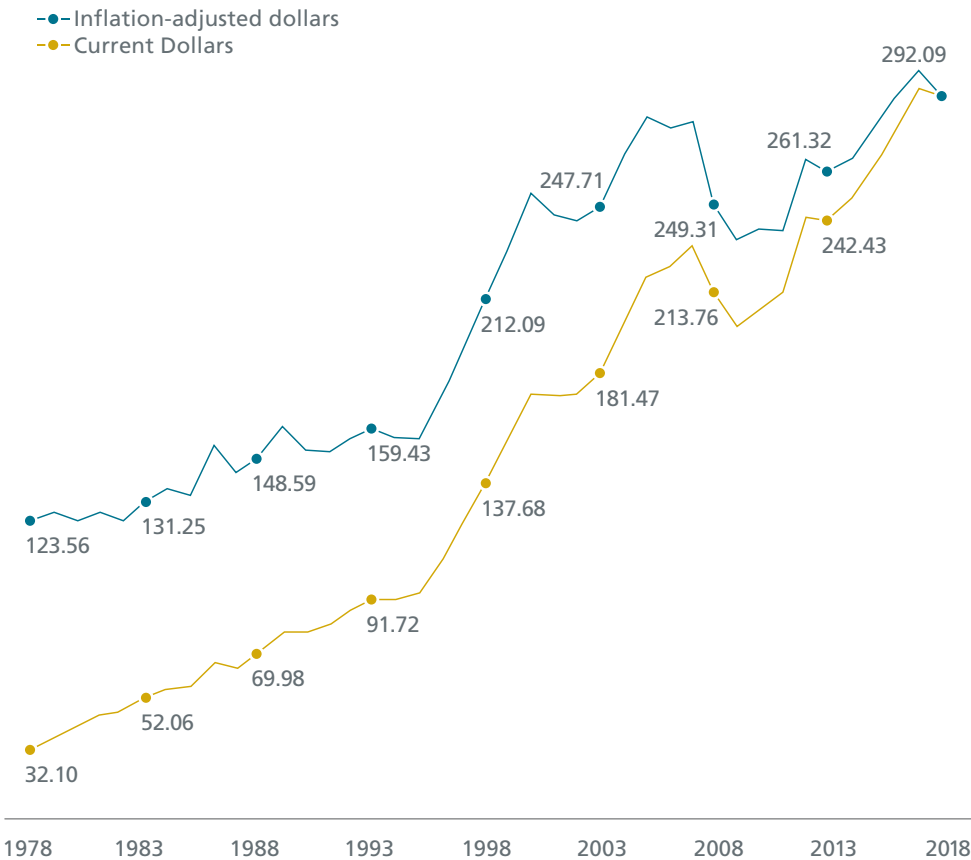


- Total charitable giving reached \$427.71 billion in 2018, a 0.7 percent increase in current dollars and a 1.7 percent decrease in inflation-adjusted dollars from 2017.⁹
- In current dollars, total giving has increased every year since 1978, with the exception of 1987, 2008, and 2009.¹⁰
- Adjusted for inflation, total giving has declined 13 times since 1978, including this year. The average annualized rate of change in inflation-adjusted total giving since 1978 is 2.7 percent.

- The Great Recession ended in 2009. For the years 2009 to 2018, the growth in inflation-adjusted total giving is 33.0 percent.
- In 2018, total giving adjusted for inflation is at its second highest year ever, less only than giving in 2017.

Giving by individuals, 1978-2018

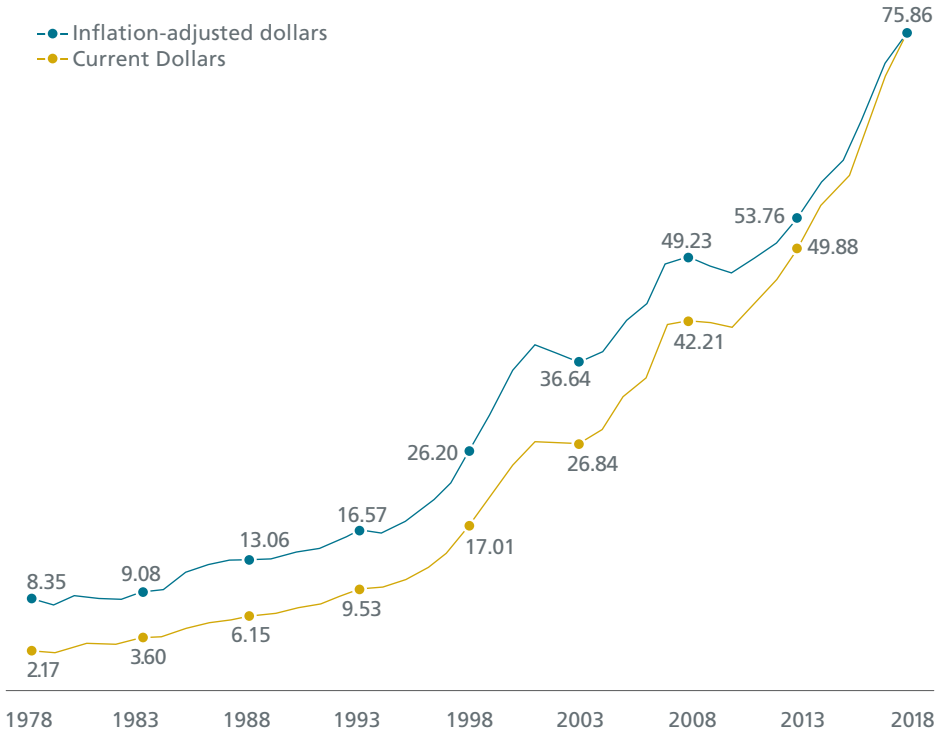
(in billions of dollars)



- Estimated charitable giving by individuals was \$292.09 billion in 2018, a decrease of 1.1 percent in current dollars from 2017. Adjusted for inflation, giving by individuals decreased 3.4 percent in 2018.¹¹
- The total giving by individuals estimate includes itemized and non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.
- Very large “mega-gifts,” or gifts by individuals, totaled \$4.8 billion in 2018. We produce a rounded econometric estimate to calculate mega-gifts.¹²

Giving by foundations, 1978-2018

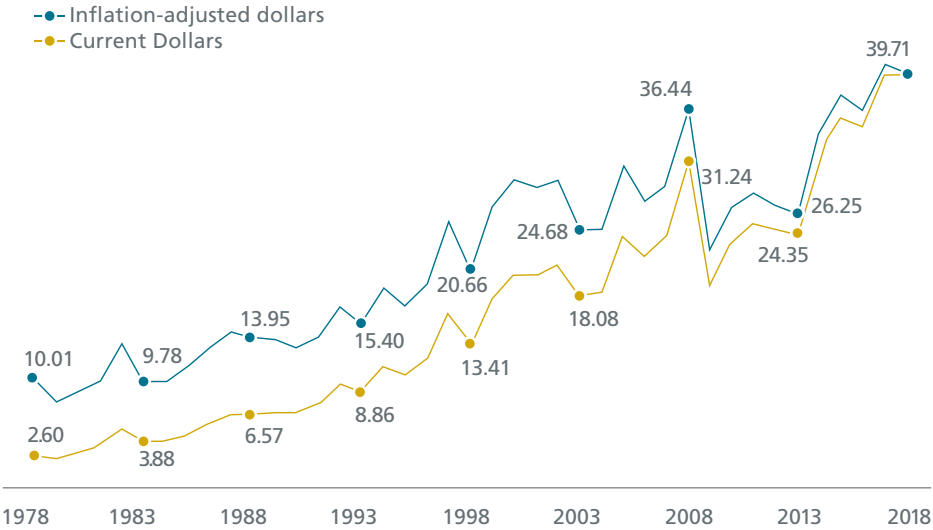
(in billions of dollars)



- In 2018, grantmaking by independent, community, and operating foundations increased 7.3 percent in current dollars from 2017—to an estimated \$75.86 billion—according to figures provided by Foundation Center. Adjusted for inflation, giving by foundations increased 4.7 percent in 2018.¹³
- In current dollars, giving by all three types of foundations included in the estimate grew in 2018:
 - Giving by independent foundations increased 7.2 percent;
 - Giving by operating foundations increased 4.9 percent; and
 - Giving by community foundations increased 10.2 percent.
- Giving USA estimates that, on average, giving by family foundations comprises 64 percent of giving by independent foundations each year. For 2018, this amount was \$34.58 billion.
- Giving by family foundations comprised an estimated 45.6 percent of total foundation giving in 2018.¹⁴

Giving by bequest, 1978-2018

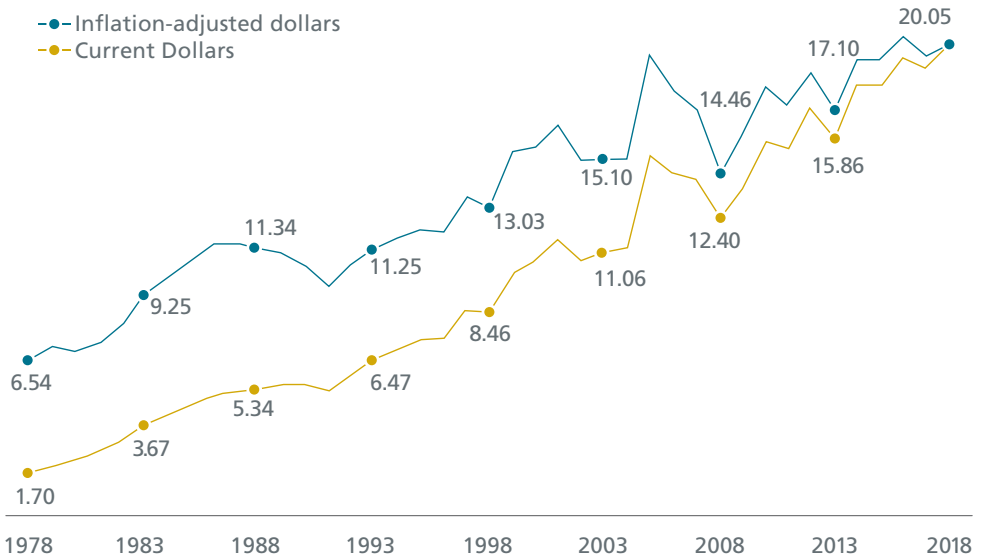
(in billions of dollars)



- Charitable giving by bequest remained virtually unchanged in current dollars between 2017 and 2018—to \$39.71 billion.¹⁵
- Adjusted for inflation, giving by bequest decreased 2.3 percent in 2018.
- The total giving by bequest estimate includes an amount for charitable bequests from estates with assets of \$5 million or above (filing estates), estates with assets between \$1 million and \$5 million, and estates with assets below \$1 million. For 2018:
 - Estimated bequest giving from estates with assets of \$5 million or above amounted to \$21.44 billion;
 - Estimated bequest giving from estates with assets between \$1 and \$5 million amounted to \$8.36 billion; and
 - Estimated bequest giving from estates with assets below \$1 million amounted to \$9.91 billion.

Giving by corporations, 1978-2018

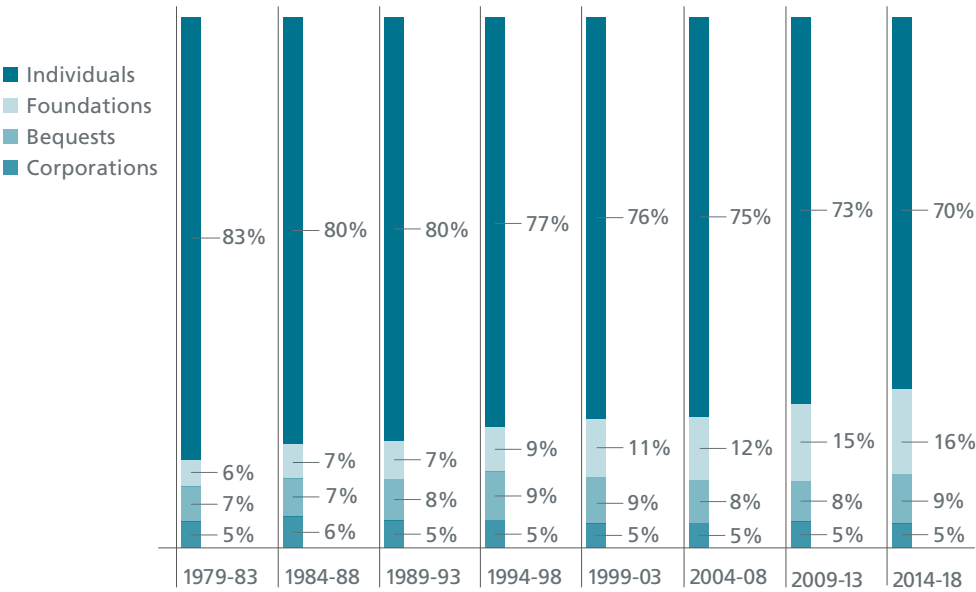
(in billions of dollars)



- In 2018, charitable giving by corporations increased by an estimated 5.4 percent in current dollars from 2017, totaling \$20.05 billion. Adjusted for inflation, giving by corporations increased 2.9 percent in 2018.¹⁶
- Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.
- In 2018, U.S. Gross Domestic Product (GDP) increased 5.2 percent from 2017,¹⁷ and corporate pre-tax profits fell 0.2 percent.¹⁸ Both of these economic indicators have been found to affect corporate giving.

Giving by source: percentage of the total in five-year spans, 1979-2018

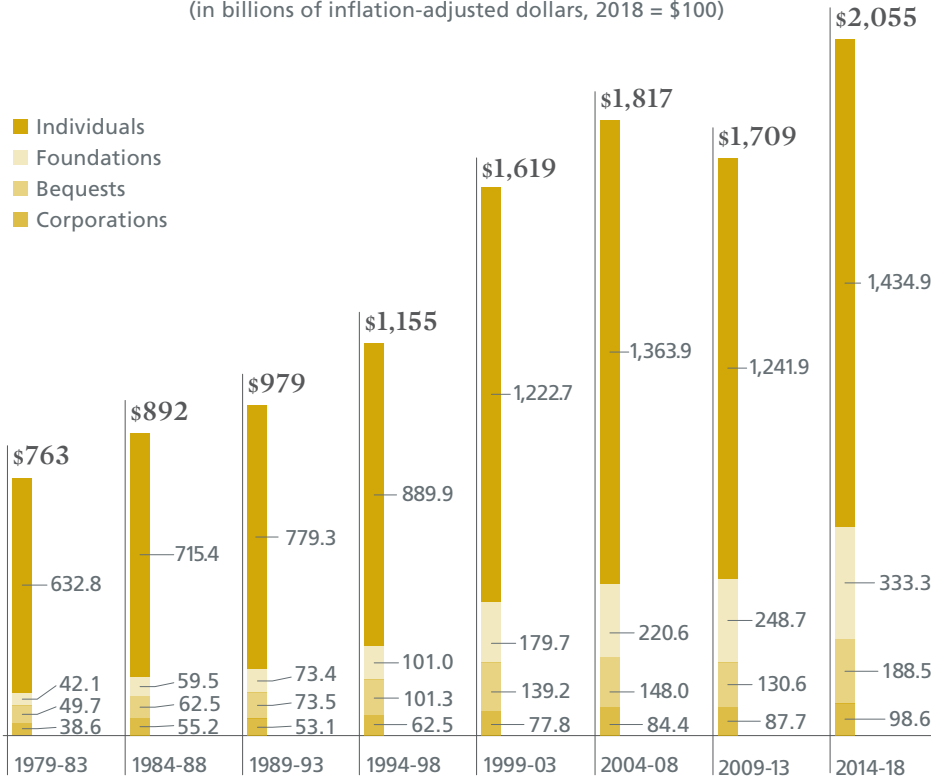
(in billions of inflation-adjusted dollars, 2018=\$100)



- Giving by individuals has declined considerably as a percentage of inflation-adjusted total giving over the last 40 years, from 83 percent during the five-year period beginning in 1979 to 70 percent during the five-year period beginning in 2014.¹⁹
- Giving by foundations has grown substantially as a percentage of inflation-adjusted total giving over the last 40 years, from 6 percent during the five-year period beginning in 1979 to 16 percent during the five-year period beginning in 2014.
- Giving by bequest has comprised between 7 percent and 9 percent of inflation-adjusted total giving over the last 40 years, reaching its highest levels during the 1994–1998, 1999–2003, and 2014–2018 periods.
- Giving by corporations has comprised between 5 percent and 6 percent of inflation-adjusted total giving. During the last six five-year periods, giving to corporations has amounted to 5 percent of total giving.

Total giving by source in five-year spans, 1979-2018

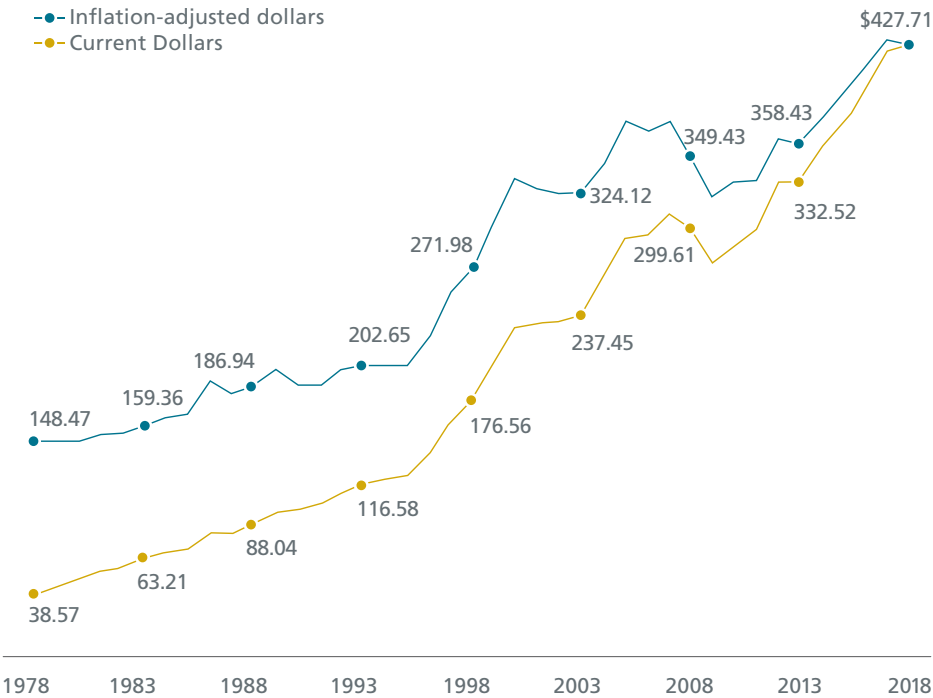
(in billions of inflation-adjusted dollars, 2018 = \$100)



Giving USA uses the CPI to adjust for inflation

- Adjusted for inflation, the average rate of change in total giving by source between each five-year period during the last 40 years was 15.9 percent.²⁰ Total giving saw especially strong growth between the five-year periods beginning in 1999 and 2003, at 40.2 percent.
- 1999 to 2003 was the largest five-year period of growth for individuals and foundations. Corporations experienced the largest five-year period of growth between 1984-1988, while bequests saw the largest period of growth from 2014-2018, at 44.3 percent.
- The 1999-2003 period was especially strong for giving by foundations; during this time, foundation giving grew 78 percent.²¹

Trends for total giving, 1978-2018
 (in billions of dollars)



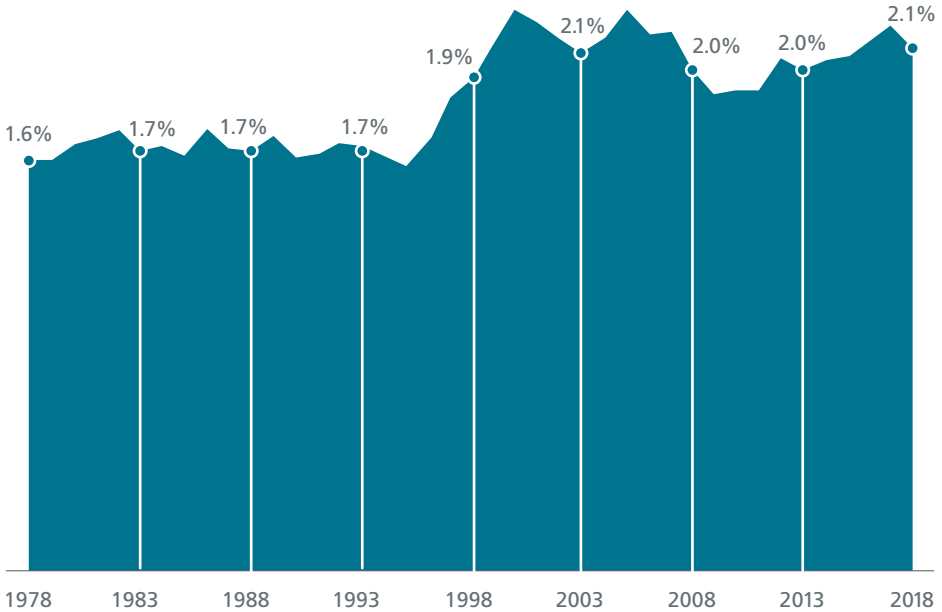
- Total charitable giving reached \$427.71 billion in 2018, increasing by \$2.97 billion in current dollars from 2017.²²
- The average year-to-year change in total giving between 1979 and 2018 was \$9.73 billion in current dollars, making the current-dollar change in total giving between 2017 and 2018 much smaller than the 40-year average.
- Since \$100.00 in 2018 was worth \$97.62 in 2017, the total giving between 2017 and 2018 in inflation-adjusted dollars is less than it is in current dollars. Total giving decreased \$7.40 billion in inflation-adjusted dollars between 2017 and 2018.
- The average year-to-year inflation-adjusted change in total giving between 1979 and 2018 was \$6.98 billion. The inflation-adjusted change between 2017 and 2018 was negative (-1.7 percent), and

is lower than the average inflation-adjusted change over the last 40 years (2.7 percent).

- Since 1978, current-dollar total giving grew the most during the 10-year period between 1979 and 1988, at 104 percent. The 10-year period between 1999 and 2008 saw the slowest period of growth in current dollars, at 47 percent.
- Since 1978, inflation-adjusted total giving grew the most during the 10-year period between 1989 and 1998, at 36.59 percent. The slowest growth in inflation-adjusted total giving occurred during the 10-year period between 1999 and 2008, at 14.1 percent.

Total giving as a percentage of Gross Domestic Product (GDP), 1978-2018

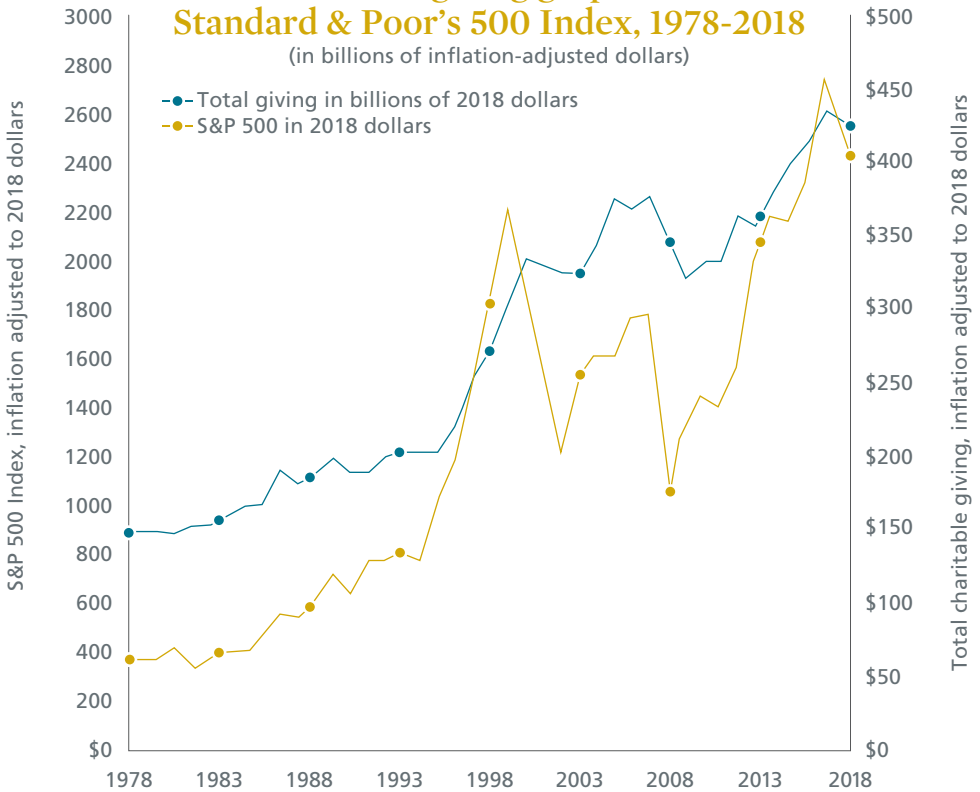
(in inflation-adjusted dollars, 2018 = \$100)



- Several economic factors are related 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 time period, and is one of the most important factors in measuring the status of a nation's economic health.²³
- GDP increased by 2.7 percent in inflation-adjusted dollars between 2017 and 2018.²⁴ This rate of change compares with 1.7 percent decrease in inflation-adjusted total giving during the same period. In 2018, total giving as a percentage of GDP was 2.1 percent.
- 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 dropped to 1.9 percent during the years 2009–2011.

Total charitable giving graphed with the Standard & Poor's 500 Index, 1978-2018

(in billions of inflation-adjusted dollars)



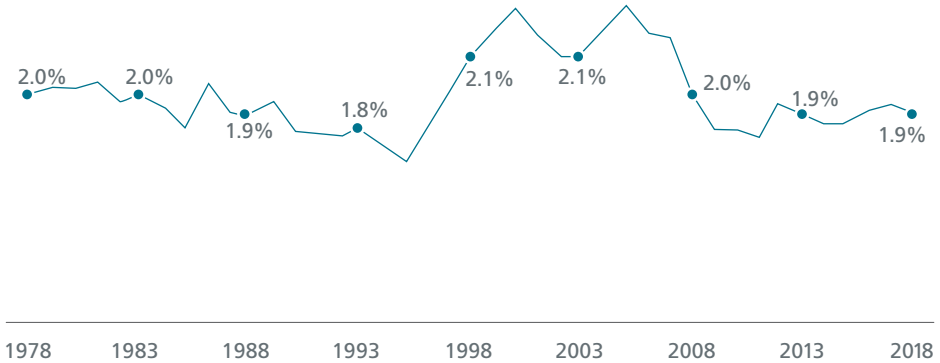
- Research has found a statistically significant correlation between changes in total giving and changes in Standard & Poor's 500 Index (S&P 500) values. Since the stock market is an indicator of financial and economic security, households and corporations are more likely to give when the stock market is up.
- The direction of change and robustness of growth in total giving generally lags slightly behind the S&P 500. However, policy changes that affect charitable giving can mediate the connection between giving and stock values.
- The S&P 500 generally sees more dramatic changes from year to year compared with total giving. The inflation-adjusted range of change in the S&P 500 during the last 10-year period (2009 to 2018) was –8.5 percent to 27.7 percent.²⁵ This compares with

inflation-adjusted total giving ranging from -8.0 percent to 9.2 percent during the same period.

- Adjusted for inflation, the S&P 500 decreased 8.5 percent—compared with 1.7 percent decrease in total giving—between 2017 and 2018.

Individual giving as a percentage of disposable personal income, 1978-2018

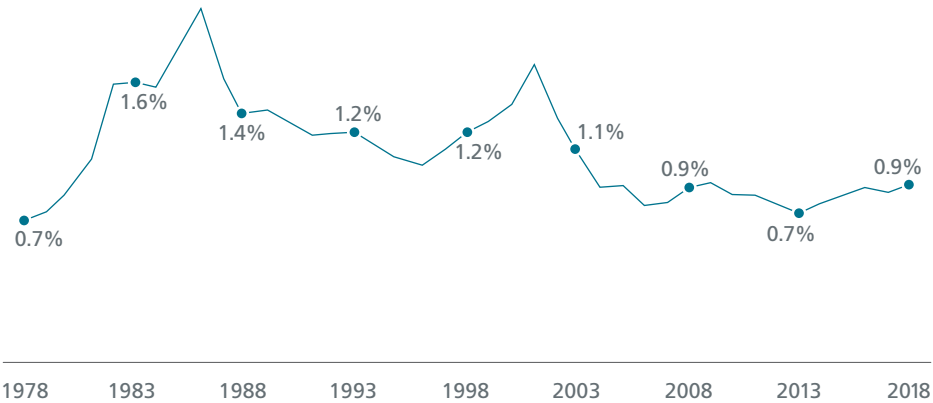
(in current dollars)



- Disposable personal income is tied to total household income, which is a key determinant of how much households give. In many cases, how much households give depends on their spendable, or disposable personal, income. This type of income is defined as that which is available after taxes have been paid.²⁶
- In 2018, disposable personal income increased 5.0 percent in current dollars from 2017. This compares with 4.4 percent growth in disposable personal income between 2016 and 2017.²⁷
- In current dollars, individual giving as a percentage of disposable personal income was 1.9 percent in 2018, a slight decrease from the 2.0 percent level that held constant from 2016 to 2017.
- During the last 40 years, individual giving as a percentage of disposable personal income reached its highest level in 2005, at 2.4 percent. Individual giving as a percentage of disposable personal income reached its lowest level in 1995, dropping to 1.7 percent.

Corporate giving as a percentage of corporate pre-tax profits, 1978-2018

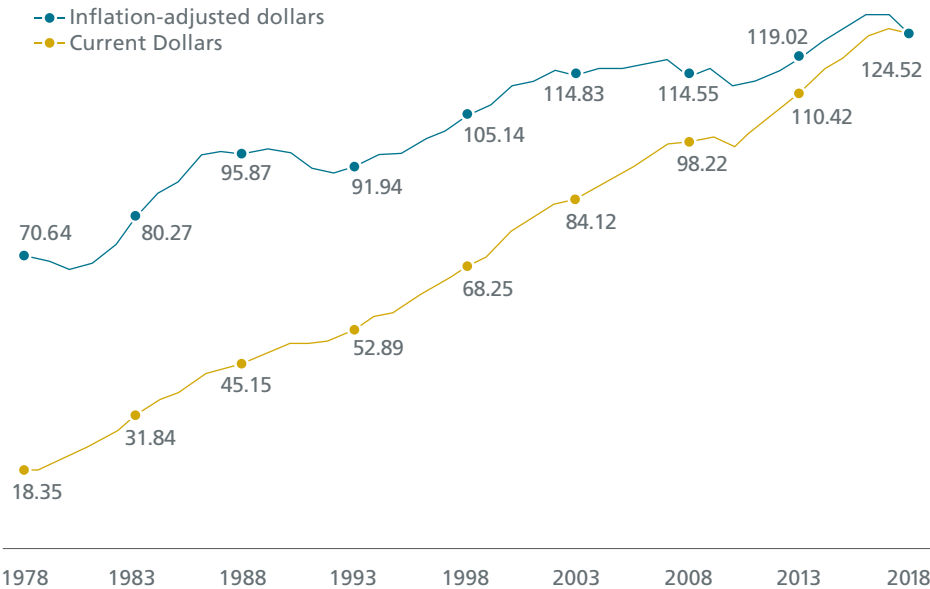
(in current dollars)



- Corporate pre-tax profits are a significant factor in how much companies give each year, and changes in corporate giving closely follow corporate pre-tax profits.
- Corporate giving, including grants from corporate foundations, comprised an estimated 0.9 percent of corporate pre-tax profits in 2018.²⁸ This figure, which has stayed level since 2015, is a slight increase from 0.8 percent in 2014.
- Corporate giving as a percentage of corporate pre-tax profits reached its highest level in 1986, at 2.0 percent.
- Since 1978, corporate giving as a percentage of corporate pre-tax profits has averaged 1.1 percent. During the same period, corporate giving grew at an average annualized rate of 6.4 percent, while corporate pre-tax profits grew at an average annualized rate of 5.6 percent.

Giving to religion, 1978-2018

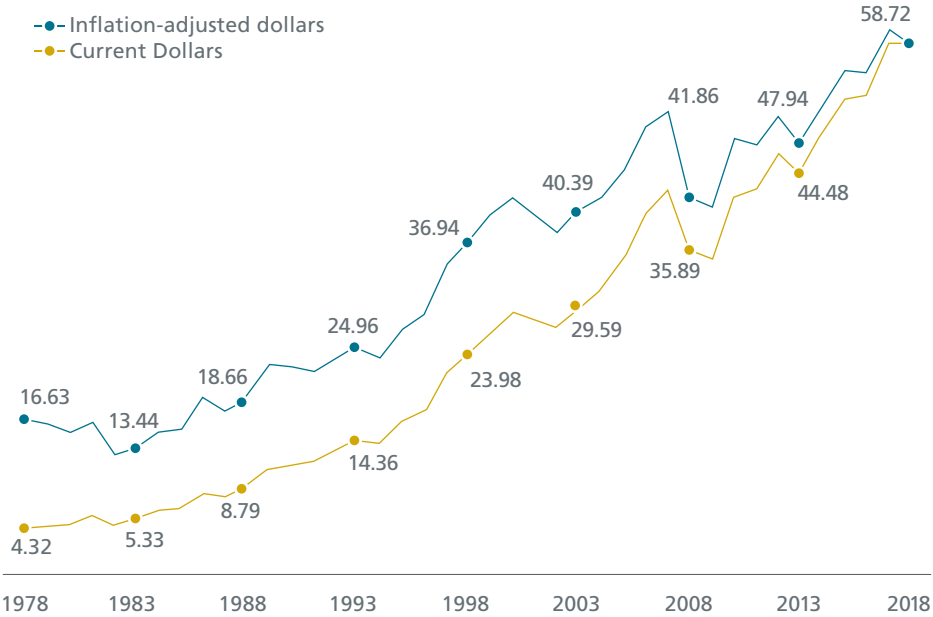
(in billions of dollars)



- Contributions to the religion subsector comprised 29 percent of all donations received by charities in 2018.²⁹
- Giving to religious organizations decreased 1.5 percent in current dollars from 2017, totaling \$124.52 billion in 2018. Adjusted for inflation, contributions to religion decreased 3.9 percent in 2018.
- In 2017, donations to the religion subsector totaled the highest inflation-adjusted amount recorded to date. The 2017 total remained the highest in 2018.

Giving to education, 1978-2018

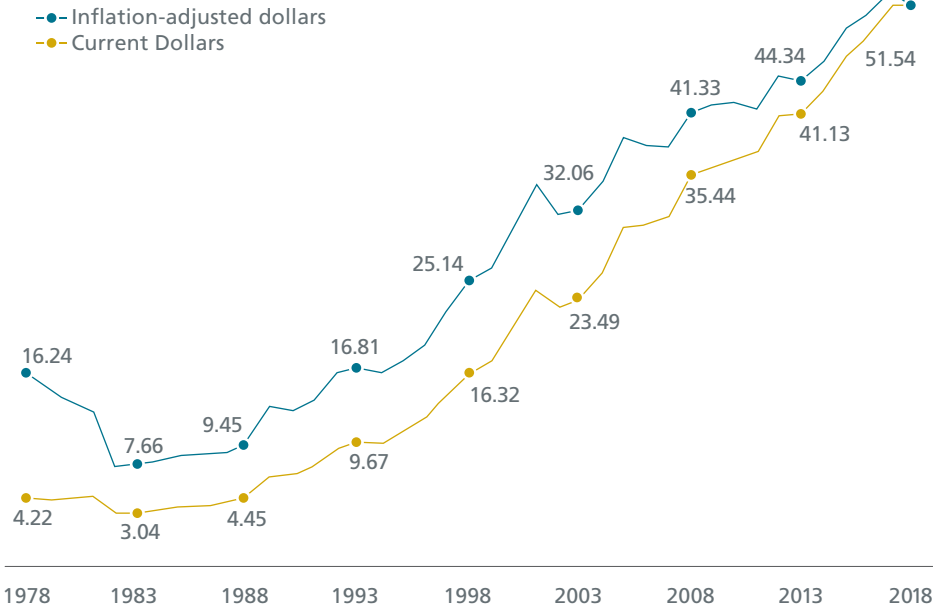
(in billions of dollars)



- Contributions to the education subsector amounted to 14 percent of total giving in 2018.³⁰
- Donations to education organizations decreased 1.3 percent in current dollars from 2017—to \$58.72 billion in 2018. Adjusted for inflation, contributions to education decreased 3.7 percent in 2018.
- In 2017, giving to the education subsector reached the highest inflation-adjusted value recorded to date. The 2017 total remained the highest in 2018.

Giving to human services, 1978-2018

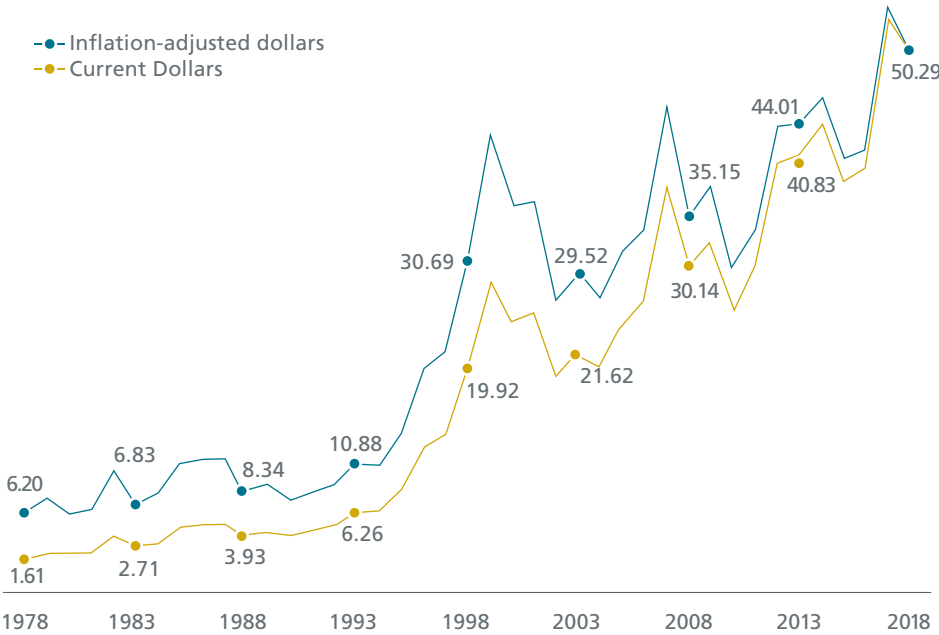
(in billions of dollars)



- Contributions to the human services subsector comprised 12 percent of all donations received by charities in 2018.³¹
- In current dollars, giving to human services organizations decreased 0.3 percent from 2017, totaling \$51.54 billion in 2018. Adjusted for inflation, contributions to human services decreased 2.7 percent between 2017 and 2018.
- In 2017, donations to the human services subsector totaled the highest inflation-adjusted amount recorded to date. That total remained the highest in 2018.

Giving to foundations, 1978-2018*

(in billions of dollars)

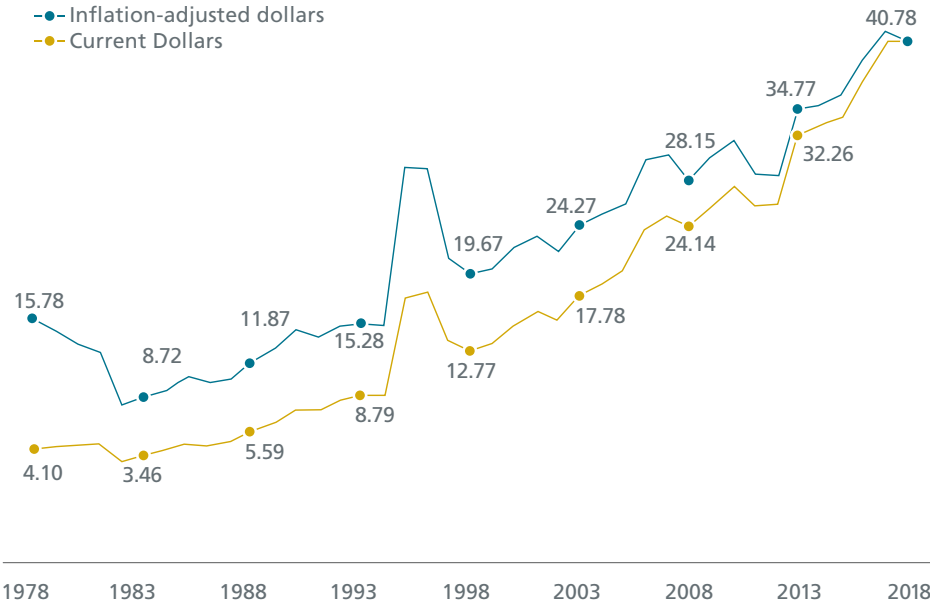


*Giving to foundations began to be reported in 1978.

- Contributions to foundations amounted to 12 percent of total charitable donations in 2018.³²
- Giving to foundations decreased 6.9 percent in current dollars from 2017—to \$50.29 billion in 2018. Adjusted for inflation, contributions to foundations decreased 9.1 percent in 2018.
- The giving to foundations estimate includes donations made to independent, community, and operating foundations.
- In 2017, contributions to foundations reached the highest inflation-adjusted value recorded to date. That value remained the highest in 2018. The 2017 value was an anomaly; indeed, even in inflation-adjusted terms, the 2018 value is more than 8% larger than any other year besides 2017.

Giving to health, 1978-2018

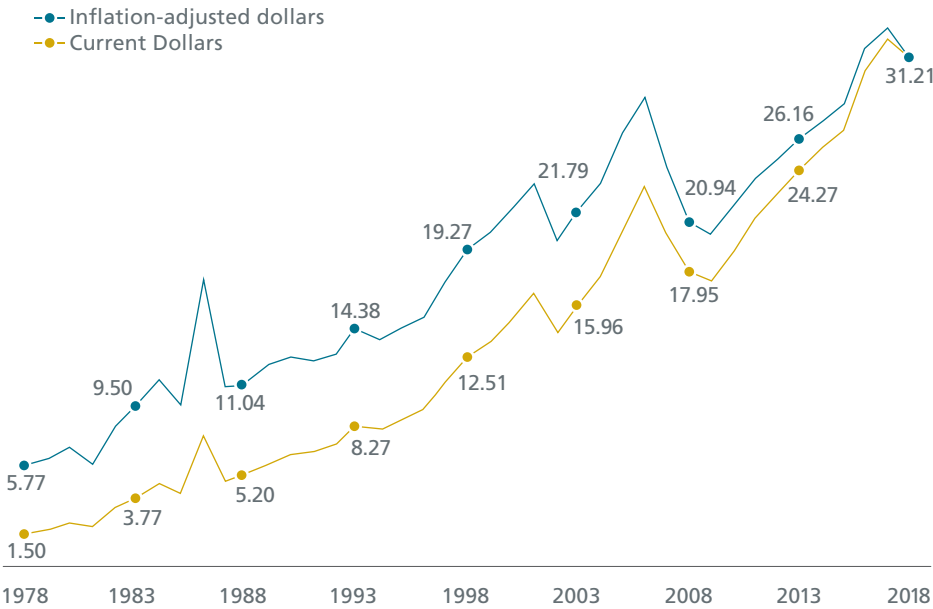
(in billions of dollars)



- Contributions to the health subsector comprised 10 percent of all donations received by charities in 2018.³³
- In current dollars, giving to health organizations grew 0.1 percent from 2017, totaling \$40.78 billion in 2018. Adjusted for inflation, contributions to health decreased 2.3 percent between 2017 and 2018.
- In 2017, donations to the health subsector reached the highest inflation-adjusted amount recorded to date. The 2017 total remained the highest in 2018.

Giving to public-society benefit, 1987-2018*

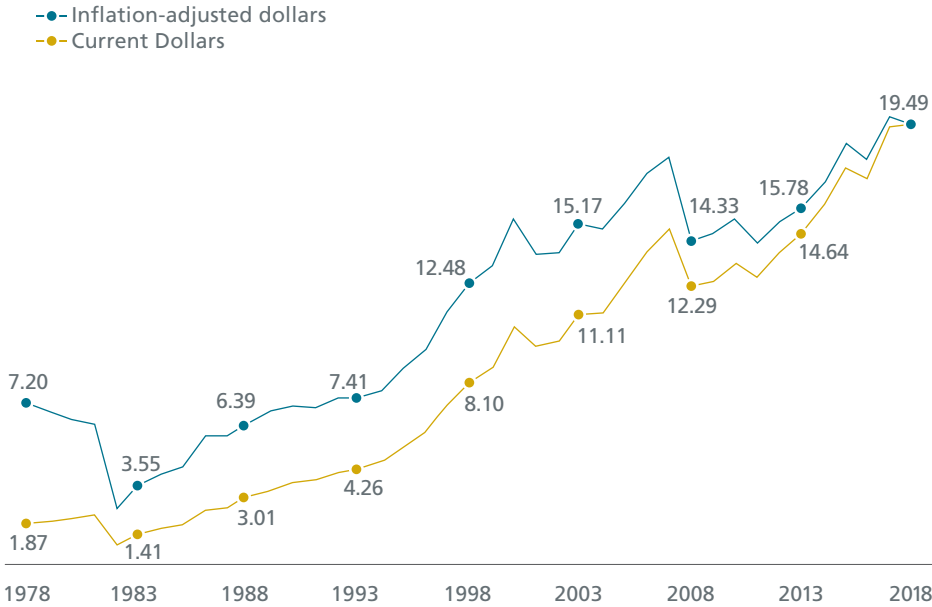
(in billions of dollars)



- Contributions to public-society benefit organizations amounted to 7 percent of all donations received by charities in 2018.³⁴
- Donations to the public-society benefit subsector declined 3.7 percent in current dollars from 2017, for a total of \$31.21 billion in 2018. Adjusted for inflation, giving to public-society benefit organizations declined 6.0 percent in 2018.
- Contributions to public-society benefit organizations reached the highest inflation-adjusted value recorded to date in 2017. That total remained the highest in 2018.

Giving to arts, culture, and humanities, 1987-2018*

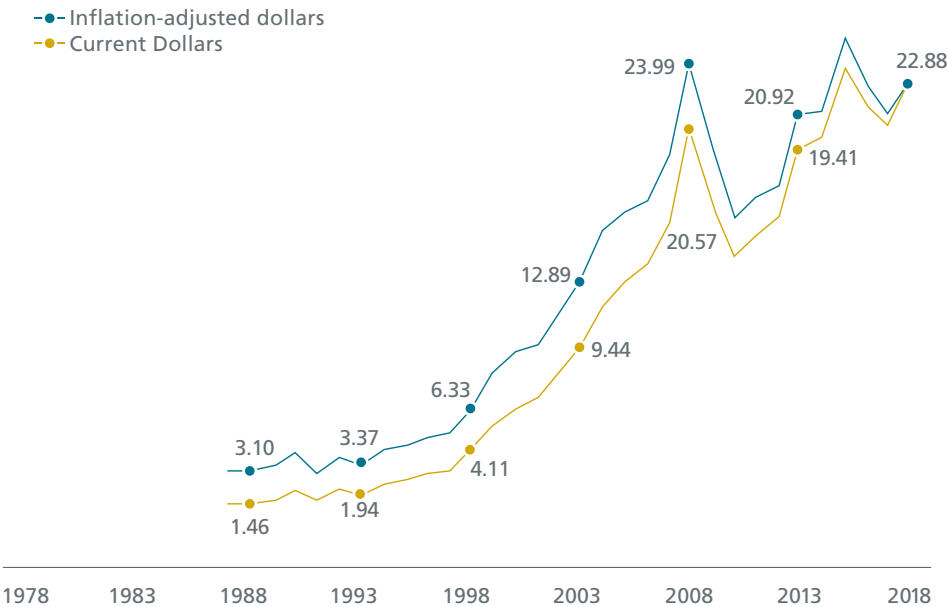
(in billions of dollars)



- Contributions to the arts, culture, and humanities subsector comprised 5 percent of all charitable donations in 2018.³⁵
- In current dollars, giving to arts, culture, and humanities organizations increased 0.3 percent from 2017, totaling \$19.49 billion in 2018. Adjusted for inflation, contributions to these organizations decreased 2.1 percent in 2018.
- Donations to the arts, culture, and humanities subsector reached the highest inflation-adjusted amount record to date in 2017. This total remained the highest in 2018.

Giving to international affairs, 1987-2018*

(in billions of dollars)

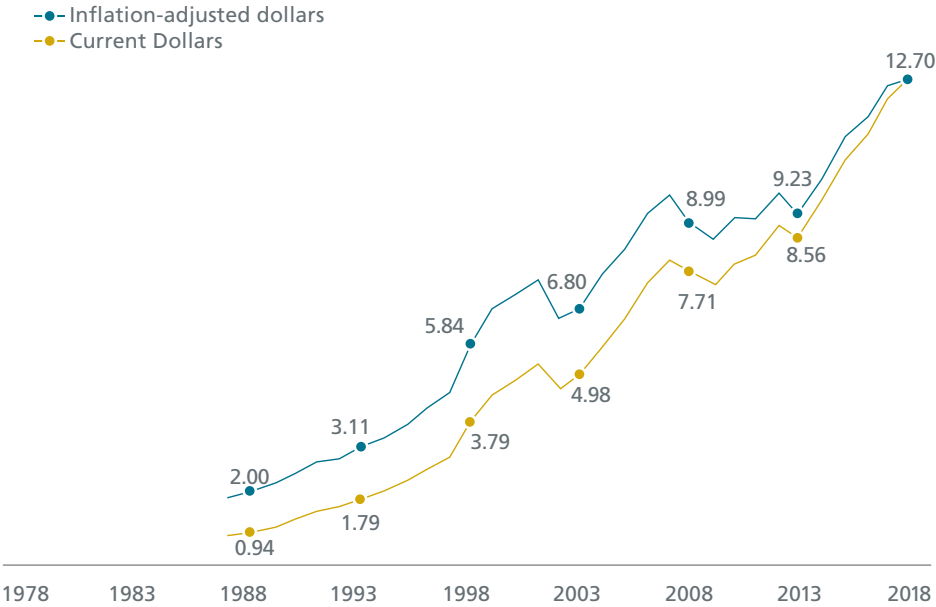


*Giving to the international affairs subsector began to be tracked separately in 1987.

- Contributions to the international affairs subsector amounted to 5 percent of total giving in 2018.³⁶
- Donations to international affairs organizations increased 9.6 percent in current dollars from 2017—to \$22.88 billion in 2018. Adjusted for inflation, contributions to international affairs increased 7.0 percent in 2018.
- Giving to the international affairs subsector recorded the highest inflation-adjusted value in 2015, at \$25.09 billion.

Giving to environment/animals, 1987-2018*

(in billions of dollars)

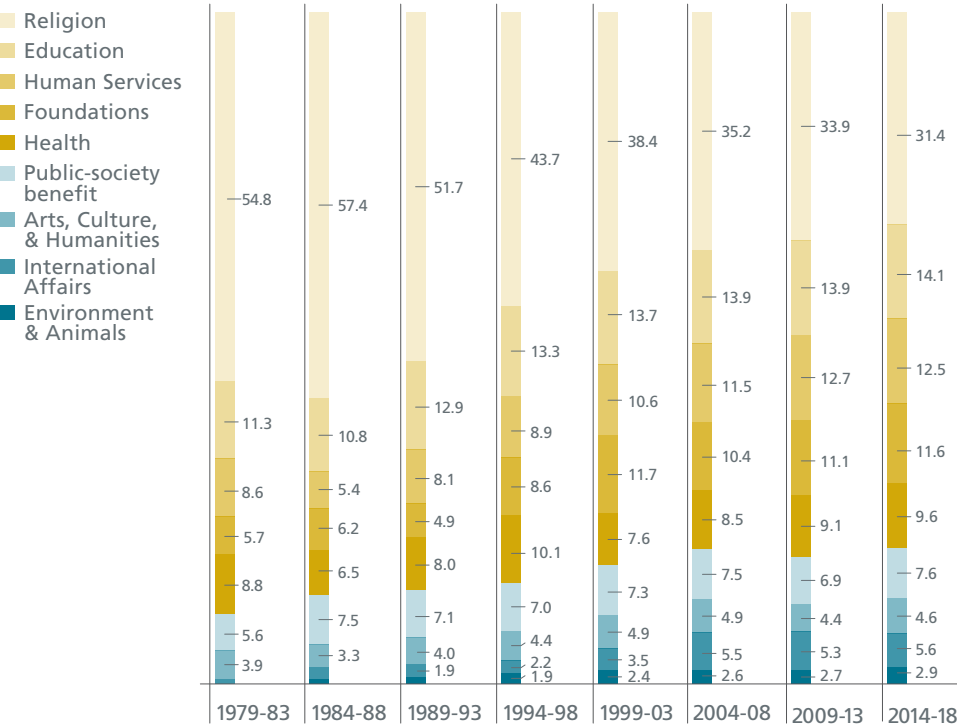


*Giving to the environment/animals subsector began to be tracked separately in 1987.

- Contributions to the environment/animals subsector comprised 3 percent of all charitable donations in 2018.³⁷
- In current dollars, giving to environment/animal organizations increased 3.6 percent from 2017, totaling \$12.70 billion in 2018. Adjusted for inflation, contributions to these organizations grew 1.2 percent in 2018.
- Donations to the environment/animals subsector reached the highest inflation-adjusted amount recorded to date in 2018.

Giving by type of recipient: Percentage of the total in five-year spans, 1979-2018*

(adjusted for inflation, 2018 = \$100, does not include “unallocated”)



**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.*

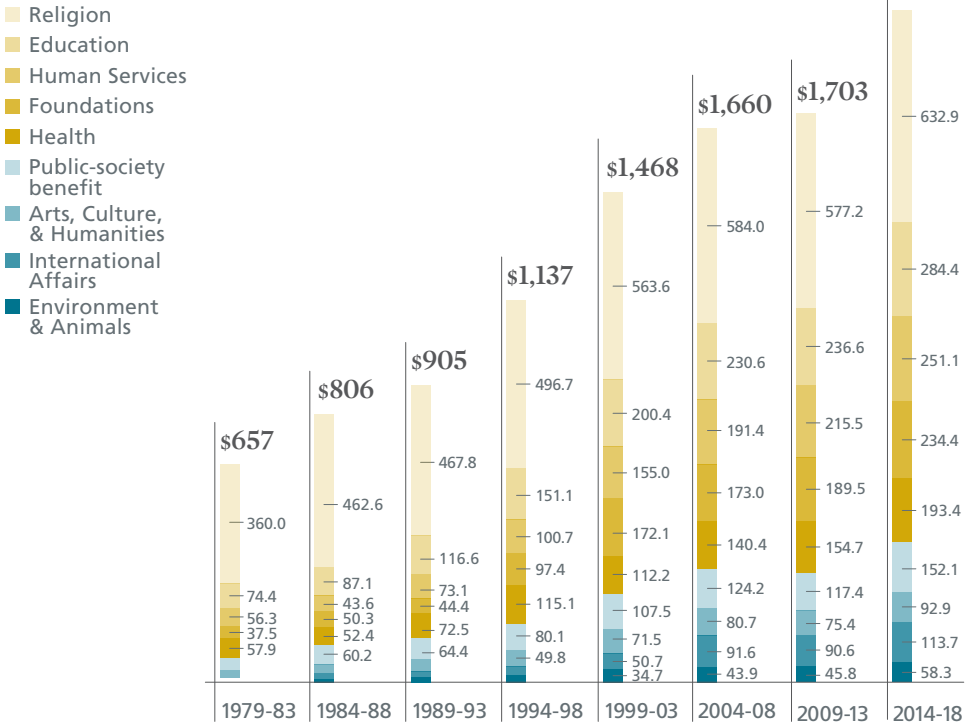
- Giving to religious organizations has been declining as a share of total giving since the five-year period beginning in 1984, when it reached 57 percent. During the last five-year period (2014–2018), contributions to the religion subsector comprised 31 percent of total giving.³⁸
- Education organizations have received between 11 percent and 14 percent of all charitable donations over the past 40 years. Giving to the education subsector was strongest during the last two decades (1999–2018).
- Giving to human services organizations as a share of total giving was 12 percent during the last five-year period (2014–2018). This

subsector's share of all charitable donations was in single-digit percentages during the five-year periods beginning in 1979, 1984, 1989, and 1994, but increased to between 11 percent and 13 percent of total giving during the last two decades (1999-2018).

- Foundations have received between 5 percent and 12 percent of all contributions over the past 40 years. Giving to foundations was strongest in the last two decades (1999-2018).
- Donations to the health subsector have comprised between 6 percent and 10 percent of total giving over the past 40 years.
- Over the past 40 years, public-society benefit organizations have received between 6 percent and 8 percent of all contributions.
- Donations to the arts, culture, and humanities subsector have amounted to between 3 percent and 5 percent of total giving over the past 40 years.
- Contributions to international affairs organizations began to be tracked in 1987. This subsector maintained or increased its share of total charitable donations in all subsequent five-year periods, except the period beginning in 2009.
- Giving to environment/animal organizations began to be tracked in 1987. Since this time, contributions to the environment/animals subsector has steadily risen to 3 percent of total charitable donations during the last three five-year periods (2004-2018).

Total giving by type of recipient organization in five-year spans, 1979-2018*

(in billions of inflation-adjusted dollars,
2018 = \$100, does not include "unallocated")



*Giving USA uses the CPI to adjust for inflation. Not all values are shown.

- Giving to all types of charitable organizations during the last five-year period (2014–2018) rose above giving to all types of charitable organizations during the previous five-year period (2009–2013).³⁹
- Total giving saw the highest rate of growth between the five-year periods beginning in 1994 and 1999, at 29.1 percent. Total giving realized the lowest growth rate between the five-year periods beginning in 2004 and 2009, at 2.6 percent.
- During the last three five-year periods (2004-2018), giving to international affairs, human services, health, and environment/animal organizations saw the highest rates of growth. These rates of growth, though overall among the highest rates, were volatile for

international affairs and environment and animals. Giving to religion realized the lowest growth rate during the same period.

- Since 2004, rates of growth between five-year periods were lowest in 2009-2013. Rates of growth increased for all subsectors in the five-year period beginning in 2014.

REFERENCES

- 1 Data were provided by Candid (formerly Foundation Center) in April 2019 and are subject to revision. For more data on giving by and to foundations, visit Candid's website (www.candid.org).
- 2 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.
- 3 Same as note 2.
- 4 Same as note 2.
- 5 Same as note 1.
- 6 Same as note 2.
- 7 Same as note 1.
- 8 Same as note 2.
- 9 Same as note 2.
- 10 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.
- 11 Same as note 2.
- 12 See the "Brief Summary of Methods Used" section of this report for more information.
- 13 Same as note 1.
- 14 See Candid's *Key Facts on Family Foundations* reports.
- 15 Same as note 2.
- 16 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. Note that corporate foundation data were provided by Candid (formerly Foundation Center) in April 2019 are subject to revision. For 2018, corporate foundations gave \$6.88 billion, a 6.5 percent increase from 2017 in current dollars.
- 17 "Gross Domestic Product," Bureau of Economic Analysis, U.S. Department of Commerce, 2018, retrieved April 2019, www.bea.gov
- 18 This data is in current dollars. Data about corporate pre-tax profits comes from "Corporate Profits Before Tax by Industry," Bureau of Economic Analysis, U.S. Department of Commerce, 2018, retrieved April 2019, www.bea.gov/ITable/index_nipa.cfm
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- 26 Same as note 24.
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- 29 Same as note 2.
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- 31 Same as note 2.
- 32 Same as note 2.
- 33 Same as note 2.
- 34 Same as note 2.
- 35 Same as note 2.
- 36 Same as note 2.
- 37 Same as note 2.
- 38 Same as note 2.
- 39 Same as note 2.

A photograph of a man and a woman with curly hair, both smiling and looking at a laptop screen. They are in a modern, brightly lit room with large windows in the background. The image is overlaid with a semi-transparent grey box containing the section header.

3 Giving by Individuals

- Estimated charitable giving by individuals was \$292.09 billion in 2018, a decline of 1.1 percent from 2017 (in current dollars). Adjusted for inflation, giving by individuals declined 3.4 percent in 2018.¹
- The estimate for giving by individuals in 2018 includes itemized and non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.
- For the year 2018, giving by itemizing individuals grew an estimated 5.6 percent and giving by non-itemizing individuals grew an estimated 3.3 percent.²

Practitioner Highlights

- Donors in the mid-range of a given organization's gift pyramid may be impacted the most by the Tax Cut and Jobs Act. Extending your relationship-building and prospect management system to donors below your current major gift level makes good sense in this changing environment.³
- Despite strong economic indicators, the overall giving in this category declined compared to previous years.⁴ This change may be partially attributable to the tax policy changes, and the full impact remains to be seen.⁵
- Environmental influences on the sector are no longer possible to ignore. With growing speculation about the effects of tax policy, rise in donor-advised funds and impact investing, and the explosion of giving and engagement channels, organizations must consider how to adapt their strategies to develop a well-rounded funding portfolio in this era.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 individuals in 2018

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.⁷ Historically, disposable personal income has been especially important for non-itemizing households. In 2018, disposable personal income in the United States was up 5.0 percent

over 2017.⁸ Personal consumption, the amount expended by consumers for goods and services, is similar to disposable personal income.⁹ In 2018, personal consumption expenditures in the U.S. increased 4.7 percent over 2017.¹⁰

Household giving is also influenced by personal income and asset health. In 2018, personal income in the U.S. increased 4.5 percent over 2017.¹¹ The S&P 500, the primary barometer for asset health, is very closely related to overall giving by individuals and households. In 2018, despite a stronger overall year, the year-end S&P 500 declined 6.2 percent over 2017.¹²

Historically, 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 500.¹³

In 2018, the policy environment also likely influenced some donors' behavior. One important shift was the drop in the number of individuals and households who itemize various types of deductions on their tax returns. This shift came in response to the Tax Cuts and Jobs Act (TCJA), which went into effect in 2018 and nearly doubled the standard deduction for individuals and households.¹⁴ The impact of the TCJA is discussed later in this chapter.

To provide context for giving by individuals in 2018 and recent years, the following sections detail individual and household giving trends covered by media and philanthropic research organizations.

Fundraising software data indicate relatively flat growth in giving in 2018

The Fundraising Effectiveness Project's *Quarterly Fundraising Report* for the fourth quarter of 2018, which presents year-to-date nonprofit sector trends for the 2018 calendar year, showed slow growth, with only a 1.6 percent increase in charitable receipts in 2018.¹⁵ The report is released quarterly by the Association of Fundraising Professionals and the Urban Institute, and draws on data from four donor software firms representing 17,597 U.S. charitable organizations. Revenue figures are adjusted for inflation.

The *Quarterly Fundraising Report* revealed that the slight growth in nonprofit revenue realized in 2018 was driven by major donors (defined by the Fundraising Effectiveness Project as those giving \$1,000 or more), whose contributions increased 2.6 percent over 2017.¹⁶ In 2018, donations from

general donors (those making gifts below \$250) and mid-level donors (those giving between \$250 and \$999) declined by 4.4 percent and 4.0 percent, respectively. The report also found that the number of donors and the donor retention rate dropped in 2018. Donor retention refers to the share of donors who made donations to the same organization in both 2017 and 2018.

Blackbaud Institute's *Charitable Giving Report* showed similar results regarding total fundraising in 2018.¹⁷ In nominal terms, overall giving grew by 1.5 percent, while online giving increased 1.2 percent, from 2017. However, 8.5 percent of overall fundraising in 2018 came from online giving—the highest percentage in the nearly 20 years the Blackbaud Institute has tracked online giving. The report draws on data from 9,029 organizations with more than \$31.9 billion in total fundraising revenue. The online giving data come from 5,537 nonprofits with more than \$2.7 billion in online fundraising revenue.

The *Charitable Giving Report* also measures trends in overall and online giving by organization size and nonprofit subsector.¹⁸ At 2.3 percent, large organizations (defined as those receiving more than \$10 million in donations annually) saw the largest increase in total fundraising in 2018. Medium-sized organizations (those with annual fundraising revenue between



\$1 million and \$10 million) experienced 2.0 percent growth in total fundraising, while total fundraising declined by 2.3 percent for small organizations (those receiving less than \$1 million in annual contributions). However, a different pattern emerged for online giving in 2018. Medium organizations saw the largest increase in online fundraising revenue at 3.7 percent. Online fundraising revenue grew by 0.7 percent for small organizations and fell by 0.5 percent for large organizations.

In 2018, arts and culture and animal welfare nonprofits realized the greatest increase in overall donations, up 5.5 percent and 5.1 percent, respectively, from 2017.¹⁹ Environment (-2.9 percent) and medical research (-2.2 percent) organizations saw the largest total fundraising declines. Arts and culture organizations also led the nonprofit sector with respect to online giving in 2018, with 5.8 percent growth, followed by public and society benefit organizations with 4.4 percent growth.

Nonprofits in the international affairs and animal welfare subsectors saw the largest declines in online fundraising, with revenues from this source dropping 8.3 and 3.0 percent, respectively, for these organizations in 2018.

Surveys show more than half of fundraisers saw increased donations in 2018, despite economic and political uncertainty

In addition to data from fundraising software platforms, a variety of companies and associations administered surveys of fundraising professionals, as well as donors themselves, to understand how charitable giving fared in 2018.

Salesforce.org's *2019 Nonprofit Fundraising Productivity and Effectiveness Report* presents findings from an online survey of fundraising professionals from nonprofit organizations across the United States in February and March of 2019. The results indicate that 54 percent of the 305 survey respondents either exceeded or greatly exceeded their fundraising goals in 2018.²⁰ Approximately 27 percent of

respondents met their fundraising goals, while 17 percent either fell short or greatly fell short of reaching their goals.

However, key differences emerged among organizations of various sizes. At 60 percent, the largest organizations responding to the survey (those with annual revenue surpassing \$25 million) were more likely to report exceeding their fundraising goals in 2018 than respondents from the smallest organizations (those with annual revenue below \$1 million), at 41 percent.²¹

In a survey conducted by the Association of Fundraising Professionals (AFP) in January 2019, 54 percent of the 384 AFP member respondents reported raising more money in 2018 than in 2017.²² AFP's *2018 Year-End Fundraising Survey* found that 28 percent of respondents raised approximately the same amount in 2018 as in 2017, and 18 percent reported raising less money in 2018 than in 2017. The survey also asked AFP members the extent to which the economy and the tax policy changes passed at the end of 2017 affected their fundraising efforts.

Survey respondents were mixed regarding the impact of the economy on 2018 fundraising: 36 percent indicated the economy had a positive effect on their fundraising, while 35 percent stated that economic factors had little to no impact on their fundraising, and 29 percent reported the economy

negatively affected their fundraising.²³ Responses also varied with respect to the impact of tax policy changes on 2018 fundraising results. Fifty-four percent of survey respondents indicated that tax policy had little to no impact on their fundraising: 9 percent stated that tax policy had a positive effect on their fundraising. However, 37 percent reported that tax policy negatively impacted their fundraising.

The *Tax Reform and Donor Attitudes* study by fundraising consulting firm Marts & Lundy also measured donors' expected responses to the 2017 tax policy changes. The findings were based on feasibility interviews with 105 donors, as well as an online survey of more than 2,500 donors of various income levels.²⁴ The results revealed different anticipated effects of tax policy among the two donor groups.

While a similar percentage of the donors from the feasibility interview and mixed-income donors from the survey indicated they planned to increase their giving in 2018 (both 10 percent), 53 percent of the donors who were part of the feasibility interview group—compared with 39 percent of donors of various income levels from the survey—

expected their giving to remain the same.²⁵ At 45 percent, mixed-income donors from the survey were more likely to express uncertainty about the impact of tax policy on their giving than the donors from the feasibility interviews (37 percent). Additionally, another 6 percent of mixed-income donors from the survey indicated that they planned to decrease their giving in 2018, while none of the donors from the interviews indicated they planned to decrease giving.

EARLY DATA OFFER PREVIEW OF YEAR-END RESULTS

Two times per year, the Nonprofit Research Collaborative (NRC) conducts a 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. The data presented in this chapter are from the 2018 mid-year report, since NRC had not released year-end data for 2018 at the time of this publication. The data derive from 753 respondents to a survey fielded in August and September 2018 that asked organizations about



their fundraising during the first half of the year (January through June 2018).²⁶

The results show that 58 percent of nonprofits realized an increase in charitable receipts during the first half of 2018 compared with the first half of 2017.²⁷ The survey report states that since NRC began conducting the mid-year survey in 2011, the proportion of organizations indicating an increase in fundraising revenue has been lower mid-year compared with the end of the year. Similar to other studies of 2018 charitable giving, the NRC survey revealed variation among organizations of different sizes. More than two-thirds (69 percent) of organizations with an annual budget of \$50 million or more reported increased charitable receipts in 2018 over the same period in 2017, while less than half (48 percent) of organizations with an annual budget below \$1 million indicated growth in fundraising revenue.

The Charities Aid Foundation (CAF) conducted a survey in August 2018 that inquired about charitable giving during the previous 12 months. The results are based on responses from a nationally representative sample of 1,193 individuals using YouGov's online panel.²⁸ In its second edition, *The Charitable Giving in the USA 2019* report is part of an international series of country reports on philanthropy produced by the CAF Global Alliance. The report indicated that 62 percent

of Americans donated money in the last year—either by contributing to a charity or church/religious organizations, or by sponsoring someone for charity. This percentage represents a significant increase from 2017, when 55 percent of Americans reported engaging in these behaviors.

Despite increased monthly giving, online giving stagnant in 2018

In spring 2019, M+R and NTEN released the 13th edition of the Benchmarks study, which investigates donor engagement and giving patterns among a sample of 135 nonprofits for the year 2018 in comparison with 2017.²⁹ The researchers analyzed approximately 4.4 billion email messages and more than 7 million online gifts totaling more than \$376 million.

Results of the email analysis revealed mixed performance for fundraising emails in 2018:³⁰

- The size of nonprofit email lists grew 5 percent, compared to 9 percent growth in 2017;
- Nonprofit email volume increased by 8 percent;
- Fundraising email revenue declined by 8 percent; and

- Fundraising email revenue represented 13 percent of all online revenue.

Findings from the online fundraising analysis also showed mixed growth in 2018:³¹

- Overall online giving grew 1 percent for reporting organizations (compared with 23 percent growth in 2017), with monthly giving increasing 17 percent;
- One-time online gifts declined by 2 percent;
- The overall number of online gifts increased 5 percent; and
- Online donor retention (referring to donors who gave an online gift in 2017 and gave an online gift again in 2018) averaged 37 percent across all subsectors, 3 percentage points lower than in 2017.

Finally, results of the social media analysis revealed:³²

- For every 1,000 email subscribers, nonprofits averaged 806 Facebook followers, 286 Twitter followers, and 101 Instagram followers.
- Nonprofits reported growth in social media followers in 2018, with Instagram lists growing 34 percent, Twitter lists growing 26 percent, and Facebook lists growing 6 percent; and

- Rights organizations realized the highest growth in both Instagram (71 percent) and Twitter (44 percent) followers in 2018, while hunger/poverty organizations saw the highest growth in Facebook followers (12 percent).

Tax Cuts and Jobs Act expected to impact individual giving

The United States Congress passed the Tax Cuts and Jobs Act (TCJA) in December 2017, significantly altering federal tax policy.³³ The law increased the standard deduction from \$6,350 in 2017 to \$12,000 in 2018 for single individuals and couples filing separately and from \$12,700 in 2017 to \$24,000 in 2018 for couples filing jointly, with annual increases for inflation. The TCJA also decreased the top marginal tax rate for individuals and couples from 39.6 percent to 37 percent, and capped the state and local income, sales, and property tax deduction at \$10,000 (or \$5,000 for couples filing separately).

RESEARCH PROJECTS POTENTIAL EFFECTS OF TAX POLICY CHANGES ON GIVING BY INDIVIDUALS

Although the full impact of the TCJA on charitable giving remains to be seen,

multiple reports were released in 2018 that examine the combined effects of different aspects of the legislation on total giving, primarily as a result of changes in giving by individuals.

The Tax Policy Center (TPC) released an analysis in January 2018 estimating that the law will lead to approximately a 5 percent decline in charitable giving, and that future contributions will come from fewer and wealthier donors.³⁴ TPC projects that the number of households claiming the charitable deduction (by itemizing deductions on their income tax returns) will decline from about 37 million in 2017 to around 16 million in 2018. Additionally, TPC expects the law's changes to individual income tax rates to lower the average marginal tax benefit of giving from 20.7 percent to 15.2 percent. Although the marginal tax benefit of giving will decline substantially for low- and moderate-income itemizers, the marginal tax benefit will remain largely unchanged for the highest-income itemizers.

In June 2018, a report from the American Enterprise Institute (AEI) predicted that the TCJA will reduce charitable giving by \$17.2 billion, or 4 percent, on a static basis (assuming fixed GDP) and \$16.3 billion, or 3.8 percent, on a dynamic basis (assuming modest economic growth).³⁵ AEI used the Open Source Policy Center's Tax Calculator to analyze the TCJA's impact on individual giving. The report projects that 83

percent of the decline in charitable giving will derive from an increase in the number of taxpayers who claim the standard deduction. AEI expects that 27.3 million taxpayers will shift from itemizing their deductions to claiming the standard deduction in 2018. The remainder of the decline in charitable giving will primarily stem from lower marginal tax rates for high-income Americans.

In the analysis released in July 2018, the University of Pennsylvania Wharton School of Business used its tax microsimulation model to estimate percent changes in charitable giving by household income level.³⁶ Totaling the results across all income groups, the Wharton School estimates that the TCJA will lead to a \$22 billion, or 5.1 percent, decline in total giving in 2018.³⁷ The model predicts a 9.6 percent decrease in giving reported on individual income tax returns.

STATES FACE CHALLENGES TO PROPOSED STATE AND LOCAL TAX DEDUCTION CAP WORKAROUNDS

Research suggests that capping the state and local tax (SALT) deduction may reduce individual giving by lowering the number of households that itemize, as well as affect to whom high-income households give.³⁸ As of August 2018, the legislatures of several states had passed or were considering workarounds to the SALT deduction

cap.³⁹ For instance, New York, New Jersey, Connecticut, and Oregon have approved regulations that offer residents state tax credits for certain charitable contributions.

However, the IRS proposed rules in August 2018 limiting the federal deduction allowable to taxpayers who receive state and local tax credits



for charitable donations.⁴⁰ With the exception of tax credits for 15 percent or less of the amount given, taxpayers claiming the charitable deduction must now decrease the amount claimed on their federal returns by the amount of the state or local credit they received.

Despite rise in net worth, giving by the wealthiest Americans declined in 2018

The annual *Forbes 400* list reported that the net worth of the 400 wealthiest U.S. residents reached a record \$2.9 trillion in 2018, up from \$2.7 trillion in 2017.⁴¹ Each *Forbes 400* member was worth an average of \$7.2 billion in 2018, up from \$6.7 billion in 2017. Entry onto the 2018 list required a minimum of \$2.1 billion, an increase of approximately 5 percent from the \$2 billion required in 2017.

Amazon founder and CEO Jeff Bezos took the number-one spot on the 2018 *Forbes 400*, marking the first time since 1994 someone other than Bill Gates has topped the list.⁴² Bezos, whose net worth rose from \$78.5 billion in 2017 to \$160 billion in 2018, saw the biggest single-year gain in the history of the *Forbes 400* and is the first person on the list with a net worth surpassing \$100 billion. He was followed by Bill Gates, Warren Buffett, Mark Zuckerberg, and Larry Ellison, respectively. Other members included:

- 15 newcomers. The fortunes of the individuals making their debut on the *Forbes 400* in 2018 derive from a variety of sources, including

transportation, e-commerce, and—for the first time ever—cryptocurrency. Of these newcomers, 12 are self-made entrepreneurs.⁴³

- 57 women (55 listed independently and two as part of a couple). The 57 women on the 2018 *Forbes 400* are worth a combined \$330 billion, up from a combined wealth of \$315 billion for the 55 women (50 listed independently and five as part of a couple) who appeared on the 2017 list.⁴⁴
- 12 individuals below the age of 40. Of the 2018 *Forbes 400* members under 40, Mark Zuckerberg is the richest, with a net worth of \$61 billion, and Evan Spiegel is the youngest, at age 28.⁴⁵ Five of these 12 members' fortunes derive from social media, specifically Facebook and Snap.

Philanthropy 50 donors look toward the future

For 19 years, *The Chronicle of Philanthropy* has compiled an annual list of the 50 most generous donors in the United States, including individuals and estates. Totals are calculated based on gifts and pledges of cash and stock to American nonprofits, without double-counting payments of past pledges.⁴⁶ Philanthropy 50 donors contributed \$7.8

billion in 2018, a marked decline from the \$14.7 billion the country's biggest philanthropists gave in 2017.⁴⁷

The Philanthropy 50 includes 21 individuals on the *Forbes 400* list of the wealthiest Americans. These 21 donors gave \$5.5 billion in 2018.⁴⁸ Individuals whose wealth derived from technology donated a collective \$3.8 billion, comprising 48 percent of total contributions from Philanthropy 50 donors.⁴⁹ At \$2.8 billion, foundations received the largest share (39.5 percent) of dollars from Philanthropy 50 donors.

Jeff and MacKenzie Bezos, who gave \$2 billion largely to help struggling families, topped the Philanthropy 50.⁵⁰ Michael Bloomberg followed, having donated \$767 million to the arts, education, the environment, and health, among other causes in 2018. Pierre and Pam Omidyar came in at number three, with \$392 million in contributions to organizations advancing such causes as democracy and an active citizenry.

Several Philanthropy 50 donors gave to forward-looking causes, such as artificial intelligence and other technological advancements, in 2018.⁵¹ For example, Stephen Schwarzmann, who held the fourth spot among America's biggest philanthropists, gave \$350 million to the Massachusetts Institute of Technology as part of his hope of establishing the U.S. as a global leader in artificial intelligence.

Bezos makes a long-awaited move

In September 2018, Amazon founder and CEO Jeff Bezos pledged via Twitter to donate \$2 billion to assist homeless families and create a network of nonprofit preschools in low-income communities.⁵² The announcement follows up on a tweet Bezos made in 2017 stating his plans to contribute to organizations that help needy families and asking for input from nonprofit leaders.

The gift established The Bezos Day One Fund, which will direct money toward existing charities that help the homeless, as well as The Day 1 Academies Fund, which will develop the preschools.⁵³ Before the \$2 billion gift, it was estimated that Bezos had given a total of \$160 million to charity. Observers noted this did not amount to much given Bezos' net worth, and speculated about whether he would step up his philanthropy.

In announcing the gift, Bezos referred to the creation of a "fund" and said he would create an organization to run the nonprofit preschools.⁵⁴ Lack of further detail leaves open the question of how Bezos will ultimately structure his giving. Will he follow the example of Bill and Melinda Gates and establish a private foundation? Or will he follow Mark Zuckerberg and Priscilla Chan

by creating a limited liability company (LLC)? While LLC donations are not tax deductible, reporting requirements are less stringent, and companies are permitted to engage in lobbying activities under this more flexible arrangement.

Critiques of big philanthropy spark conversation in 2018

Multiple publications were released in 2018 that explore philanthropy's ability to address social issues equitably. In *Winners Take All*, Anand Giridharadas examines the merits of unelected, elite individuals rather than public institutions solving social problems.⁵⁵ Rob Reich expresses similar concerns in *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*, suggesting that the influence of high-net-worth donors may undermine justice and other democratic values.⁵⁶ Edgar Villanueva's *Decolonizing Wealth: Indigenous Wisdom to Heal Divides and Restore Balance* echoes these sentiments, tracing the roots of philanthropic inequality to colonialism and offering solutions that derive from Native tradition.⁵⁷

In his 2019 book *Giving Done Right: Effective Philanthropy and Making Every Dollar Count*, Phil Buchanan pushes

back on recent critiques of philanthropy, arguing that donations from wealthy individuals can have a positive impact when they are made effectively.⁵⁸

Although Buchanan, who serves as president of the Center for Effective Philanthropy, is cautionary about the role of philanthropy in funding policy changes, he contends that civil society provides an important check for government and the private sector.⁵⁹

While he acknowledge structural issues with current tax incentives for giving, he warns that widespread backlash against philanthropy could depress giving at the expense of organizations dedicated to the public good.

Research on high-net-worth philanthropy highlights diverse donors

The 2018 U.S. *Trust Study of High Net Worth Philanthropy* and *Women Give 2019: Gender and Giving Across Communities of Color* both emphasize the importance of understanding and engaging donors of all backgrounds to encourage inclusive philanthropy and maximize fundraising efforts.

HIGH-NET-WORTH HOUSEHOLDS CONTINUE TO GIVE AT HIGH

RATES

The 2018 U.S. *Trust Study of High Net Worth Philanthropy*, published in partnership with the Indiana University Lilly Family School of Philanthropy, shows that 90 percent of high-net-worth (HNW) households gave to charity and 48 percent of HNW households volunteered with nonprofit organizations in 2017.⁶⁰ Results of the biennial study are based on a survey of 1,646 U.S. wealthy households, a nationally representative sample of HNW households with a net worth of \$1 million or more (excluding the value of their primary home) and/or an annual household income of \$200,000 or more.

The 2018 edition of the biennial study offers a deeper analysis of how high-net-worth women, millennials, lesbian, gay, bisexual, transgender, and queer (LGBTQ), and racial and ethnic groups give and the causes they support.⁶¹ The study reveals that women are at the forefront of philanthropic engagement, and that millennials are an increasingly important demographic.

The research also provides early insight on the potential impact of the Tax Cuts and Jobs Act on individual giving.⁶² The study shows that a majority of HNW donors (84 percent) plan to maintain their current contribution levels despite changes in tax policy. This figure may reflect the fact that only 17 percent of donors surveyed stated that they are *always* motivated to give due to



tax benefits (51 percent said that tax benefits *sometimes* serve as motivation for their giving).

Additionally, the research demonstrates that confidence in the ability of nonprofit organizations to address social issues remains strong.⁶³ Approximately 86 percent of HNW donors have the most confidence in nonprofits to solve social problems. By contrast, HNW donors' confidence in the public sector has declined since 2015.

GENEROSITY PREVALENT ACROSS RACIAL GROUPS, STUDY FINDS

The Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy also explored giving by diverse donors among both the HNW and general populations.⁶⁴ *Women Give 2019: Gender and Giving Across Communities of Color* uses data from the 2018 *U.S. Trust Study of High Net Worth Philanthropy* and the most recent (2015) wave of the Philanthropy Panel Study (PPS). The longest-running panel study of household charitable giving in the U.S., the PPS is a module in the

nationally representative Panel Study of Income Dynamics.

The only known report to examine the intersection of race, gender, and giving, *Women Give 2019* revealed that women of all backgrounds are generous.⁶⁵ More specifically:

- Race does not significantly affect giving as a percentage of income when factors such as wealth and education are taken into consideration;
- Across all racial groups, single women are more likely to donate than single men; and
- While communities of color tend to volunteer through formal organizations at lower rates, research has shown that members of these communities are more involved in informal volunteering.

Research identifies unique features of giving by LGBT households

A 2018 study by a researcher from Seattle University is the first of its kind to examine financial management and charitable decision-making among lesbian, gay, bisexual, and transgender (LGBT) households.⁶⁶ Through semi-structured interviews with a purposeful sample of 19 gay and lesbian couples, the study found the following:

- Unlike heterosexual couples, same-sex couples are less likely to exercise joint management of financial resources, preferring instead to maintain individual accounts with independent control;
- Same-sex couples' philanthropy does not necessarily align with the household's financial management system, with many couples giving jointly as well as separately; and
- Same-sex couples' philanthropy often reflects shared values and sometimes has the goal of increasing recognition of the LGBT community in mainstream society.

Although the research has limited generalizability since it uses a non-representative sample of American couples, the study increases high-level understanding of LGBT individuals'

charitable behavior and decision-making processes—a topic previously overlooked in the philanthropic literature.

Publications provide new insight on giving by individuals from different generations

STUDY SHOWS BABY BOOMERS, GENERATION X ARE DRIVING FORCES IN PHILANTHROPY

The third in a series of generational giving studies sponsored by the Blackbaud Institute and conducted by Edge Research, *The Next Generation of American Giving* examines the charitable habits of Generation Z, Millennials, Generation X, Baby Boomers, and Matures.⁶⁷ The research is based on an online survey of 1,339 U.S. donors. Highlighting a finding from another study, the report states that, since 2013, each generation included in the research except for Baby Boomers has experienced a decline in the share of members who report giving to charity.

Looking specifically at each generation, Matures, who have previously dominated the charitable giving landscape, have begun to trail Baby Boomers and Generation X based on



total amounts contributed.⁶⁸ However, although they are declining in number, Matures still lead the cohorts studied in terms of dollars donated per capita, at \$1,235. According to the study, 41 percent of all money donated in 2018 came from Baby Boomers, who were the only generation that realized an increase from 2013 in the percentage of members who gave. With 74 million members, Baby Boomers also continue to be the most populous generation.

The Next Generation of American Giving study finds that Generation X, whose members are approaching their prime giving years, surpassed Matures in overall giving in 2018.⁶⁹ In addition, more than 20 percent of Generation X members stated that they plan to increase their giving in the coming year, compared to 12 percent of Baby Boomers and 9 percent of Matures. Compared to Baby Boomers and Generation X, Millennials are currently at a life stage focused more on career and family, leaving less time and money for philanthropy. However, the share of total dollars contributed by Millennials in 2018 (14 percent) increased by three percentage points since 2013.

BOOK HIGHLIGHTS HOW YOUNGER GENERATIONS APPROACH PHILANTHROPY DIFFERENTLY

In their 2017 book *Generation Impact: How Next Gen Donors Are Revolutionizing Giving*, authors Sharna Goldseker and Michael Moody explore the future of giving through interviews and surveys with hundreds of younger philanthropists.⁷⁰ The authors contend that the profile of today's philanthropists is changing as members of Generation X and Millennials reimagine the concept of doing good.

Goldseker and Moody predict that, due to the estimated \$59 trillion transfer of wealth from older generations expected to take place in the coming years, members of Generation X and Millennials will be among the most significant philanthropists in history.⁷¹ The authors also note that younger individuals have a greater sense of urgency in their giving; they are using their resources to make a difference at earlier stages of life than their predecessors.

Generation Impact: How Next Gen Donors Are Revolutionizing Giving

elucidates how individuals from younger generations may adopt less traditional approaches to philanthropy by blurring the lines between the public, private, and nonprofit sectors.⁷² For example, they may choose to do good by working in the public sector, while investing in socially responsible companies and donating to charitable organizations. The authors point out that this trend can make their philanthropy more difficult to track through official giving estimates.

The book explains how nonprofit organizations will need to engage younger donors differently in response to these factors.⁷³ Rather than having their name on a building or wall, members of Generation X and Millennials are likely to want more opportunities for hands-on involvement with charities. Attracting and retaining donors under these evolving circumstances will be critical to ensuring organizations' long-term sustainability.

Good to Know!

While the number of donor households giving has declined, the value of a donor's loyalty has become ever more essential to an organization's long-term success. Smart organizations will continue to maximize these relationships through consistent procedures within their own organizations. Some ideas to keep in mind:

- Focus on data health. Relationships, stewardship, and continual engagement are key to developing strong donors, but the best fundraisers also focus on the cleanliness of their database to facilitate those connections. By removing duplicate, outdated, and incorrect records, you can streamline your fundraising efforts, save time and money, and create a stronger impression of reliability for your donors.⁷⁴
- Commit to new donor retention. As with retained donors, donors making gifts to new organizations represent a wealth of untapped value. More and more of these donors are making major gifts to new organizations.⁷⁵ It is up to the organization to ensure their practices are ready to fully leverage the value of these opportunities.
- Invest in sustained giving programs. Countless studies have shown the value of building a consistent stream of revenue from sustainer programs. Now as the world moves into the subscription economy, these programs may prove to be even more valuable to attract new generations of donors.

Research reveals impact investing more prevalent among certain demographics

REPORT SHOWS MIXED LEVELS OF FAMILIARITY WITH, ADOPTION OF IMPACT INVESTING

A 2018 report by Fidelity Charitable, *Impact Investing: At a Tipping Point?* offers new data on high-net-worth individuals' interest, knowledge, and experience related to impact investing.⁷⁶

The report is based on a survey of 475 individuals with investible assets of at least \$100,000 who claimed the charitable deduction on their most recent tax returns or made at least \$10,000 in charitable contributions.

The report finds that members of Generation X and Millennials are particularly interested in impact investing, with approximately three out of four donors indicating they had made some form of impact investment.⁷⁷ By contrast, only about one-third of donors from the Baby Boomer and older generations stated the same. While donors from Generation X and Millennials have greater familiarity with the term (nearly half of younger donors noted they understood the phrase),

donors across all generations had limited familiarity with impact investing (37 percent of donors overall said they understood the terminology).

Impact Investing: At a Tipping Point? also reveals a gender gap in knowledge and adoption of impact investing.⁷⁸ Of the donors surveyed, fewer women indicated a familiarity with impact investing (29 percent) in comparison to men (46 percent). Additionally, 51 percent of female donors indicated that they had made an impact investment, compared with 69 percent of male donors. Fidelity suggests that lower rates of adoption of impact investing among women could be associated with investing experience. In comparison to 48 percent of male donors, 30 percent of female donors described themselves as very experienced investors.

STUDY SHOWS GENDER DIFFERENCES IN IMPACT INVESTING

The Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy also released a study on impact investing in 2018.⁷⁹ *How Women and Men Approach Impact Investing* analyzes data from the Bank of America/U.S. Trust Study of High Net Worth Philanthropy series to determine whether men and women use impact investing differently. Key findings from the report include:

- Women and men are equally likely to be aware of impact investing, but

women are more likely to want to learn about impact investing;

- Women and men are equally likely to participate in impact investing, but gender differences emerge for certain groups (e.g., individuals with different levels of education and income); and
- Households in which men make giving decisions are more likely to replace charitable contributions with impact investing.

The contrasting results of the Fidelity Charitable and Women's Philanthropy Institute research could be attributed to different sampling frames, survey questions, methods of data analysis, and definitions of impact investing. However, both reports highlight the importance of demographic characteristics in obtaining a full understanding of the extent to which donors know about and adopt impact investing.

Study finds donor-advised fund giving withstands recessions

In addition to growth in grant making from donor-advised funds in recent, non-recessionary years, a study by Dan Heist from the University of Pennsylvania and Danielle Vance-McMullen from the University of Memphis shows that

donor-advised funds can serve as an important revenue source for nonprofit organizations during economic downturns.⁸⁰ Using Internal Revenue Service data to analyze 996 donor-advised fund sponsors during the ten-year period from 2007 to 2016, the study also found that holders of donor-advised fund accounts are more generous than research had previously suggested.

Studies have typically measured donor-advised fund activity through payout rate, the amount granted annually relative to total assets.⁸¹ However, Heist and Vance-McMullen developed a measure called "flow rate" to provide a more complete understanding of the dollars traveling into and out of donor-advised funds. The researchers discovered that donor-advised fund transactions, contributions, and grants are often made in a single year. The median flow rate for donor-advised fund sponsors included in the study is 87 percent, meaning that for every \$1 million in contributions, \$870,000 is distributed in grants during the same year.

United States rises in World Giving Index

The Charities Aid Foundation (CAF) World Giving Index 2018 compiles

data from 146 countries on donations and other philanthropic activities over a five-year period (2013–2017).⁸² The annual report uses data from the Gallup World View World Poll, which surveys representative samples of individuals living across the country, including rural areas. Respondents report on their philanthropic behavior in the past month.

The CAF World Giving Index 2018 shows a reversal of the decline in global giving reported in 2017.⁸³ With a score of 58 percent, the United States ranked fourth in overall philanthropic activity in 2018, up from fifth in 2017. Indonesia topped the rankings for the first time with a score of 59 percent. Table 2 provides a summary

of the top five countries on the 2018 World Giving Index.

The Index reveals that the percentage of Americans who helped a stranger dropped from 73 in 2017 to 72 in 2018.⁸⁴ The percentage of Americans who volunteered their time also fell from 41 in 2017 to 39 in 2018. However, the percentage of Americans who donated money increased from 56 in 2017 to 61 in 2018. In terms of the percentage of individuals reporting each behavior, the U.S. ranked as follows on the 2018 Index:

- 10th for helping a stranger;
- 8th for volunteering time; and
- 12th for donating money.

Table 2 The top five countries listed on the World Giving Index 2018

2018 Ranking	Country	2018 Score (%)	2017 Score (%)
1	Indonesia	59	60
2	Australia	59	56
3	New Zealand	58	57
4	United States of America	58	56
5	Ireland	56	53

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

Chapter authored by Tessa Skidmore, MPA, Research Associate for the Women’s Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy.

Good to Know! section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Melinda Church, Nicole McWhorter, Ashley Thompson, and Angela White.

ENDNOTES

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4 Giving by Foundations

- Grantmaking by independent, community, and operating foundations increased 7.3 percent from 2017—to an estimated \$75.86 billion in 2018. Adjusted for inflation, giving by foundations increased 4.7 percent in 2018.¹
- Giving grew by all three types of foundations included in the estimate for 2018:
 - Giving by independent foundations increased 7.2 percent;
 - Giving by operating foundations increased 4.9 percent; and
 - Giving by community foundations increased 10.2 percent.
- *Giving USA* estimates that, on average, giving by family foundations comprises 64 percent of giving by independent foundations each year. For 2018, this amount was estimated to be \$34.58 billion, or 45.6 percent of total giving by all foundations included in the foundation giving estimate.²

Practitioner Highlights

- Foundations are responding to and/or providing considerable support for initiatives that serve traditionally underserved communities, including rural areas and indigenous American populations.³
- Some foundations are making large grants in high profile competitions through which grantees are encouraged to submit or pitch novel ideas.⁴
- National and regional collaborations of foundations are coming together to pool assets and grantmaking to try to address intractable challenges like economic mobility and housing insecurity.⁵

The information provided in this chapter is derived 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 2018

Estimates released by *Giving USA* in this edition show that giving by foundations totaled \$75.86 billion in 2018, a 7.3 percent increase (in current dollars) over 2017.⁶ Giving by foundations has grown each year since 2011, when the sector bounced back from declines realized after the Great Recession (2007–2009). Following a sharp increase in 2014, growth in giving by foundations in 2015 was relatively moderate. Giving by foundations had two strong back-

to-back years in 2016 and 2017, with relatively strong growth in 2018, as well.

Giving USA's estimate for giving by foundations is based on data provided by Candid (formerly 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.

Candid estimates giving by independent, community, and operating foundations in 2018; the share of giving by each foundation type for 2018 is included in Figure 1.⁷ The share of total grantmaking by each foundation type in 2018 was roughly the same as in 2017, according to revised estimates issued by Foundation Center (now Candid). Independent foundations contributed the vast majority of grantmaking dollars in 2018, at 71.2 percent. Operating foundations granted 15.3 percent of the total in 2017, and community foundations granted 13.4 percent of the Candid total in 2018.⁸

Independent foundations increased their giving by an estimated 7.2 percent in 2018, to \$54.03 billion, slower than the 12 percent growth reported in 2017.⁹ Overall, roughly three-fifths of independent foundations responding to Candid's annual *Foundation Giving Forecast Survey* indicated that they had increased their giving. One factor contributing to growth in giving may be the strong performance in the stock market in 2017. Assets of independent foundations were up 11 percent in 2017 and gifts to independent foundations were up 24 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.

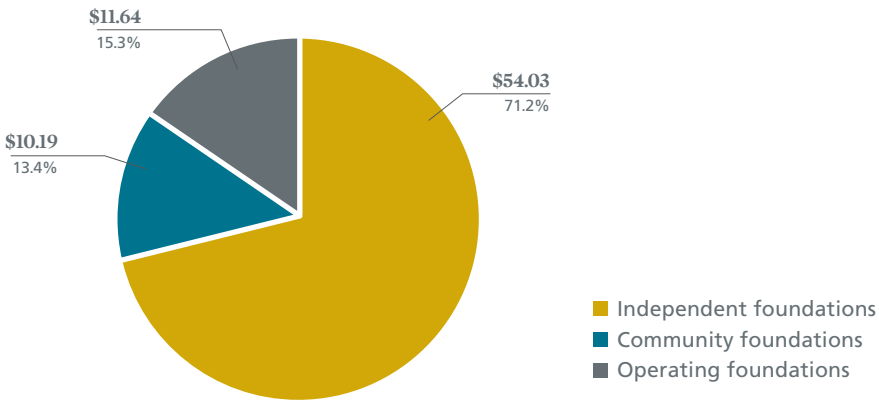
Community foundations increased their giving by an estimated 10 percent in 2018, to \$10.19 billion.¹⁰ Sixty-nine percent of community foundations responding to Candid's forecasting survey reported having increased their giving that year.¹¹ Community foundations benefited from an increase of roughly 15 percent in their assets in 2018 and an increase of 19 percent in gifts received. Among community foundations, those with giving between \$1 million and \$10 million reported the fastest growth while the largest foundations—those with giving of \$25 million or more—reported more moderate growth for 2018.

Operating foundations increased grantmaking by an estimated 4.9 percent in 2018, to \$11.64 billion.¹² Grantmaking by these foundations slowed in 2018, as compared with 2017, which saw an increase in operating foundation grantmaking of 36.8 percent.¹³

Figure 1

Share of foundation grantmaking by foundation type (independent, community, and operating) in 2018 Candid data

(In billions of dollars, totaling \$75.86 billion)



Note: Numbers are rounded in the figure.

Data provided by Candid. For more information about Candid's data, visit www.foundationcenter.org. See more about how *Giving USA* calculates charitable giving by sources and uses in the "Brief summary of methods used" section of this report.

Trends in smaller and mid-sized private foundation giving differ from larger foundations

In the *2018 Annual Report on Private Foundations*, Foundation Source found that private foundations' endowment sizes and grantmaking totals grew in 2017.¹⁴ Foundation Source surveyed 927 private foundations with less than \$50

million in assets to compile the report. The foundations in the sample held a total of \$4.5 billion in assets.

The average asset growth rate of all private foundations surveyed was 13.2 percent. Private foundation endowments of less than \$1 million grew by an average of 2.8 percent, while private foundation endowments with assets between \$1 million and \$10 million grew by an average of 12.6 percent. Private foundation endowments of \$10 million to \$50 million grew by an average of 14.8 percent.

In 2017, the surveyed private foundations gave \$285 million in grants. Foundations with endowments less than \$1 million reported giving a higher percentage of their assets in 2017 than larger foundations (see Table 1). However, foundations with endowments less than \$1 million also represented the only category where the distribution rate declined from the previous year. By law, foundations are required to distribute at least 5 percent of the income earned from their assets.

Table 1 Average distribution rates of private foundations by endowment size in 2016 and 2017

Endowment Size	2016 Average Distribution Rate	2017 Average Distribution Rate
Less than \$1 million	14.2%	13.4%
\$1 million – \$10 million	9.3%	9.7%
More than \$10 million	6.4%	7.0%

Data: 2018 Annual Report on Private Foundations, Foundation Source, July 2018, <https://www.foundationsource.com/resources/library/2018-foundation-source-report-on-private-foundations>

Foundations with smaller endowments also reported giving more grants for general operating support.¹⁵ Foundations with endowments of more than \$10 million used about a third of their grants to fund general operating support, similar to the previous year. Those foundations with assets between \$1 million and \$10 million reserved 38.6 percent of their grants for general operating support, a decline from 44.7 percent in 2017. Foundations with less than \$1 million in assets gave nearly half of their grant dollars (48.7 percent) to general operating support, an increase from 42.7 percent the previous year.

Additionally, the grantmaking report found that funding increased to the following subsectors: education, public-society benefit, and health. There were slight declines in giving to human services and mutual/membership benefit. Finally, giving to the following areas declined by about 1 percent: arts,

culture, and humanities; international and foreign affairs; environment and animals; and religion.

Community foundations’ asset and grantmaking dollars spiked in 2017

CF Insights released findings from its *Columbus Survey 2017*, to which 269 community foundations responded regarding their operations during the 2017 fiscal year.¹⁶ Together, the responding community foundations held \$91.1 billion in assets and made \$8.3 billion in grants in the 2017 fiscal year.

During this period, the combined assets of all respondents increased by 19

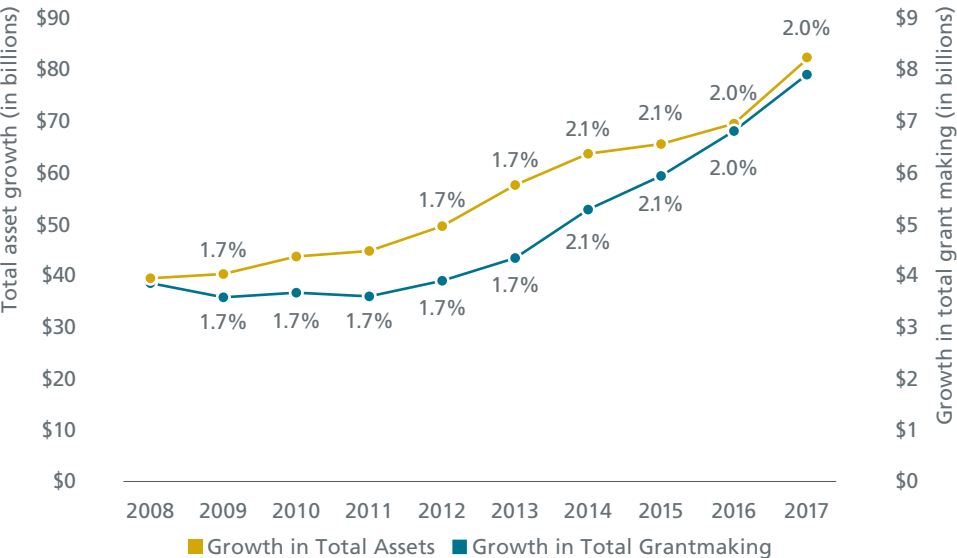
percent. Total assets for the 100 largest community foundations increased at about the same rate of 18.9 percent. The 100 largest community foundations distributed 9.6 percent of their

available funds in 2017. Additionally, grantmaking among the 100 largest community foundations increased by 15.8 percent (see Figure 2).

Figure 2

Growth in total assets and total grantmaking among the 100 largest community foundations

(In billions of dollars)



Data: "Results of the Columbus Survey 2017," CF Insights, 2018, <http://columbussurvey.cfinsights.org/>

COMMUNITY FOUNDATIONS SUPPORT RURAL AREAS

Community foundations located in rural areas around the country supported organizations that addressed basic needs and improved quality of life. The Northern New York Community

Foundation donated \$37,000 to more than 50 food pantries, soup kitchens, and thrift stores in Jefferson, Lewis, and St. Lawrence counties in 2018.¹⁷ The grants were part of the foundation's annual support of organizations that sustain official partnerships with the

Food Bank of Central New York. Some of the grant funding will support four school-based food pantry programs in the region, as well.

In Iowa, the Osceola County Community Foundation contributed more than \$94,000 to nonprofit organizations and local government agencies in the county.¹⁸ These grants supported a variety of capital improvements at local parks, libraries, museums, community centers, American Legion and Veterans of Foreign Wars facilities, and other public buildings. Funds were also allocated to purchase new equipment or supplies for local police departments, a day care agency, and a community transportation organization. The Osceola

County Community Foundation has invested more than \$980,000 since its establishment in 2006.

The Grant County Community Foundation in New Mexico gave its first-ever grants to the organizations in the Silver City area.¹⁹ It allocated \$20,000 to five organizations, including a local library, a historical and cultural site, a yoga and meditation center, an organization focused on addressing homelessness, and a local theater. The community foundation was established in 2012. Since then, it has assisted nonprofit organizations with their fundraising efforts, attracted outside funding to the county, and created a local nonprofit work space.

Good to Know!

Foundations are increasingly open to making general operating support grants, and the growing favor toward this type of grant is well supported by industry leaders.²⁰ How can you move from restricted grant support from a foundation to general operating support? Some ideas follow:

- Be transparent about your finances. Make sure your funders understand the true cost of your work, including your real overhead rate.
- If your organization is too small to have an audit, consider a certified review of financials. This demonstrates that your organization has adequate financial controls and accountability.
- Inquire about it directly: Make your case for general operating support from the funder frankly and without apology.
- If a foundation states that they only support projects, ask them why and whether they might be open to operating support sometime in the future.

COMMUNITY FOUNDATION SUPPORTS YOUTH-LED PHILANTHROPY

In Greensboro, NC, local teens have the chance to serve on a unique committee that grants money to local organizations.²¹ The opportunity to serve on a grant-making council allows high school students the ability to be active leaders in charity in their community, which will hopefully instill philanthropic virtues.²²

The Teen Grantmaking Council (TGC), is a program of the Community Foundation of Greater Greensboro and Leading to Change.²³ The organizations offer the council up to \$10,000 to decide how to support other teen-led initiatives in the local community.²⁴ The program provides local youth the opportunity to consider the bigger problems in their area and how to address those issues head-on.

National foundations focus on reducing poverty and growing economic opportunity

Large foundations with national reach invested heavily in collaborations designed to promote economic mobility

across the country. In June, the Kresge Foundation announced an effort aimed at empowering local leaders and sharing best practices in promoting economic growth in American cities. The Foundation provided \$4 million in seed funding to the Shared Prosperity Partnership, a collaboration focused on identifying and sharing ideas that contribute to inclusive growth and economic equity in urban areas.²⁵ The project's partners, including the Brookings Metropolitan Policy Program, the Urban Institute, and Living Cities, are national organizations focused on urban policy and innovation.

The Partnership will begin its work by convening local leaders in cities across America to identify barriers to inclusive economic growth and will begin sharing the data, research, and best practices provided by the project's experts as well as urban leaders. At the time of the announcement, a meeting had already taken place in Minneapolis-St. Paul and three more were planned for Memphis, Cleveland, and Fresno. This process will culminate with a national summit in the second half of 2019 to share all the lessons learned.²⁶

THE BILL & MELINDA GATES FOUNDATION ANNOUNCES ANTI-POVERTY EFFORTS TO FURTHER ITS DOMESTIC WORK

The Bill & Melinda Gates Foundation announced in May a four-year, \$158 million commitment to invest in anti-

poverty efforts in the United States in May.²⁷ The anti-poverty initiative represents a sizable domestic investment from one of the largest foundations in the world. Historically, the Bill & Melinda Gates Foundation's grantmaking in the U.S. has focused on education reform. That work has formed the basis for the new initiative addressing the intersection of chronic poverty and educational outcomes.²⁸

The Bill & Melinda Gates Foundation will continue to focus its domestic efforts on education reform and will utilize the poverty alleviation initiative as a catalyst to identify best practices and to enable partner organizations to address root issues of poverty. There are no geographic restrictions on the funding; the Gates Foundation expects to fund entities around the country focused on reducing poverty.²⁹

The initiative was informed by the work of more than twenty anti-poverty experts from across the ideological spectrum, including academic scholars and think tank researchers, other foundation leaders, and practitioners from nonprofit and public entities. This group was convened for a two-year project known as the U.S. Partnership on Mobility from Poverty, an effort coordinated by the Urban Institute.³⁰

FOUNDATIONS INVEST IN TECHNOLOGY TO IDENTIFY BEST PRACTICES FOR ECONOMIC MOBILITY THROUGH DATA

In October 2018, Harvard University launched Opportunity Insights, a research center focused on utilizing data to track the decline of economic mobility in the United States and to identify strategies to reverse this trend.³¹ Headed by economists from Harvard University and Brown University, the center was funded by two \$15 million grants from the Bill & Melinda Gates Foundation and the Chan Zuckerberg Initiative, as well as two \$3 million grants from Bloomberg Philanthropies and the Overdeck Family Foundation.³² The center is rooted in the Equality of Opportunity Project, a research initiative that began this work of tracking economic mobility through data.³³

Opportunity Insights also manages the Opportunity Atlas, a digital map built on U.S. Census data that displays measures of economic mobility by neighborhood. The Robert Wood Johnson Foundation supported this digital tool – intended to inform local decision- and policy-making processes – with a \$421,200 grant earlier in 2018.³⁴

A month after the establishment of Opportunity Insights, another group of foundations announced another, related initiative. Bloomberg Philanthropies, the Bill & Melinda Gates Foundation, and the Ballmer Group collectively committed a total of \$12 million to enable 10 cities to engage with experts from the What Works Cities initiative, another project operated by Bloomberg Philanthropies.³⁵ The cities have not

yet been selected, but participating leaders will gain access to data tools such as Opportunity Insights and technical support in order to identify best practices around economic mobility, community development, public health, and other local issues.³⁶ The What Works Cities initiative, focused on recognizing evidence-based practices in local governance, began in 2015 and Bloomberg Philanthropies infused it with an additional \$42 million in May.³⁷

LARGE NATIONAL FOUNDATIONS SUPPORT COMMUNITY-DRIVEN SOLUTIONS FOR ECONOMIC SUCCESS

In addition, the Rockefeller Foundation and the Chan Zuckerberg Initiative announced the 10 winners of the Communities Thrive Challenge, a funding competition to identify community-driven solutions to reducing systemic barriers to economic success.³⁸ Each winning organization received \$1 million to implement their ideas. Organizations were located in small, rural towns, suburban communities, and urban cores across the country, including in the following states and territories: Maryland, Missouri, Montana, New York, North Carolina, Pennsylvania, Puerto Rico, South Carolina, Texas, and West Virginia. Projects include: an economic revitalization plan using cooperative industrial spaces; a technology platform that connects eligible individuals to public benefits; and a community loan

portfolio to stimulate the production of affordable housing, new businesses, and stable employment.

MIDWEST FOUNDATIONS INVEST IN THE ECONOMIC HEALTH OF THEIR COMMUNITIES

In December, a collaboration of more than 40 foundations, universities, health systems, and businesses in Northeast Ohio known as the Fund for Our Economic Future announced \$10 million in funding for new economic strategies to promote growth.³⁹ The strategies for 2019 to 2021 include the promotion of job access and preparation, the expansion of innovative industries in the region, and the adoption of inclusive policies so economic growth does not exclude low-income residents and/or racial minorities. The organization has already received \$6 million of the \$10 million commitment for these strategies. Foundation members of the Fund for Our Economic Future include the George Gund Foundation, the Cleveland Foundation, and the Rockefeller Foundation, as well as several corporate, community, and family foundations.⁴⁰

The Charles Stewart Mott Foundation announced a major investment in Flint, MI. It made a \$16.5 million commitment for a new industrial and ecological park at a former automotive manufacturing site that will offer space for sustainable logistics operations and light industry.⁴¹ The site also will contain green space and biking and walking trails in order

to connect the area to the Flint River and surrounding neighborhoods. The state will cover the remaining \$6.5 million of the Buick City Industrial Park project budget.

Initial funding of \$1.5 million from the Mott Foundation will be used to complete due diligence activities such as surveying, market analysis, and preliminary engineering. If the project moves forward, it is estimated to create 300 jobs.

FOUNDATIONS ADDRESS HOUSING AFFORDABILITY AND INSECURITY

In February, nine national foundations established the Funders for Housing and Opportunity Collaborative. The goal of this partnership is to create national, systemic change so that individuals and families who spend more than half their income on rent or who suffer from housing instability can find safe, stable housing.⁴² The members of this group are the Annie E. Casey, Bill & Melinda Gates, Conrad N. Hilton, Ford, John D. and Catherine T. MacArthur, JPB, Kresge, and Oak foundations, as well as the Melville Charitable Trust. Separately, these foundations granted more than \$65 million to address domestic housing issues in 2017. The Funders for Housing and Opportunity Collaborative plans to align strategies and leverage resources to expand their collective impact.

The group also announced that they had already committed \$4.9 million to four

grantees: the Center for Community Change, the National Housing Trust and Enterprise Community Partners, the National Low Income Housing Coalition, and Partnership for Children & Youth. These grants will support capacity-building and policy advocacy efforts, predominantly at state and local levels.⁴³

After promising to donate to charitable organizations serving populations with immediate needs, Jeff Bezos established the Bezos Day One Fund in September with \$2 billion.⁴⁴ The fund consists of the Day 1 Families Fund, focused on addressing homelessness, and the Day 1 Academies Fund, focused on creating preschools. Two months after the announcement, the Bezos Day 1 Families Fund awarded \$97.5 million to organizations around the country that address family homelessness.⁴⁵ These organizations ranged from emergency and short-term shelters to those that assist families with finding and securing permanent housing.

A boom in health legacy foundations supports local health initiatives

Several large health legacy foundations, also known as health conversion foundations, were established in 2018. These entities are so-named either

because they are converted into for-profit providers or because their financial assets result from the sale of nonprofit hospitals, health systems, or health insurance organizations to for-profit companies.⁴⁶

These health legacy foundations often have substantial endowments to support local communities, including rural areas. According to an estimate from the Bridgespan Group in 2017, there are 228 health legacy foundations in the U.S., representing about \$27.5 billion in assets.⁴⁷ This figure did not include community foundations that received the financial assets in a conversion transaction, company-sponsored foundations such as those associated with health insurance providers, and any foundations that had not granted funds since 2008. Many of these health legacy foundations focus on providing access or insurance coverage, and some have shifted to addressing factors that

affect health.⁴⁸

The Mother Cabrini Health Foundation, which was established in May 2018, will serve New York State with a \$3.2 billion endowment. It is expected to make nearly \$150 million in grants annually. It also will be the country's second largest health legacy foundation, after the California Endowment.⁴⁹ The Dogwood Health Trust in Asheville, NC, was created in July 2018, and will serve 18 counties in Western North Carolina with a \$1.5 billion endowment.⁵⁰

In addition to the creation of large endowments, existing health legacy foundations made substantial gifts. In January, the Murfreesboro, Tennessee-based Christy-Houston Foundation gave a \$6 million grant to Saint Thomas Rutherford Hospital in its hometown. The funds will help expand the emergency department and provide more patient beds.⁵¹ The gift was announced to launch a fundraising



campaign to support this expansion. The Foundation for a Healthy St. Petersburg (FL), formed with \$180 million in assets in 2015, granted nearly \$400,000 in flexible capacity-building funds to 21 local nonprofit organizations.⁵²

In February 2018, The Episcopal Health Foundation in Texas pledged \$10 million over four years to 13 health clinics through the Texas Community-Centered Health Homes Initiative.⁵³ Each clinic will receive funding to address issues related to health, including poverty, lack of adequate housing, access to nutritious food, and access to safe spaces for exercise. In June 2018, the foundation pledged another \$10 million for preventive health efforts and additional programming related to the issues covered in the February grants.⁵⁴ The foundation has more than \$1.2 billion in assets and focuses on 57 counties in the state.

Foundations are making big bets on projects

Over the past few years, foundations have been creating collaborative mechanisms, such as the Co-Impact Initiative led by the Rockefeller Foundation and the 100&Change program from the John D. and Catherine T. MacArthur Foundation, in order to achieve greater impact at

scale.⁵⁵ In 2018, several philanthropists and private foundations announced a new collaboration with TED called The Audacious Project, designed to provide large grants to promising ideas and impactful organizations. Initial contributors include the Skoll, Dalo, Laura and John Arnold, MacArthur, and Bill & Melinda Gates foundations as well as ELMA Philanthropies.⁵⁶ The recipients of its first \$406 million include the Bail Project, GirlTrek, SightSavers, the Environmental Defense Fund, the Woods Hole Oceanographic Institution, the One Acre Fund, Living Goods, and Last Mile Health.⁵⁷

BLUE MERIDIAN PARTNERS SEPARATES FROM EDNA MCCONNELL CLARK FOUNDATION

Blue Meridian Partners, a collaborative funding mechanism that was established by the Edna McConnell Clark Foundation, was formally separated as a different public charity organization in 2018.⁵⁸ The Edna McConnell Clark Foundation is spending down its assets and was on track to have spent 95 percent of its assets by the end of 2018.⁵⁹

Blue Meridian Partners, intended to end intergenerational poverty by focusing on young people from birth to age 30, had received \$1.7 billion in capital by October 2018.⁶⁰ This collaborative serves as an incubator and an early investor for promising projects or approaches to

breaking the cycle of poverty.

For its largest commitments, Blue Meridian Partners has committed up to \$200 million to a grantee over 10 to 12 years.⁶¹ Previous grantees in this category include Year Up, Nurse-Family Partnership, and Center for Employment Opportunities.⁶² The collaborative also partners with organizations to conduct regional initiatives, such as wrap-around services for children in Tulsa, Oklahoma and Guilford County, North Carolina.⁶³

The investment model scales programs to reach a critical mass through innovation and cost efficiencies. For instance, Blue Meridian Partners invested \$56.5 million over four years in Nurse-Family Partnership with the goal of expanding the program to reach 100,000 families per year, more than a quarter of all new mothers eligible for the program nationally. The funding was also designed to identify opportunities for innovative approaches that would reduce the cost of the overall program so it could be scaled further and at less expense.⁶⁴

Since it was created, Blue Meridian Partners has attracted support from eight general partners, including the Ballmer Group, The David Tepper Charitable Foundation, The Druckenmiller Foundation, The Duke Endowment, the Edna McConnell Clark Foundation, as well as the Sergey Brin, George Kaiser, and Samberg family foundations. Each partner has

contributed at least \$50 million to the fund.⁶⁵

Blue Meridian Partners has also attracted funding from six impact partners, each of which has committed at least \$15 million. These impact partners include the Aviv Foundation, the Bill & Melinda Gates Foundation, the Charles and Lynn Schusterman Family Foundation, the Eugene and Marilyn Stein Family Foundation, the JPB Foundation, and the William and Flora Hewlett Foundation.

FOUNDATIONS SEED PROJECTS WITH LOANS IN ADDITION TO GRANTS

Foundations are using creative financial mechanisms to support projects and organizations. In September, the Laura and John Arnold Foundation announced a \$30 million commitment to support Civica Rx, a new nonprofit drug company.⁶⁶

The Laura and John Arnold Foundation, the Peterson Center on Healthcare, and the Gary and Mary West Foundation each committed \$10 million for this new endeavor, designed to address shortages of critical medications. The Peterson Center on Healthcare was established by the Peter G. Peterson Foundation.⁶⁷ Each funder provided \$1 million outright and guaranteed \$9 million in future low-interest loans. The organization will focus on reducing shortages of 14 essential, hospital-administered generic drugs.

Earlier in 2018, the Open Road Alliance established the \$50 million Open Road Ventures loan fund for nonprofit organization and social ventures.⁶⁸

The Open Road Alliance is a provider of rapid response grants and loans, particularly when a financial shortfall is blocking implementation of a project. This new pool of below-market-rate loans is available to organizations of any size, and the loans are useful for short-term or long-term needs. This infusion of funding follows a successful 2017 pilot of a \$5 million loan fund.

Small number of foundations provide bulk of philanthropic support for journalism and journalism education

A team of researchers from the Shorenstein Center on Media, Politics, and Public Policy at Harvard University and Northeastern University's School of Journalism analyzed more than 30,000 grants from foundations related to journalism and media between 2010 and 2015, representing \$1.8 billion.⁶⁹

Giving to journalism and media projects

is driven by a small number of national philanthropic organizations, such as the John S. and James L. Knight, Donald W. Reynolds, Annenberg, and Ford foundations. The research team found that nearly 44 percent of the funding over the six-year period went to public media organizations in larger cities around the country, and nearly a quarter (23 percent) was directed to universities for journalism initiatives or education. The next largest giving categories were national nonprofit news organizations and magazines, receiving 17 percent of the funding. Around 7 percent funded journalist professional development. Finally, about 4.5 percent (\$80.1 million) of the total \$1.8 billion funded local/state journalism outlets, and another 4 percent supported journalism research, legal support, and funding networks.⁷⁰

KNIGHT FOUNDATION AND OTHERS FOCUS ON LOCAL JOURNALISM

In order to bolster giving to these local news outlets, the John S. and James L. Knight Foundation established the NewsMatch initiative to provide match funding and technical support for fundraising efforts. Several other organizations contribute matched funds, including the Jonathan Logan Family Foundation, John D. and Catherine T. MacArthur Foundation, Miami Foundation, Democracy Fund, Rita Allen Foundation, Wyncote Foundation, the Ethics and Excellence in Journalism Foundation, and the Facebook

Journalism Project, among others.⁷¹ The 2018 campaign raised \$7.6 million, a 58 percent increase from the previous year. Since its founding in 2016, NewsMatch has raised more than \$14.8 million for more than 150 participating organizations.⁷²

In addition to the efforts to fund local news outlets directly, foundations also have invested in building capacity and promoting sustainability for the sector. The John S. and James L. Knight Foundation and the Lenfest Institute for Journalism established a \$20 million fund that will focus on promoting the use of innovative technologies and novel business models as well as community engagement.⁷³ Both funders contributed \$10 million for the new fund, which will primarily provide change-management and technology training for news outlet leaders. The fund also will contribute to the Lenfest Institute's efforts to build a new media ecosystem in Philadelphia.

Additionally, the MacArthur Foundation established the Jack Fuller Legacy Initiative, a program focused on strengthening Chicago journalism and media. The foundation initially provided \$2.4 million to four organizations, including City Bureau, Free Spirit Media, Chicago Public Media, and the Field Foundation.⁷⁴ The first three grantees will focus on improving civic engagement, providing accurate local reporting, and diversifying journalism by age, race, and ethnicity. The \$100,000

grant to the Field Foundation will enable that organization to design a new grantmaking program, focused on supporting media organizations led by people of color.

The MacArthur Foundation also will partner with the Robert R. McCormick Foundation and the Democracy Fund to convene local journalists and to encourage collaboration and professional development.

CRAIG NEWMARK PHILANTHROPIES INVESTS IN JOURNALISM

Through his eponymous philanthropic foundation, Craig Newmark Philanthropies, the founder of Craigslist has been investing heavily in journalism. Since 2016, when the foundation was established, Craig Newmark has given more than \$60 million to news outlets and journalism projects, including *Mother Jones*, *ProPublica*, First Draft, the Poynter Institute for Media Studies, and the Sunlight Foundation, among others.⁷⁵ In 2018, the organization made two of its largest investments yet.

In June, Craig Newmark Philanthropies gave \$20 million to endow the CUNY Graduate School of Journalism, now renamed in his honor.⁷⁶ The gift will help the school attract faculty, design innovative programming, and pursue other projects to promote trust in journalism. Craig Newmark had previously given \$1.5 million to the journalism school in 2017 to establish its

New Integrity Initiative, an effort to reduce misinformation and promote civil discourse.

The foundation also gave \$20 million to support the launch of The Markup, a news outlet that will investigate technology and its impact on society. Led by two former *ProPublica* journalists, the site also attracted \$3 million collectively from the John S. and James L. Knight, Ford, and John D. and Catherine T. MacArthur foundations, as well as the Ethics and Governance of Artificial Intelligence Initiative. The site will focus on three topics: how software profiles and discriminates, especially against low-income people and racial minorities; automated bots, internet scams, and other misinformation efforts; and the power of technology companies.⁷⁷

Foundations give to Native American causes

In 2018, the First Nations Development Institute published a report that determined grant funding from private foundations to Native American organizations and concerns declined by 29 percent, or \$35 million, between 2006 and 2014.⁷⁸ Titled *Growing Inequity: Large Foundation Giving to Native American Organizations and Causes, 2006–2014*, the report also

found that the total number of grants actually increased over the same time period. Funding trended down overall but expanded and contracted annually throughout the period studied, with a low of \$65.5 million in 2009 and a high of \$119 million in 2006. Giving to Native American organizations and causes was higher before the Great Recession (2006–2008) but did not recover in subsequent years, despite asset growth among many private foundations.

The report also identified foundations that had given the most to Native American organizations and causes, both by funding amount and number of grants. The Ford, Robert Wood Johnson, W.K. Kellogg, Northwest Area, Rasmuson, Bush, and Bill & Melinda Gates foundations, as well as the Lilly Endowment, comprised the group that gave half of the total funding from 2006–2014. Other major funders include the Alfred P. Sloan Foundation, the Otto Bremer Trust, the Lannan Foundation, the California Endowment, and the Marguerite Casey Foundation.⁷⁹

Nearly two-thirds of the funding over this period was granted to public charities and 15 percent was directed to tribal governments and agencies. The remainder of the funding was directed to religious institutions, local and state governments, and individual membership associations, as well as entities categorized as other, such as

community foundations, schools, and coalitions.

The report utilized data from Foundation Center (now Candid) to track grants of more than \$10,000 to Native American organizations, including tribal nations. The report also acknowledged the limitations of this approach: first, grants of less than \$10,000 are still important to organizations, and second, grants may still have served Native American communities though the data may not have coded the grants to reflect that assistance.

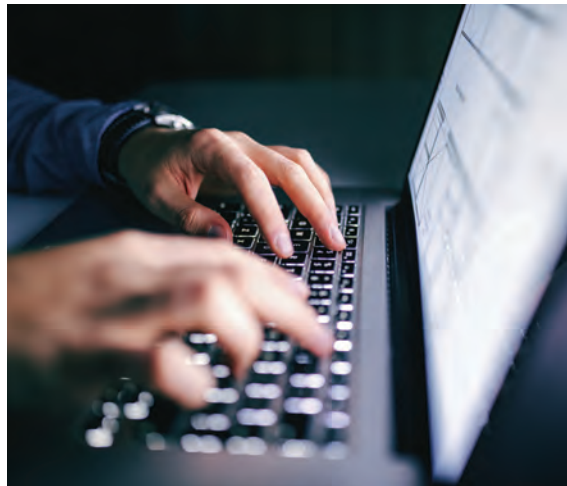
NEW FUND ESTABLISHED TO ASSIST NATIVE AMERICAN FARMERS AND RANCHERS

In August, a \$266 million philanthropic fund was established to serve Native American farmers and ranchers.⁸⁰ The Native American Agriculture Fund was created with funds remaining from those distributed in a 2010 civil rights case settlement.

The Native American Agriculture Fund, managed by a board of trustees composed entirely of Native Americans, will distribute the assets over a 20 year period. The grants may support business or technical assistance or education. Some nonprofit organizations and agencies within tribal governments also are eligible to apply.

Foundations support bipartisan efforts to protect civil liberties and reform the criminal justice system

In February, the Charles Koch Foundation, as well as two Omidyar Group subsidiaries, the Democracy Fund and First Look Media, announced a total of \$6.5 million in commitments to the Knight First Amendment Institute.⁸¹ The Charles Koch Foundation contributed \$3.25 million over five years to support the institute's litigation program. The Democracy Fund and First Look Media \$3.25 million grant will be used for general operating support. The John S. and James L. Knight Foundation will match the total amount through a challenge grant.



The Charles Koch Foundation also announced an expansion of its partnership with Poynter Institute to provide tuition-free training related to the promotion of fair reporting practices and civil discourse on campuses for student journalists.⁸² No funding amount was announced for this partnership with Poynter.

In November, a group of 25 organizations announced a new bipartisan criminal justice campaign called Clean Slate. The participating funders are the Chan Zuckerberg Initiative, the Laura and John Arnold Foundation, and the W.K. Kellogg Foundation.⁸³ Several conservative groups that are affiliated through funding from the Koch family also joined the effort, including the American Conservative Union Foundation, FreedomWorks, the Faith and Freedom Coalition, and The Seminar Network.⁸⁴

The Clean Slate campaign will focus on advocating for policies that reduce barriers to the expungement or sealing of criminal records. The campaign advocates for the adoption of technology that would automatically clear or seal criminal records if an individual remains crime-free.

Research focuses on correlations between long-term funding commitments and endowment payout rates

Zvika Afik, Arie Levy, and Hagai Katz (Ben-Gurion University of the Negev) analyzed a large sample of American private foundations to examine payout percentages from 2006 to 2010, as well as actual and declared patterns of multi-year support to determine the relationship between payout and multi-year support.⁸⁵ They found that foundations that have a higher payout tend to support their grantees for longer periods of time and that multi-year support is more frequent among larger foundations.

Nabih Haddad and Sarah Reckhow from Michigan State University employed longitudinal data, social network analysis, and semi-structured interviews to investigate the extent to which four higher education funders, Bill & Melinda Gates, Lumina, W.K. Kellogg, and Kresge foundations, employ advocacy philanthropy, focused on prescriptive grantmaking and desired outcomes.⁸⁶ The analysis found that Kellogg and Kresge, identified as older funders, apply

some of the newer advocacy strategies introduced by Bill & Melinda Gates and Lumina foundations, but there are some strategic differences in their operations.

Joseph Ferrare from the University of Kentucky and R. Renee Setari from the National Geographic Society utilized descriptive cartography and regression to analyze longitudinal

funding data from 15 foundations.⁸⁷

The analysis found that between 2009 and 2014, these funders increasingly concentrated their giving to several charter organizations in a cluster of states. Funding shifted away from individual charter schools to charter management organizations and advocacy organizations.

Chapter authored by Josh Moore, M.A., Associate Director of Foundation Relations at Indiana University.

Good to Know! sections and Practitioner Highlights written by Giving USA Editorial Review Board member Lauren Steiner.

Endnotes

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Second parties Sign here
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A woman with long brown hair and black-rimmed glasses is sitting at a desk, looking at a laptop. She is wearing a black leather jacket over a tan turtleneck. The background is blurred, showing an indoor setting with warm lighting.

5 Giving by Bequest

- Charitable giving by bequest is estimated to have increased 0.05 percent in current dollars—to \$39.71 billion—between 2017 and 2018.¹
- Adjusted for inflation, giving by bequest declined 2.3 percent in 2018.
- The total amount for giving by bequest in 2018 includes an estimated amount for charitable bequests from estates with assets of \$5 million or more, estates with assets between \$5 million and \$1 million, and estates with assets less than \$1 million. For 2018:
 - Estimated bequests from estates \$5 million or more amounted to \$21.44 billion.
 - Estimated bequests from estates with assets between \$1 million and \$5 million amounted to \$8.36 billion.
 - Estimated bequests from estates with assets less than \$1 million amounted to \$9.91 billion.

Practitioner Highlights

- Donors who list an organization in their estate plans are more likely to also give a gift to the organization while living.²
- About 5 percent of estates leave a bequest today. This leaves substantial opportunity for organizations to encourage donors to consider planned gifts.³
- While the majority of bequest gifts come from smaller estates, the largest portion of income in wealth transfer, both estate and planned lifetime, comes from the highest net worth individuals. Nonprofits should consider whether they have the skills and organizational stability to cultivate long-term relationships with those who have the ability to give transformatively.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 bequest in 2018

Giving USA's estimate for giving by bequest includes itemized and non-itemized 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.⁵ The increase in giving by bequest in 2018 incorporates:

- An estimated change of 1.9 percent in bequest giving from estates with assets greater than \$5 million that filed estate taxes in 2018 compared with 2017;⁶
- An estimated change of 1.9 percent in bequest giving from estates with

assets between \$1 million and \$5 million; and

- An estimated change of -5.0 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 2018 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 2018 and 2019.

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 planned giving and bequests and data from Internal Revenue Service (IRS) tax records on charitable trusts and bequests.

Tax law changes have sizeable impact on charitable bequests

Tax law has several approaches to transferring wealth between individuals, especially upon the death of the wealthy individual. Among the tax strategies are: estate taxes, gift taxes, and additional taxes.⁷ Gifts to charities are one of a relatively small number of deductions that can reduce gross taxable amount for estates. Charitable bequests can also reduce an estate's income tax if the donor names a charity as the beneficiary of another asset including an IRA, commercial annuity, or certain other assets.



Most economic studies agree that the presence and size of the estate tax influences the size and number of charitable bequests.⁸ When taxes are higher, the charitable exemption is more valuable, so charitable giving by bequests may be greater in higher tax situations.

POLICIES SINCE 2000 REDUCE ESTATES ELIGIBLE FOR TAXATION, BUT DO NOT DRAMATICALLY AFFECT AMOUNT DONATED

Between 2001 and 2018, the exemption threshold increased dramatically from \$675,000 per person to \$5.49 million per person.⁹ As a result, the number of taxable estates declined. In 2000, 2 percent of estates were taxable. In 2015, the IRS reported that taxable estates in 2013 represented 0.2 percent of Americans who had died.¹⁰

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, in any given year, the very largest estates account for the largest proportion of charitable bequest amounts claimed—generally more than half the total. IRS tax records indicate that the total deduction amount claimed by all estates filing in 2017 was \$21.0 billion, compared with an average of \$16.8 billion annually from 2001 to 2016.¹¹

Tax Cuts and Jobs Act expected to affect fundraising by bequest

The Tax Cuts and Jobs Act passed by Congress in December 2017 doubled the exemption for the estate, gift, and generation-skipping taxes.¹² With inflation considered, the exemption amount for individuals is \$11.18 million for individuals and \$22.36 million for couples beginning in 2018. The top estate tax rate continues at 40 percent.¹³

Another change that may affect planning is the increase in the proportion of adjusted gross income that qualifies for a charitable deduction.¹⁴ Folks making gifts and claiming charitable deductions in a given year will now be able to deduct an amount up to 60 percent of their adjusted gross income for exclusively cash donations, increased from the previous 50 percent. For those with sizable assets, it may make sense to accelerate giving during life.

Analysis also suggests that fewer estates being subject to the estate tax could result in a decline in the amount of charitable bequests by an estimated \$7 billion per year.¹⁵ It's also possible that high-net-worth individuals will maintain current charitable bequests, or even

increase them, due to a lower tax burden.¹⁶

Planned giving goes beyond bequests

NEW STUDY LOOKS AT ESTATE PLANNING PREFERENCES OF OLDER AMERICANS

A recent study by Merrill Lynch and Age Wave surveyed more than 3,000 adults, oversampling people aged 55+, about their estate planning attitudes and actions.¹⁷ Fifty-five percent of respondents aged 55+ did not have a will, although two-thirds agreed that having a will or trust in place was necessary to having their “affairs in order.”¹⁸ Nine in ten respondents indicated a willingness to discuss their end of life preferences with their family, but often act in response to a life event, such as retirement, or the advice of a trusted friend, family member, or professional.

DONOR ADVISED FUNDS OFFER MEANS FOR DOLLARS GIVEN DURING LIFE TO LAST AFTER DEATH

Donor advised funds are growing in all sectors; regardless of whether donors intend to help save animals or give back to their alma maters, there is likely a donor advised fund that can help them achieve their goal.¹⁹ Organizations like Stanford University list donor advised

funds as part of their planned giving options, specifically explaining that donor advised funds can be created by bequest. Financial advisors for some donor advised funds offer individuals and families the option to create a donor advised fund and manage it while living, then name successors upon their death.²⁰

Good to Know!

A recent survey of 3,000 adults conducted and analyzed by Merrill Lynch estimates that fifty-five percent of Americans aged 55 and older do not have a will.²¹ Platforms like “FreeWill” and “Trust and Will” offer free or low-cost online will-planning platforms.²²

As part of the process, FreeWill encourages their users to consider including a charitable bequest in their will.²³ At the time this chapter was written, FreeWill’s website reports having generated 56,281 wills since they started in 2016, including nearly \$609 million in charitable bequest intentions.²⁴

David Rockefeller's estate appears at Christie's Auction House for auction

HIGHEST VALUE CHARITABLE AUCTION ON RECORD SELLS ROCKEFELLER ESTATE

When David Rockefeller died at the age of 101, he left an estate of fine art and antiquities collected over the course of his life and the life of his wife, Peggy, who predeceased him.²⁵ In 2018, their estate sold for the largest amount in the history of charitable auctions. David and Peggy Rockefeller's collection grossed \$832.6 million, almost double the previous record of \$443 million from the sale of the collection of Yves Saint Laurent and Pierre Bergé. The auction included works by European and American painters, sculpture, ceramics and decorative art, and furniture.

MAINE BENEFICIARIES RECEIVE BULK OF ROCKEFELLER ESTATE

Among Mr. Rockefeller's bequests are major gifts to institutions and places he valued, including some with personal history. The Mount Desert Land & Garden Preserve, near Bar Harbor, Maine, is one such recipient.²⁶ The preserve was founded by Rockefeller and his wife, Peggy, in 1970.²⁷ The \$20 million bequest will double its operating budget and staff, as well as increase



operating support and funds for maintenance and upgrades.²⁸

Another major recipient is the Rockefeller Brothers Fund, a foundation started in 1940 by David and his brothers John D. III, Nelson, Winthrop, Laurance, and David; their sister, Abby, also served as a trustee.²⁹ With the gift of \$250 million, assets for the Fund totaled \$1.2 billion.³⁰ The Fund supports sustainable international development, peace building, and efforts to strengthen democracy both within the U.S. and internationally. The estate's proceeds were directed to benefit 12 charities, including the Museum of Modern Art (\$228 million), Harvard University, and the Council on Foreign Relations.³¹

Noteworthy bequests appear nationwide

COMMUNITY FOUNDATIONS, HOSPITALS EARN SUBSTANTIAL BEQUESTS

Raymond Schubart Suckling, a World War II veteran and former engineering executive, left a bequest of \$37.1 million to the Pittsburgh Foundation.³² The gift will also benefit the Sewickley Public Library, the Sewickley Valley Hospital Foundation, and low-income youth living in the area, among others. Mr. Suckling was a resident of the borough of Sewickley, and, in life, established a donor advised fund at the Pittsburgh Foundation.

David and Rita Nelson of De Pere, Wisconsin left an estate gift of more than \$100 million to the Community Foundation of the Fox Valley Region, in east central Wisconsin.³³ This gift is the largest donation ever received by the young foundation, which had assets of \$326 million prior to the Nelson's gift. The bequest established a donor-advised fund at the foundation, which is advised by people close to the Nelsons and will grant up to \$4.5 million annually to area charities. The fund will support the Nelson's interest in lighthouses and historic preservation, as well as recreation, education, healthcare, and human services.

DONORS BEQUEATH SURPRISE ESTATES TO ORGANIZATIONS WITH PERSONAL CONNECTIONS

A benefactor identified only as "Suzanne" included Seattle public radio station KEXP in her will, leaving the station nearly \$10 million, its largest bequest on record, and one of the largest to any public radio station.³⁴ The station set up a permanent endowment that will not only allow financial stability, but also promote innovation through seed money for new priorities and community outreach. "Suzanne" lived out of state but was a devoted listener to the station.

Washington state social worker Alan Naiman left gifts totaling \$11 million to children's charities when he died of cancer at the age of 63. Naiman, who was not married and did not have children, donated to organizations and causes with which he had personal connections.³⁵ For example, Naiman worked with the Pediatric Interim Care Center, to which he gave \$2.5 million, during his time as a social worker. A former foster parent, Naiman brought children to the Treehouse foster care organization, to which he contributed \$900,000.

Also unmarried and childless, Jane Kesson was well known to the Philadelphia Orchestra, which announced a \$4.7 million gift from the retired music teacher in 2018.³⁶ The orchestra will name a series of teacher

workshops and student concerts after Kesson, who resided in the same house she shared with her parents since the 1950s. Family and friends of both Kesson and Naiman reported that they did not know of any accumulated wealth of either individual.³⁷

Innovative fundraising approaches zero in on longevity

FORWARD-LOOKING STRATEGY CULTIVATES PLANNED GIVING PRACTICE

When the economy is rough and budgets get tighter, many charities focus on short-term gifts at the expense of their planned giving efforts. But the Nature Conservancy, which has consistently invested in and encouraged innovation in its planned giving practice, has found that decades of cultivation have fostered support for its planned giving practitioners, to the benefit of the organization, its donors, and its mission.³⁸ Angela Woo Sosdian, Executive Director of Gift Planning, identifies three prominent aspects of the Nature Conservancy's planned giving situation:

- First, planned giving integrates into the organizational culture;
- Second, gift planners are organized

around types of donors rather than geography; and

- Third, all Nature Conservancy fundraisers participate in training to help them understand donors' financial pictures.

DATA ON WEALTH TRANSFER ENCOURAGES PLANNED GIVING STRATEGIES

An analysis of household wealth data conducted by Locus Impact Investing in partnership with the Center for Rural Entrepreneurship suggests the potential for \$5 trillion in charitable estate giving over the next decade.³⁹ The analysis is one scenario modeled, assuming an average growth rate of 3 percent annually, and an average of 5 percent of the value of estates directed to philanthropic purposes.

Barry County, Michigan is one example of a community taking action inspired by the Center's efforts.⁴⁰ The Barry Community Foundation relied on Center projections to start conversations that resulted in new charitable, community-focused activity, including a nonprofit hub in Hastings, MI, strengthened human services, and an endowment that covers the operating costs of the local United Way.⁴¹

Good to Know!

Gift planning programs are often neglected due to the fact that they require thinking longterm and the complex nature of the financial vehicles involved. Nature Conservancy's success is a great example of investing in planned giving with foresight and innovation. When methodically invested into with strategy, intentionality and purpose, it pays dividends. Lessons learned from their strategy include:

- **Diversify Your Strategy** – In addition to your other development strategies, planned giving programs are a long-term investment that will help your nonprofit weather economic downturns.
- **Be Human** – Most donors respond because of personal and emotional connection.
- **Have a Deep Bench** – Not all donors are the same; have specialists who can focus on marketing, cultivation, and proposals at different levels of ability and wealth.
- **Engage your Donors** – From surveys that ask questions regarding motivation to legacy societies to major donor overseas trips, engage the donor after the bequest is in place and ensure the relationship continues to be cultivated.⁴²

Large bequests announced in 2018

Each year, *The Chronicle of Philanthropy* releases a list of the 50 Americans who made the largest gifts and pledges.⁴³ Giving by Philanthropy 50 donors in 2018 totaled \$7.8 billion. This figure includes gifts made during life, as well as estate gifts. In 2018, gifts from three estates accounted for \$200.1 million. As a comparison, six entries on the 2017 list were estate gifts totaling \$1.4 billion.

A bequest of approximately \$103 million from David and Rita Nelson of De Pere, WI, was the largest estate gift and fourth largest gift overall on the Philanthropy 50 in 2018.⁴⁴ A charitable bequest totaling approximately \$60 million from Bruce Leven (Mercer Island, WA) to Seattle Children's Hospital endowment contributed to the second-largest legacy giving amount on the Philanthropy 50 in 2018. The third entry on the Philanthropy 50 list was \$37.1 million from Raymond Suckling (Sewickley, PA) to the Pittsburgh Foundation.

NRC reports increased planned giving receipts in 2018

The Nonprofit Research Collaborative (NRC) conducts an annual survey on fundraising trends across the nonprofit sector.⁴⁵ For 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.

The *Late Summer/Fall 2018 Nonprofit Fundraising Survey* includes information on bequests for January to June of 2018.⁴⁶ In the first six months of 2018, 38 percent of responding organizations reported receiving more charitable dollars from bequests as compared with the previous year. Forty-four percent of organizations reported receiving the same amount of dollars from bequests as the previous year, and 18 percent of organizations reported a decline over the same amount of time.

IRS statistics on estates indicate charitable deductions in 2017

In 2017, 12,711 estates filed returns with the IRS.⁴⁷ The IRS released the returns' contents in 2018.⁴⁸ Of these returns, 22.8 percent claimed a charitable deduction. Estates worth \$50 million or more claimed the charitable deduction more frequently than other estates, at 47.8 percent, followed by estates worth between \$20 million and \$50 million, at 34.1 percent. Table 1 shows the percentage of estates that claimed a charitable deduction, by estate size, for 2017.

The total value of estates for tax purposes in 2017 was \$192.2 billion.⁴⁹ The charitable bequests claimed on these returns totaled \$21 billion. Estates worth \$50 million or more claimed by far the largest proportion of the total dollar amount of charitable deductions in 2017 (61.7 percent), followed by estates worth between \$20 million and



\$50 million (14.2 percent).

Table 2 shows the amount of the charitable deduction which estates claimed in 2017. Larger estates had a higher percentage of charitable

deduction claims. Note that Giving USA creates estimates for both filing and non-filing estates, so the IRS results are lower than the bequest giving estimates reported in this edition of Giving USA.

Table 1 Percentage of all estates that claimed a charitable deduction, by estate size, 2017

	Number of filing estates	Number claiming charitable deduction	Percentage claiming charitable deduction
All filing estates	12,711	2,902	22.8%
Estates under \$5 million	1,146	176	15.4%
Estates \$5 million to under \$10 million	7,374	1,416	19.2%
Estates \$10 million to under \$20 million	2,705	744	27.5%
Estates \$20 million to under \$50 million	1,063	363	34.1%
Estates \$50 million or more	423	202	47.8%

Data: "SOI Tax Stats - Estate Tax Statistics Filing Year Table 1," IRS, retrieved March 2019, www.irs.gov

Table 2 Percentage of total charitable deduction amounts claimed by all estates, by estate size, 2017

	Charitable deduction claim total (in thousands)	Percentage of claims to total charitable deductions
All filing estates	\$21,044,062	—
Estates under \$5 million	\$112,055	0.5%
Estates \$5 million to under \$10 million	\$2,486,508	11.8%
Estates \$10 million to under \$20 million	\$2,464,760	11.7%
Estates \$20 million to under \$50 million	\$2,997,432	14.2%
Estates \$50 million or more	\$12,983,307	61.7%

Data: "SOI Tax Stats - Estate Tax Statistics Filing Year Table 1," IRS, retrieved March 2019, www.irs.gov

Scholars publish new research insights for gift planning professionals

SCHOLARS ANALYZE LATE-IN-LIFE GIVING FOR CHARITABLE ESTATE DONORS

A new study jointly written by Eugene Steuerle and others at the Urban Institute, the Internal Revenue Service, the Congressional Budget Office, and Carleton College sheds light on wealthy individuals' charitable giving patterns during the last five years of life and through their estate.⁵⁰ The study examined nearly 37,000 estate tax returns filed in 2007, when the exclusion threshold was \$2 million, and matched the returns to the same individuals' previous five income tax returns filed from 2002–2006.

The study noted a distinct difference in the proportion of individuals giving during life (which relies on itemized deductions) and those giving through bequests.⁵¹ Overall, people are much more likely to give during life—but those who did have charitable bequests gave markedly more, in terms of dollar valuation, than they had during the last five years of life.

HOW YOU ASK AFFECTS GIVING, ACCORDING TO DR. RUSSELL JAMES III

In an experimental design, Dr. Russell N. James III (Texas Tech University) found that using technical financial terms lowered interest in making a gift, compared with simply describing the outcomes.⁵² However, referencing tax benefits for making a gift increased interest in complex charitable gifts – and the effect may be greater when the tax benefits are mentioned earlier rather than later.

Another report based on experimental research by Russell N. James III shows that asking someone to rate the importance of specific projects at a charity increases their willingness to donate to that cause, either through their estate or more immediately.⁵³ In an online experiment, more than 5,400



participants were randomly assigned to read statements aloud that addressed their level of support for a cause.

The study found that asking individuals to predict the likelihood of making a donation increased their subsequent donation intentions – but donation intentions were even higher when they were asked to rank the importance of charitable activities. Intent to incorporate a charitable bequest was

also higher after ranking the importance of charitable activities, but not after merely predicting the likelihood of making a bequest. Results support the practice of asking questions and listening to donors, which not only respects the donors’ preferences, but may affect them.

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 (2015-2017)

	2015	2016	2017
Federal estate tax filing threshold*	\$5.43 million	\$5.45 million	\$5.49 million
Total number of estate tax returns filed	11,917	12,411	12,711
Number with charitable deduction	2,636	2,714	2,902
Charitable deductions itemized on returns	\$20.0 billion	\$18.5 billion	\$21.0 billion
Percentage of estates filing estate tax return claiming a charitable deduction	22.1%	21.9%	22.8%
Percentage of gross estate value from all estate tax returns claimed in charitable deductions	11.9%	9.6%	11.0%

* Exemption amounts are indexed for inflation. In 2018, the exemption amount was \$11.18 million, and in 2019 it is \$11.4 million. Data: "SOI Tax Stats – Estate Tax Statistics," IRS, retrieved March 2019, www.irs.gov

Chapter authored by Ruth K. Hansen, Assistant Professor, University of Wisconsin-Whitewater College of Business and Economics, 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 William C. McMorran, Erik Rogers, and Lisa Wolf.

ENDNOTES

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6 Giving by Corporations

- Charitable giving by corporations increased an estimated 5.4 percent in 2018, to \$20.05 billion. Adjusted for inflation, giving by corporations increased 2.9 percent in 2018 compared with 2017.¹
- 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 6.5 percent in 2018, amounting to \$6.88 billion.²
- Economic indicators for corporate giving had mixed results in 2018. In 2018, U.S. Gross Domestic Product (GDP) increased 5.2 percent over 2017, an economic indicator that has been found to positively affect corporate giving. Simultaneously, corporate pre-tax profits declined by 0.2 percent; a small decline in corporate profits is associated with a similarly small decline in giving.³

Practitioner Highlights

- A Strong economic outlook has helped increase corporate giving, which means there are more opportunities for savvy nonprofit organizations to successfully seek charitable support from corporations, especially those whose mission involves timely issues including social justice, climate change/the environment, and disaster relief.⁴
- Choice in donating greatly impacts workplace participation. Many employees do not participate if they do not find enough options matching their donation interests. Giving to a broad range of interests also increases positive associations with generosity.⁵
- Some large corporations are using the tax incentive to create large, strategic philanthropy initiatives to further their specific philanthropic aims, like U.S. Bank Foundation's \$100 million for community investment in Minneapolis. These are often very focused initiatives, centered on geographic and/or mission-specific areas of interest, and require nonprofit organizations to fit within these parameters in order to be competitive. It's not yet clear whether these trends will continue in future years or whether these gifts are large enough to have an impact on the macro-level view of giving by corporations.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 2018

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.

Giving by corporations has the potential for volatility, and the last five years indicate uneven growth in the sector.⁷ Revised *Giving USA* estimates find a decline in corporate giving of 2.0

percent in current dollars between 2016 and 2017 after relatively strong growth of 6.0 percent from 2015 to 2016.

Certain economic factors are consistently linked to corporate giving patterns. These factors include U.S. GDP and corporate pre-tax profits. In 2018, GDP increased 5.2 percent.⁸ This increase was higher than in 2017, when GDP rose 4.2 percent. Corporate pre-tax profits declined slightly by 0.2 percent in 2018, following a 2.4 percent increase between 2016 and 2017.⁹

Candid (formerly Foundation Center) estimated that corporate foundation giving increased 7 percent in 2018, after an 11 percent increase in 2017.¹⁰ Assets for corporate foundations increased 7 percent, according to the Candid estimate, and corporate foundations received a 46 percent increase in gifts in 2017, both of which may have contributed to an increase in giving in 2018. Among corporate foundations in Candid's survey, more than half of respondents reported increased giving in 2018.

These results were not shared equally across corporate foundations of all sizes; however, mid-sized foundations



(those offering between \$100 thousand and \$5 million in awards each year) reported increased giving, whereas larger foundations (those with between \$5 million and \$10 million in awards per year) reported a small decline for 2018.¹¹

Largest companies show overall increasing giving rates, strengthening the business case of corporate community investment

According to CECP, 67 percent of companies increased total giving from 2016 to 2018.¹² Total giving increased in that period by 10 percent. This growth shows that the business case for societal engagement is strong, with companies increasingly seeing community investment as essential to their operations. The sample includes 203 of the largest U.S.-based (90 percent of reporting companies) and internationally based companies with more than \$2 billion in annual revenue.

These preliminary findings, and those detailed in the following sections, are based on CECP's annual *Giving in Numbers* survey of leading global

companies. *Giving in Numbers* is the unrivaled leader in benchmarking on corporate social investments, in partnership with companies. It is the premier industry survey and research organization, providing standard-setting criteria in a go-to guide that has defined the field and advanced the movement.

CECP has the largest and most historical data set on trends in the industry, shared by more than 500 multi-billion-dollar companies over nearly 15 years, representing more than \$250 billion in corporate social investments throughout that time span. The report is embraced by professionals across all sectors globally to understand how corporations invest in society, with topics ranging from cash and in-kind products, employee volunteerism and giving, and impact measurement. Companies participating in this study had aggregate revenues of \$7 trillion and median revenues of \$19.8 billion in 2018.¹³

According to CECP, six out of ten companies increased giving from 2016 to 2018.¹⁴ The communications industry drove the largest decline of total giving. Within the communications industry, total aggregate contributions in 2018 declined by 14 percent compared with aggregate contributions of the same communications companies in 2016. This was also the case in terms of absolute USD value (an aggregate decline of almost \$260 million among all communications companies).

Communications had the largest proportion of companies that decreased giving (71 percent) compared with any other industry and accounted for almost three in ten USD that declined across all industries. The source of this decline is associated mostly to the media subindustry, which went through company mergers that could have caused difficulties in terms of measurement methods and accounting of contributions. The media industry decreased the amount of non-cash giving, both in terms of absolute USD and the share that non-cash represents in total giving.

A typical way in which media companies provide in-kind donations has historically been through Public Service Announcement (PSA) airtime; however, consistency in the accounting of this form of in-kind donation can be challenging for some companies.

Other examples of traditional in-kind donations among media companies include:

- Promotional products;
- Campaign production services; and
- Production of videos on demand (VODs).

With 69 percent of healthcare companies expanding giving, the healthcare industry accounted for two-thirds of the aggregate increase in giving between 2016 and 2018 across the

board. The increase is spread throughout all subindustries. Giving within the healthcare industry also increased when comparing the aggregate giving of healthcare companies in 2018 versus the aggregate giving of the same companies in 2016 (42 percent).

The absolute aggregate dollar value of giving by all healthcare companies was also the highest compared to any other industry (\$3.7 billion). Some of the most common reasons for such increases in contributions are related to the increase of product donations for patient support programs, patient assistance funds, and product donations for disaster relief among global programs, product donations in response to the opioid crisis.

Among the 203 reporting companies, one-third (33 percent) increased giving more than 25 percent over the three-year period.¹⁵ Among those companies that decreased their giving, 8 percent decreased total giving by more than 25 percent, a smaller proportion than in past years.¹⁶ Figure 1 shows the full distribution of companies by changes in their total giving between 2016 and 2018.

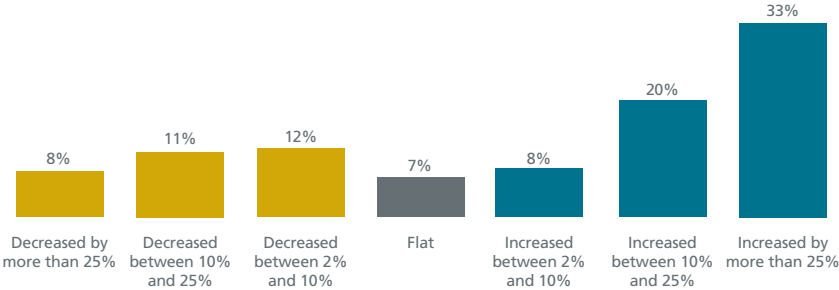
Cash giving continued to represent the largest proportion of corporate contributions in the years 2016 to 2018. Cash giving comprised an average of 81 percent of total giving in 2018 for companies in the three-year matched set, which represents the same average

since 2016, as illustrated in Figure 2.¹⁷ Although non-cash giving accounted for a smaller average proportion of companies' total giving, 19 percent in 2018, most companies made non-

cash contributions.¹⁸ The percentage of companies reporting a value for non-cash contributions increased from 62 percent in 2016 to 68 percent in 2018.

Figure 1 (inflation-adjusted, matched-set data)

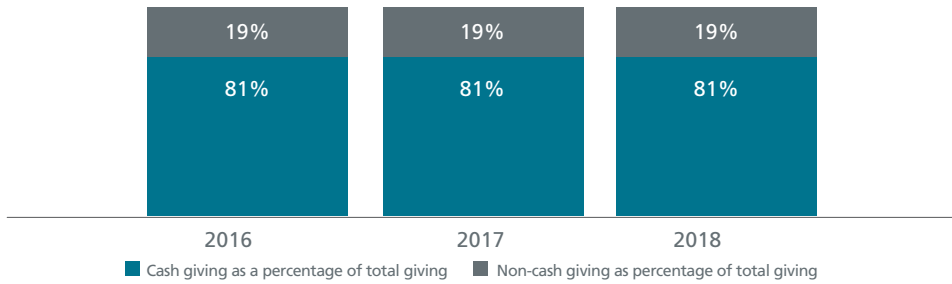
Distribution of companies by changes in total giving between 2016 and 2018



Note: These data include a matched set of 203 companies that responded to the *Giving in Numbers* survey each year from 2016 to 2018. Source: CECP, 2019, *Giving in Numbers* survey on 2018 contributions.

Figure 2 (matched-set data)

Breakdown of cash and non-cash giving for surveyed companies, 2016-2018



Note: These data include a matched set of 203 companies that responded to the *Giving in Numbers* survey each year from 2016 to 2018. The percentage of cash and non-cash giving represent average percentages. Source: CECP, *Giving in Numbers* survey on 2018 contributions.

CORPORATIONS CITE OPERATIONAL CHANGES, FEWER DISASTERS AS REASONS TO DECREASE GIVING

In general, there are many different reasons why companies increase or decrease contributions from year to year, according to CECF.¹⁹ These changes can be driven by strategies and decisions internal to the company, as well as external forces like fluctuations in the economy or customer demands. Corporate respondents to the 2019 *Giving in Numbers* survey cited numerous factors for changes in corporate giving in 2018, compared with 2017.

Most commonly cited reasons for decreases were:

- A return to ordinary levels of donations for disaster giving following a particularly high year of giving in 2017;
- Changes in the business—improving business performance for companies with budgets tied to financial results;
- Operational changes such as changes to grantmaking or launching a foundation.

Most commonly cited reasons for increases were:

- Increased focus on strategic initiatives or programs;

- International giving expansion;
- Changes in the business—improving performance for companies with budgets tied to financial results;
- Changes in employee-directed giving programs.

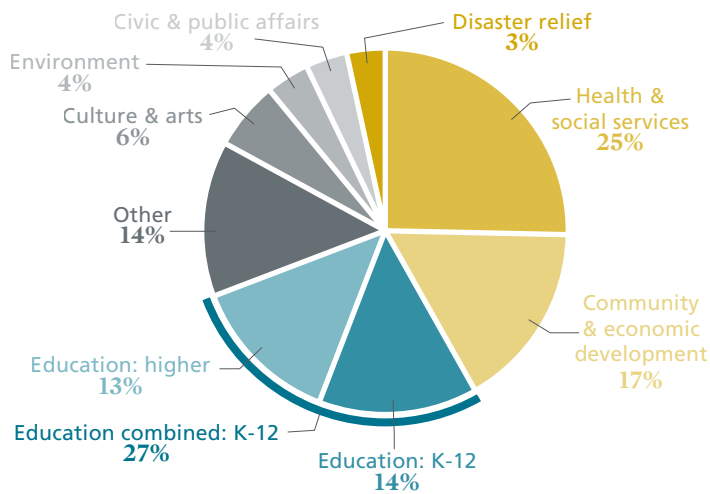
COMPANIES ALIGN GIVING WITH CORE COMPETENCY

Respondents to the CECF Giving in Numbers survey were asked to classify their 2018 total giving into nine discrete program areas.²⁰ 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 (27 percent) went to fund education: 14 percent went to K–12 education and 13 percent to higher education.²¹

As in past years, health and social services programs also received a large portion of corporate gifts, at 25 percent of the average budget. Figure 3 shows the average program area allocations across all companies that reported on their program area allocation in the survey on 2018 contributions.

Figure 3 (average percentages)

Program area allocations, 2018



Note: The sample size for these data was 146 companies. Note that these program areas do not correspond with Giving USA recipient subsectors, and thus the findings cannot be directly compared.
Source: CECF, 2019, *Giving in Numbers* survey on 2018 contributions.

New tax law drives mission-driven and increased giving

The Tax Cuts and Jobs Act, passed in December 2017, reduced the top marginal tax rate for corporations by 40 percent—from 35 percent to 21 percent.²² Following the major tax overhaul, corporate responses

ranged from distribution of one-time bonuses, permanent salary increases for employees on the lower end of the pay scale, a sizable increase in stock buybacks, and increased philanthropic giving.²³

According to *The Chronicle of Philanthropy*, giving has shifted from the patterns seen in previous years: K-12 and higher education ranked among the



top giving categories, and giving to arts and environment groups surpassed the health and children category.²⁴ When taking into account corporate products (e.g., pharmaceuticals), total giving grew to 8 percent. Companies in the survey cited the economy, new tax law, and strong corporate earnings as reasons for increased corporate giving.

Corporate giving rose by an average of 5 percent among pharmaceutical, technological, and financial companies, according to the survey. The survey captured data on giving in 2017 from 69 Fortune 500 companies based on a review of the Internal Revenue Service, the Securities and Exchange Commission, and available information on charitable giving from 2016 and 2017.²⁵ Pfizer was the top combined-corporate donor because they increased cash giving by 89.8 percent in 2017, and in-kind donations totaled \$4.68 billion. The top corporate cash donor was Gilead Sciences at \$388.12 million²⁶

At least 74 companies reported increasing charitable contributions due to the tax cuts.²⁷ Some of those gifts include:

- Patagonia CEO Rose Marcario announced that the company would donate the amount of the tax reduction resulting from the change in tax laws to support environmental groups. The donation is in addition to Patagonia's "1 %

for the Planet" program, which provides 1 percent of sales to groups protecting the environment.²⁸

- PNC announced a \$200 million contribution to the PNC Foundation, which focuses on education.²⁹
- U.S. Bancorp pledged to give \$150 million to its U.S. Bank Foundation. This is a one-time donation.³⁰
- BB&T pledged to give \$100 million to local charitable organizations through its philanthropic fund. BB&T did not specify the organizations that will receive support along with this donation.³¹
- Brown-Forman pledged to give \$60-70 million to a foundation it will create. This is a one-time donation, but the foundation will continue to produce revenue.³²
- M&T Bank Corporation gave \$50 million to its M&T Charitable Foundation.³³
- SunTrust Banks pledged to give an additional \$50 million to charitable organizations.³⁴
- Regions Financial Corporation pledged to give \$40 million to its charitable foundation.³⁵
- Blue Cross and Blue Shield of North Carolina pledged to

give \$40 million to charities sponsoring health initiatives. This is a one-time donation.³⁶

- Altria Group Inc. pledged to give \$35 million to local philanthropic programs over three years.³⁷
- Ecolab pledged to give \$25 million to the Ecolab Foundation.³⁸
- CUNA Mutual Group gave \$20 million to its CUNA Mutual Group Foundation.³⁹
- Best Buy pledged to give \$20 million to its Best Buy Foundation. This will be a one-time donation.⁴⁰
- Zions Bancorporation pledged to give \$12 million to its Zions

Bancorporation Foundation.⁴¹

- Citizens Financial Group pledged to donate \$10 million to the Citizens Charitable Foundation.⁴²
- American Family Insurance pledged to give \$10 million to its Dreams Foundation.⁴³
- MB Financial Bank pledged to give \$7.5 million to its MB Charitable Foundation.⁴⁴
- Southwest Airlines gave an additional \$5 million to charitable organizations.⁴⁵
- TCF Financial Corporation pledged to give \$5 million to its TCF Foundation.⁴⁶

Corporations provide disaster relief in 2018

Table 1 Corporate disaster donations and pledges for 2018 (in millions of dollars)

Disaster	Number of Companies	Donations/Pledges
2018 California Wildfires	32	\$8.2 million
Hurricane Michael	56	\$24.5 million
2018 Indonesia Earthquake and Tsunami	7	\$4.1 million
Hurricane Florence	122	\$41.2 million

Data: Data were provided by the U.S Chamber of Commerce Foundation in April 2019. Data on corporate aid for disaster relief are available on the U.S. Chamber of Commerce Foundation website, <https://www.uschamberfoundation.org/corporate-citizenship-center/corporate-aid-trackers>

CORPORATIONS PROVIDE DISASTER RELIEF IN 2018

Table 1 shows U.S. Chamber of Commerce Foundation data. Updated information may be available online.

CALIFORNIA WILDFIRES DRAW LARGE DONATIONS

At least 32 corporations stepped forward and strategically donated to address the California wildfires. They worked with regional funders, and sometimes redirected giving, in order to respond most effectively to challenges associated with the disasters.⁴⁷ Gifts to this cause included:⁴⁸

- Comcast NBC Universal donated \$1.1 million, which included cash gifts to several area nonprofits totaling \$850,000, and an additional \$250,000 to the North Valley Community Foundation;
- Facebook matched donations made by users, totaling up to \$500,000;
- Amgen pledged \$500,000 toward relief efforts; and
- IBM committed \$250,000 and pledged to give employees three paid days off to help with the relief effort for the California wildfires.

HURRICANE MICHAEL RESPONSE INCLUDES CASH AND IN-KIND RELIEF

More than 56 companies responded to Hurricane Michael, with 17 companies making corporate donations at \$1 million or more. This aid included:

- Lowe's contributed \$2 million in response;
- Petcurean provided 2,000 pounds of pet food to animal rescue operations in the region;
- Hibbett Sports accepted donations at its 484 stores throughout the southeast region;
- Google raised \$1 million and also leveraged its technology to provide SOS alerts for individuals living in the wake of the hurricane;
- Music Mountain Water pledged 10,000 bottles of water to support relief efforts;⁴⁹ and
- Airbnb expanded its Open Homes Program to support evacuees in need of free accommodations throughout North Florida and Georgia.⁵⁰

LARGEST NUMBER OF COMPANIES RESPOND TO HURRICANE FLORENCE

Over 120 companies responded to Hurricane Florence with a variety of corporate giving efforts. Corporations continued to leverage their assets to assist in disaster relief, including:

- U-Haul offered 30 days of free storage as well as U-Box containers for people impacted by the hurricane;⁵¹
- Food Lion accepted point-of-sale contributions at its stores in response;⁵²
- Wrightsville Beach Brewery provided ice and growlers filled with water to people in need; and
- Zaxby's held a fundraiser at its 600 locations, raising \$135,000.

After Hurricane Florence and Hurricane Michael, Lowe's and Home Depot donated \$4 million each to disaster response efforts.

STUDY FINDS THAT SOME CONSUMERS RESPOND TO DISASTER GIVING BY CORPORATIONS

IBM analyzed 30 of the best corporate social responsibility practitioners to understand the impact of corporate disaster response on brand reputation.

The study involved analyzing 782,183 user-generated texts on a variety of internet-enabled communication platforms (e.g., blogs, forums, news sites, and social media mentions) to identify 99,786 corporate social responsibility-related, user-generated observations. The study ultimately found 2,405 user-generated comments about the selected companies connected to responses to Hurricanes Maria and Harvey, and the Las Vegas mass shooting.

While negative sentiments about a company were less likely to move to neutral perceptions, there was evidence that promotion and customer awareness of CSR efforts could move a neutral observer to a positive observer of the company.⁵³ The study also found that a company can benchmark their social media volume based on their net income using a formula derived from the study.⁵⁴ The study concludes that companies should consider communicating the impact they have in response to a natural disaster, as communication can have a positive impact on brand reputation.⁵⁵

Giving USA *Special Report* *on Workplace* *Giving* indicates there are benefits to organizations that engage with corporate philanthropy

In November 2018, *Giving USA* produced a special report on workplace giving. Among the findings, *Giving USA* reported that successful workplace giving programs will have some key elements that include employee choice, engaged employees, and long-term relationships with nonprofit recipients.⁵⁶

The report referenced findings from America's Charities' *Snapshot 2017* report. That survey found that employees want more choice in the causes they support in workplace giving, with 76 percent associating choice with a positive donation experience. Not having access to choices that catered to their charitable interests contributed to 30 percent of employees choosing not to participate in a workplace giving program.⁵⁷

Giving forms avenue for corporate activism; companies address consequences of engagement

CEOS WRESTLE WITH EXPECTATIONS OF CORPORATE SOCIAL RESPONSIBILITY

Increasingly, CEOs and their companies are engaging with social issues.

One tactic companies use is raising awareness of an issue through strategic donations. Lyft donated \$1 million to the American Civil Liberties Union to fight President Trump's immigration bill, while James Murdoch, CEO of 21st Century Fox, donated \$1 million to the Anti-Defamation League in response to the Charlottesville attack that took place in the summer of 2017.⁵⁸

COMPANIES TAKE ACTIONS TO ENGAGE EMPLOYEES GENEROUSLY

Companies are responding to employee's desire to control their donations through software. Benevity, an online platform for donations, allows employees at companies that use the software to have more control over their donations. Employees can donate to nearly any charity and can also sign up to volunteer or solicit matching funds from their company. The platform

processed \$649 million in donations at the end of their fiscal year in March 2018.⁵⁹

Cone Communications report finds expectation of corporate responsibility

CONSUMERS EXPECT COMPANIES TO DEMONSTRATE A CHARITABLE PURPOSE THROUGH ACTIONS

Cone Communications conducted an online survey of 1,006 Americans over the age of 20 from March 8–16, 2018. Researchers for this study found that 89 percent of survey respondents expected companies to benefit society and the environment⁶⁰ and 85 percent of respondents also expected companies to engage in social impact efforts both in local communities and around the world.⁶¹

According to the findings from Cone Communications, nearly 80 percent of Americans believe that companies should be engaged on social justice issues. Top issues included hot-button topics such as sexual harassment, racial equity, women's rights, and gun control.⁶² The study found that 85 percent of surveyed women expected

companies to engage in social justice issues, while 73 percent of surveyed men expected the same.⁶³

Nearly four in ten Americans do not feel they have the capacity to impact climate change, but 58 percent said that in the absence of government leadership, companies should lead on the issue, according to an online survey of 2,292 adults taken between March 21 and April 11, 2018.⁶⁴ When considering possible corporate actions, approximately 27 percent of survey respondents believed that companies should donate to nonprofits that are working to address climate change.⁶⁵

Researchers examine impact of corporate giving on decision making

STUDY LINKS SOME CORPORATE GIVING TO POLITICAL MOTIVATIONS

Marian Bertrand et al. (Booth School—University of Chicago) also contend that corporate social responsibility may have political motivations and impacts; they say corporations may receive a tax benefit from donations that wield political influence.⁶⁶

Using IRS Forms 990 data from Foundation Search, the journalists and academic researchers on Bertrand's team examined the phenomenon of

companies giving money to legislators' preferred charities in order to influence federal decisions.⁶⁷ Researchers found that approximately 7.1 percent of giving by U.S. corporations has a political motivation—an amount 280 percent larger than total annual PAC contributions and approximately 40 percent of all lobbying expenses at the federal level.⁶⁸

STUDIES DISPLAY MIXED REVIEWS FOR CORPORATE SOCIAL RESPONSIBILITY

Researchers found that pro-social behavior like corporate giving created a halo effect that leads to greater trust of the organization on the part of actors engaging with the firm. Bernhard Reichert (Virginia Commonwealth University) and Matthias Sohn (Zeppelin University) implemented an experimental design with 102 participants taking part in 20 rounds of interactions with employee-and-manager dyads, and they found that perceptions of trustworthiness are attributable to employees' involvement in corporate giving.⁶⁹

Denton Collins, Gary Fleischman, and Daniela Sanchez (all from Texas Tech University) analyzed 6,286 firm observations in the S&P 500 Index over 22 years and found that firms with high CSR performance are more likely to lay off employees and that high-CSR firms, when they do lay off employees, are also more likely to lay off more people at a given time.⁷⁰ Collins, Fleischman,

and Sanchez also found that firms with high CSR performance give more generous severance packages to laid-off employees and are more transparent about the process.⁷¹ In addition, high-CSR firms were better able to react to exogenous economic shocks—they were able to make more effective decisions than low-CSR firms to return the firm to profitability.

STUDY SHOWS HISTORICAL IMPACT OF DECREASING CORPORATE TAX RATE ON GIVING

Nicholas Duquette (USC Price School of Public Policy) and Eric Ohrn (Grinnell College) used data on foundations from Foundation Center (now Candid), combined that data with publicly available data about the S&P index, and simulated marginal income tax rates for the corporations. In their analysis, companies with corporate foundations gave less in shareholder payouts after the 2003 Bush tax compared to firms without foundations.⁷² Duquette and Ohrn studied 203 companies within the S&P 500. The findings of this study may be relevant in 2018 because of the massive change to corporate tax rates under the Tax Cuts and Jobs Act.

STUDY FINDS THAT WE NEED TO BETTER UNDERSTAND THE RELATIONSHIP BETWEEN PERSONAL CHARACTERISTICS AND WORKPLACE GIVING

Genevieve Shaker (Lilly Family School of Philanthropy—Indiana University-Purdue University Indianapolis) and Robert Christensen (Marriott School of Management—Brigham Young University) performed a literature

review of workplace giving. Among their findings, they cite a need for more analysis on the impact of individual identity and personal choices on workplace giving patterns.⁷³ The gap in the research opens an opportunity to investigate the interplay among employees' desire to give, their commitment to the company, and workplace giving as a more general and transnational phenomenon.⁷⁴

Good to Know!

- Workplace giving programs are effective when nonprofits establish long-term relationships with corporations. To ensure your nonprofit is in good standing with a corporation:
 - Provide impact statements to corporations and employees to show what their dollars accomplished.
 - Use social media to thank corporate donors (if permission is granted). This not only makes you look good to the corporation, but also increases the corporations' standing in the public eye.
 - Companies are responding to employee desire to control donations through software. If you're not associated with a matching/grantmaking company, consider signing up with one such as Benevity or CyberGrants.⁷⁵

Chapter authored by Marshawn Wolley, MPA, MBA. The summary of results from the 2018 CECP Giving in Numbers survey report was written by staff at CECP.

Good to Know! sections and Practitioner Highlights authored by Giving USA Editorial Review Board members Lauren Steiner and Sarah Sebastian.

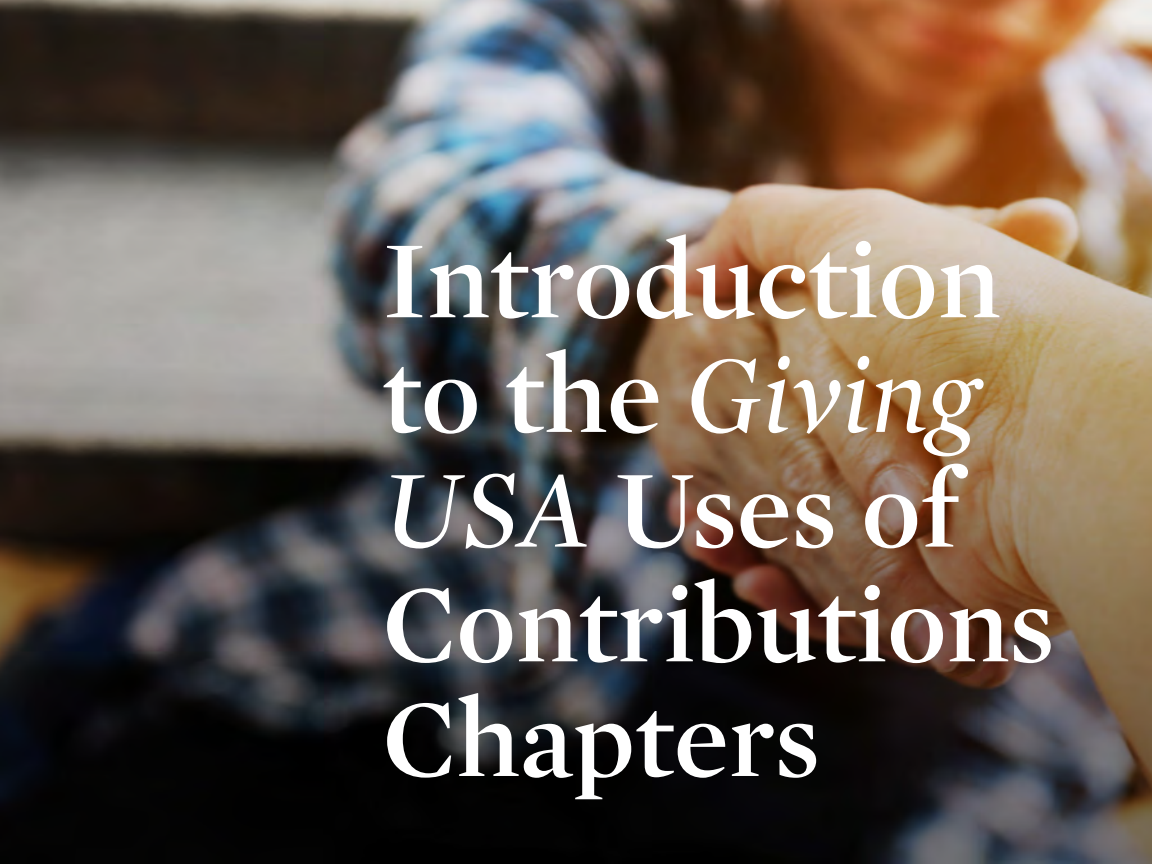
ENDNOTES

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- 14 Same note as 12, n=203. Giving increase consisted of at least 2 percent between 2016 and 2018. Giving decline consisted of at least -2 percent between 2016 and 2018.
- 15 Same as note 12, n=68.
- 16 Same as note 12, n=16.
- 17 Same as note 12. These data include a matched set of 203 companies that responded to the *Giving in Numbers* survey each year from 2016 to 2018. Percentage of cash and non-cash giving represents average percentages.
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Introduction to the *Giving* USA Uses of Contributions Chapters

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/>.





7 Summary of the National Taxonomy of Exempt Entities

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
- 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

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

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

- Z99 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.





8 Giving to Religion

- Contributions to the religion subsector comprised 29 percent of all donations received by charities in 2018.¹
- Giving to religious organizations declined 1.5 percent in current dollars from 2017, totaling \$124.52 billion in 2018. Adjusted for inflation, giving to religion declined 3.9 percent from 2017.
- Contributions to religion in 2018 reached the fourth highest inflation-adjusted amount recorded to date.

Practitioner Highlights

- Giving to religion declined in 2018 after seven years of positive or flat growth, but it still remains the largest subsector, receiving 29% of all donations given to charities.²
- Online giving is growing in popularity for religious organizations. Online giving grew at more than twice the rate overall change in online giving, and the number of times online giving has been mentioned during church services increased from 52% in 2015 to 65% in 2017.³
- The national decline in regular worship attendance is correlated with similar declines religious philanthropic revenue.⁴

Historically, *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 that 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 Even within *Giving USA*’s definition, giving to religion comprised 29 percent of overall donations received in 2018, making it by far the largest subsector.

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 2018

After seven years of positive or flat growth, giving to religion declined in 2018.⁸ With a five-year annualized average growth rate of 2.4 percent, giving to religion failed to outpace the five-year annualized average growth rate for total giving (5.2 percent). The two-year (2016–2018) growth rate in giving to religion was relatively flat at 0.6 percent in current dollars.

Several reports issued in 2019 and late 2018 indicate relatively stagnant giving to religious organizations in 2018, with some evidence of growth in giving online. 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. One includes:

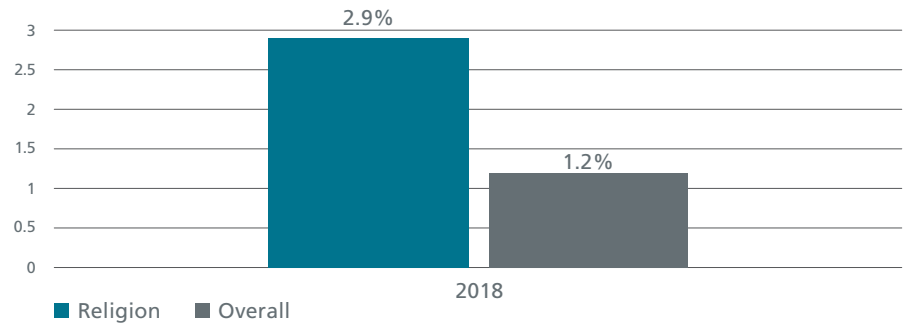
- According to Blackbaud Institute's *Charitable Giving Report*, faith communities reported a 0.3 percent growth from the previous year. Faith communities maintained their share of #GivingTuesday contributions. In 2018, faith communities earned 6 percent of contributions, equal to their share in 2017.⁹



Online giving to religion increases at faster rate than online giving overall

Figure 1 Percentage of growth for online giving to religious organizations in 2018

Growth in online giving: Religion

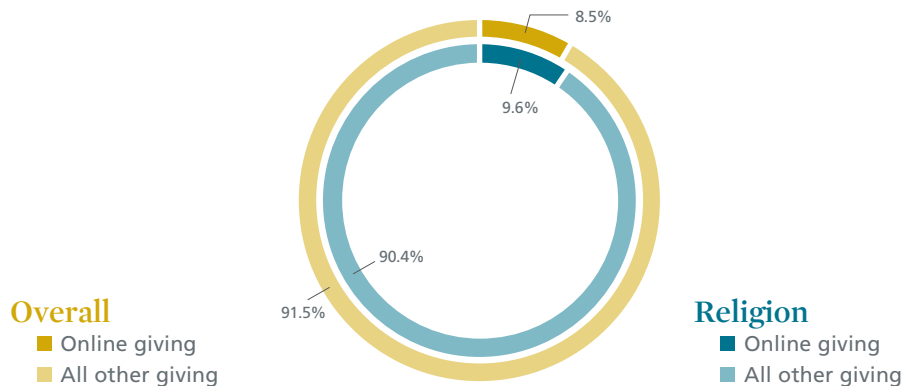


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

Online giving overall grew 1.2 percent since last year, according to Blackbaud Institute's *Charitable Giving Report*.¹⁰ Yet, online giving to religious causes grew at more than twice the rate of the sector overall (2.9 percent). Figure 1 shows these results.

Figure 2 Percentage of dollars given online for religious organizations in 2018

Online giving as a percent of overall giving: Religion

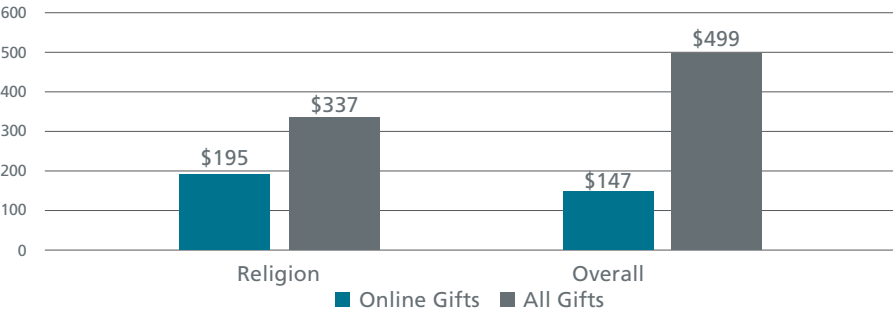


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

Blackbaud's 2018 *Charitable Giving Report* indicates that online giving to religious causes (9.6 percent) comprised a greater share of religious giving than the share of overall online giving (8.5 percent).¹¹ Figure 2 shows these results.

Figure 3 Average gift size for religious charities in 2018

Mean gifts by source: Religion



Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits, online gifts to religious organizations were larger than average online gifts across sectors. However, gifts from any source were larger overall than gifts specifically to religious organizations in their sample.¹² Figure 3 shows these results.

Initial findings from National Study of Congregations' Economic Practices soon to be released

The Lake Institute on Faith & Giving at the Indiana University Lilly Family

School of Philanthropy has completed the National Study of Congregations' Practices (NSCEP), the largest nationally representative study of congregations' economic practices in a generation.¹³ The study focuses on how congregations receive, manage, and spend resources. In initial findings, NSCEP makes it clear that individual contributions make up even larger percentages of giving to congregations than nonprofits overall (82 percent).¹⁴ When broken down by denominations, Black Protestant and Evangelical Protestant churches relied the most on individual donations, with 90 percent or more of revenue coming from individuals. Catholic churches were on the lower end of the scale, receiving less than 70 percent of revenue from individuals, and receiving higher amounts from special fundraisers.

NSCEP also found that congregations reported receiving nearly one quarter of their giving digitally. However, there were some differences by size of congregations, with churches of 1,000 or more congregants and churches with online services using a wider range of online giving options, including allowing congregants to give through text messages and smartphone apps. The full NSCEP report will be released in September 2019 and will include findings of how congregations receive, manage, and spend resources.

Online fundraising continues to be an important avenue for congregations

One recent study by Dunham+Company using Pushpay digital giving data found that nearly three out of four churches offered online giving in 2017, a dramatic increase from 42 percent in 2015.¹⁵ Adoption among larger churches is nearly universal, with 90 percent of churches that have 200 or more in weekly attendance offering online giving. The number has also increased for churches with less than 200 in weekly attendance, increasing from 29 percent in 2015 to 59 percent in 2017. The report also found that digital givers were more likely to give more than those who did not give digitally, and

that digital givers were up to eight times more likely to give to multiple funds (such as building funds, mission funds, and others).

The number of churches that mention online giving during church services has also increased in recent years: in 2017, 65 percent of churches mentioned giving online, up from 52 percent of churches in 2015.¹⁶

BLACKBAUD LAUNCHES NEW CHURCH MANAGEMENT SOFTWARE

According to Ministry Business Services, Inc., there are currently 53 church management software solutions.¹⁷ This software can track basic donor data as well as family relationships, spiritual gifts and talents, interests, attendance, donations, volunteering commitments, and other data. In July 2018, Blackbaud announced it was launching a cloud service specifically designed for faith communities called Blackbaud Church Management that will allow churches to track tithing, welcome new members to the church, enable members to donate online or on their mobile device, and manage facilities.¹⁸

Congregations may experience mixed effects from the Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act, signed in December 2017, went into effect in January 2018 and ushered in a series of changes, including a near doubling of the standard deduction, a change that will reduce the number of individuals and households that itemize their charitable contributions.¹⁹ Some church leaders have expressed concerns about the change in the standard deduction, acknowledging that the loss of itemization status may have a negative impact on giving by some households.²⁰ One survey sponsored by the Cornerstone Fund found that donors uncertain about how the TCJA will impact them also were unsure how their giving would change.²¹ Of those that will no longer itemize, 17 percent reported that their charitable giving would decline as a result of the TCJA.

The Evangelical Council for Financial Accountability and the editorial team of *Church Law & Tax Report* and other organizations were more optimistic about the impact of the TCJA on giving on the basis that individuals have a different relationship to their church than other nonprofits, and that some individuals will experience an increase in take-home pay as a result of the TCJA.²²

UNRELATED BUSINESS INCOME TAX (UBIT) PROVISIONS IN TAX CUTS AND JOBS ACT MAY COST SOME CHURCHES

One element of the TCJA will require nonprofit organizations, including

churches, to pay a 21 percent tax on certain types of fringe benefits provided to employees.²³ Several churches have already reported that the tax on employee parking spaces could be costly.²⁴ Because churches have not typically filed taxes, some organizations will face an additional cost of hiring someone with the proper expertise to file taxes.²⁵

Demographic studies reveal new trends in religion sector

In 2018, the Pew Research Center released the results of a new survey that identified individuals on a scale of religiosity, including considerations such as broader spiritual beliefs and the role that religion plays in one's life, rather than by denomination alone.²⁶ The survey included responses from 4,729 randomly selected individuals from a nationally representative panel, and found that the largest category of respondents was considered "highly religious" (39 percent), with the categories of "somewhat religious" comprising 32 percent and "non-religious" comprising 29 percent of the total.

The broad categories were broken down further into seven types—and the report found dramatic behavioral differences



among these groups.²⁷ For instance, only 23 percent of all respondents affirmed that they attended religious services weekly or more, but among the Sunday Stalwarts, representing the most highly religious group, 82 percent attended religious services weekly or more. Of the next most highly religious group, known as God-and-Country Believers, only 27 percent attended services weekly or more. There were also stark differences when broken out by age. Sixty percent of the Sunday Stalwarts and 64 percent of the God-and-Country Believers were age 50 or older. The age demographics were reversed for the two least religious groups, with 67 percent of the Solidly Secular and 68 percent of Religion Resisters aged 49 and below. Finally, 46 percent of the least religious group, called the Solidly Secular, had a household income of \$75,000 or more. By comparison, 27 percent of the Sunday Stalwarts and 22 percent of the God-and-Country believers had a household income of \$75,000 or more.

STUDY FINDS THAT EVANGELICAL MILLENNIALS ARE RELIGIOUSLY ENGAGED

A recent survey of self-identified Evangelicals commissioned by Dunham+Company found that Millennial members of the Evangelical Church were engaging at higher levels than Generation X and Boomers in terms of weekly church attendance and annual giving.²⁸ Sixty-one percent of Millennial respondents reported attending church weekly (compared to 44 percent of Gen Xers and 54 percent of Boomers/Matures), and 68 percent reported that they gave annually (compared to 63 percent of Gen Xers and 78 percent of Boomers/Matures). Interestingly, Millennials also were the most likely of the generational groups to make decisions about charitable giving based in part on the ability to deduct the gift on taxes.

Good to Know!

Religious organizations that continue to keep attendance of religious services high have many tools to increase giving, even if membership declines.²⁹ The activities that are the most effective in generating donations include:

- Don't shy away from speaking to your audience or congregation about giving;
- Don't be afraid to ask or challenge them to give;
- Teach the importance of giving and generosity regularly, as well as the dangers of materialism;
- Make it clear what giving to your religious institution will go toward, and why/how that would be beneficial;
- Give congregation members plenty of opportunities to give easily online via the website and apps. Make sure that regardless of the giving vehicle, donors experience a simple giving experience with the fewest clicks to minimize friction and increase gift conversion; and
- Promote these opportunities regularly and strategically via social media, crowdfunding, email reminders, app push notifications, and giving events, such as Giving Tuesday.

Trends in Protestant denominational bodies

Giving USA has obtained national membership and giving data for some of America's Protestant religious bodies. 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 of *Giving USA* was for 2017.

MAJOR PRESBYTERIAN DENOMINATIONS (PCA AND PCUSA)

The Presbyterian Church in America (PCA) continued its trend in 2017 by seeing modest increases in total contributions (3.7 percent), giving per capita (3.3 percent), number of congregations (1.5 percent), and membership (0.2 percent).³⁰ The

Presbyterian Church USA (PCUSA) saw an increase in per capita giving (4.7 percent), while also experiencing declines in congregations (-1.6 percent) and membership (-4.6 percent) in 2017 compared with 2016.³¹

BAPTIST DENOMINATIONS

The Southern Baptist Convention (SBC) was an interesting case in 2017. Although membership declined slightly (-1.4 percent), average worship attendance increased (2.3 percent).³² The greater predictor for change in giving appears to be attendance, rather than membership. Total receipts increased at almost exactly the same rate as attendance (2.3 percent).

The American Baptist Convention saw decreases in the number of congregations (-0.6 percent), members (-1.2 percent), and giving (-7.5 percent) in 2017. The majority of the decline in giving was for the category “other mission.”³³

THE CHURCH OF THE NAZARENE

For the Church of the Nazarene, the average attendance (-3.0 percent) and contributions (-1.5 percent) both declined.³⁴

THE UNITED METHODIST CHURCH

Congregational numbers for the United Methodist Church declined year-over-year in 2017 to 31,299 (-1.8 percent) and membership declined slightly to 6.9 million (-1.87 percent).³⁵ However,

church receipts increased to \$6.72 billion.³⁶

The United Methodist Church is poised to take a vote on its stance on issues related to homosexuality, including the ordination of gay clergy and officiation of same-sex weddings, at the 2019 general conference. The outcome of the vote is expected to have ongoing effects in the coming years.³⁷

Lutheran denominations

Despite declines in the number of congregations (-0.9 percent) and active members (-3.0 percent), the Evangelical Lutheran Church of America recorded a modest increase in total receipts (0.7 percent) in 2017.³⁸

THE EPISCOPAL CHURCH

The Episcopal Church saw a decline in the total number of congregations (-0.4 percent) and average attendance (-2.4 percent) but an increase in total contributions (1.7 percent) due to a substantial increase in “average pledge” (3.5 percent) in 2017 as compared with 2016.³⁹

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS

The Church of Jesus Christ of Latter-day Saints continues to see a decline in its worldwide growth rate. Between 2013 and 2017, its rate of growth dropped



each year. The rate declined from 2.0 to 1.5 percent over that time period. Worldwide membership stood at a little over 16 million as of December 31, 2017.⁴⁰

Nondenominational and evangelical giving

Total cash donations to 1,772 Evangelical Council for Financial Accountability member institutions were \$13.3 billion in 2017, which was a 5.9 percent increase over 2016—the largest percentage increase since 2012–2013.⁴¹ The period 2007–2017 saw annual average increases of 3.4 percent, which outpaced both wage growth (0.6 percent) and giving to all charities (2.7 percent) over that same time period.

The State of Church Giving through 2016: Understanding the Times report released by empty tomb, inc. found that charitable contributions as a share of church income has declined over time, according to data from the

National Association of Evangelicals and the National Council of Churches.⁴² Table 1 shows the total contributions of member denominations to the National Association of Evangelicals and the National Council of Churches as a percent of income in 1968, 1985, and 2016. Both the groups reported a notable downward trend over time, with contributions forming an ever smaller percent of income.

Catholic giving

TRENDS IN CATHOLIC GIVING

In 2018, *America*, a leading Catholic magazine in the United States, asked its readers how much money they donate to their parish each week via a poll promoted on Facebook, Twitter, and *America's* email newsletter. Twenty-five percent of readers surveyed said they give \$50 or more a week to their parish, while 23 percent reported giving between \$21 and \$30.⁴³ In addition, 14 percent said they gave between \$11 and \$20, and another 14 percent said they gave \$5 or less each week.⁴⁴ *America* did not provide details on sample size.

Table 1 Member denominations’ total contributions to the National Association of Evangelicals and National Council of Churches as a percent of income

Ranking	National Association of Evangelicals	National Council of Churches
1968	5.98 percent	3.21 percent
1985	4.71 percent	2.84 percent
2016	3.04 percent	2.51 percent

Data: John L. Ronsvalle and Sylvia Ronsvalle, *The State of Church Giving through 2016: Understanding the Times*, Champaign, IL: empty tomb, inc., 2018

NUMBER OF CHURCHES AND CHURCH ATTENDANCE FOR CATHOLICS HAS DECLINED, ACCORDING TO REPORTS

Nineteen Sixty-four, a research blog for the Center for Applied Research in the Apostolate (CARA) at Georgetown University, a nonprofit research center that conducts social scientific studies about the Catholic Church, reported that the Catholic Church operated 1,437 fewer parishes in 2018 than it did in 1971.⁴⁵ The number of parishes in Pennsylvania and New York have declined by 532 and 500, respectively, since 1971. However, Texas, Florida, Arizona, and New Mexico, among others, experienced a growth in the number of parishes in the same time frame.⁴⁶

According to a 2018 Gallup report, weekly church attendance among U.S. Catholics has declined in the past decade, in contrast to Protestant church attendance which has remained steadier.⁴⁷ The analysis is based on multiple Gallup polls that have been conducted each decade from the 1950s to the present. Between 2014 and 2017, an average of 39 percent of

Catholics attended church each week. This number is down from 45 percent between 2005 and 2008 and 75 percent in 1955. While church attendance has declined, the overall percentage of respondents who identify as Catholic has been relatively steady since 1955.

GIVING TO CATHOLIC CHURCHES MAY BE DAMPENED BY REPORTS OF SEXUAL ABUSE

In August, a Pennsylvania grand jury reported that several bishops and other leaders of the Roman Catholic Church in Pennsylvania had covered up the sexual abuse of more than a thousand children committed by more than 300 priests over the course of 70 years.⁴⁸

In light of these new reports of sexual abuse, some Catholic donors have begun to consider whether to stop donating to their parish and/or diocese. One online poll conducted by *America*, a Catholic magazine, found that 57 percent of respondents said they had lowered the amount they gave to their bishop’s appeal, while 47 percent reduced donations to their individual parishes in response to the new reports of sexual abuse.⁴⁹ The poll found that

donations to Catholic service agencies and schools saw a small drop in donations.⁵⁰

According to BishopAccountability.org, 18 U.S. Catholic dioceses that have faced allegations of sexual abuse have also filed for bankruptcy since 2004.⁵¹ Four more dioceses have announced intentions to file in direct response to the crisis.⁵² *MarketWatch* reports that the Catholic Church has been ordered to pay more than \$3 billion in settlements and monetary compensation to victims.⁵³

In February 2019, Pope Francis convened the Vatican's first-ever summit on sexual abuse, in which nearly 200 bishops from around the world gathered to discuss the sexual abuse crisis and ways to better respond to victims.⁵⁴ Pope Francis offered an eight-point pledge to address the crisis, which included a call for greater transparency within the Catholic Church and full cooperation with law enforcement agencies in the future.⁵⁵

THE #IGIVECATHOLIC GIVING TUESDAY CAMPAIGN GREW IN 2018

Giving Tuesday, the movement to raise charitable dollars using social media on the Tuesday after Thanksgiving, raised over \$380 million in 2018, with 3 percent of total donations going to religion-related causes.⁵⁶ One Giving Tuesday campaign, #iGiveCatholic, raised over \$5.6 million from over 23,000 donors to support 1,354

parishes, schools, and nonprofits, an increase over the \$3.6 million raised in 2017.⁵⁷ The #iGiveCatholic campaign was launched in 2015 in the Archdiocese of New Orleans, and quickly grew to include a total of 29 dioceses in 2018.⁵⁸

CATHOLIC SISTERS INITIATIVE SUPPORTS RETIREMENT FUNDS FOR MEMBERS OF RELIGIOUS ORDERS

Since 2013, the Catholic Sisters Initiative, one of the primary program areas of the Conrad H. Hilton Foundation, has awarded more than \$105 million in grants to 62 organizations. In the past five years, the Catholic Sisters Initiative attempted to address congregations' unfunded retirement liabilities crisis.⁵⁹ In 2018, two grantees made significant steps toward financial stability: the National Religious Retirement Office (NRRO), which received a \$2.5 million grant, reduced retirement liabilities of women's congregations by 10 percent, while another grantee, Support Our Aging Religious (SOAR!) saw a 60 percent increase in sustained giving between the years 2014 and 2017.

Jewish giving

PITTSBURGH SYNAGOGUE SHOOTING

On October 27, 2018, eleven people were killed during a shooting at Shabbat

morning services at the Tree of Life-Or L'Simcha Congregation in Pittsburgh, Pennsylvania.⁶⁰ Several crowdfunding campaigns were created in response to the tragedy, including a GoFundMe Certified Charity Campaign in which funds were processed by the nonprofit PayPal Giving Fund and sent directly to the Tree of Life Synagogue (meaning the campaign organizer does not receive or directly manage the charitable dollars).⁶¹ As of June 2019, the campaign had exceeded its \$1.2 million goal. Another crowdfunding campaign started by two Muslim organizers raised more than \$238,000, well past its original goal of \$25,000.⁶²

The shooting prompted giving to other Jewish-focused organizations, as well as the Tree of Life congregation. Charity Navigator reported that donations to approximately 30 Jewish faith-related organizations in their database went up by over 1,000 percent the week after the shooting.⁶³ The Harry and Jeanette Weinberg Foundation provided \$1.2 million in emergency grant funding to six organizations, including \$100,000 to the Tree of Life – Or L'Simcha Synagogue.⁶⁴

The Pittsburgh Foundation launched an online giving event to support eight organizations that are helping victims of the shooting, using the hashtag #LovelsStronger.⁶⁵ The foundation pledged to match all donations dollar-for-dollar up to \$150,000. Among the



recipients are the Jewish Community Center, Jewish Family and Community Services, Jewish Federation of Greater Pittsburgh, Hebrew Immigrant Aid Society, and the three congregations housed at the Tree of Life Synagogue: Tree of Life–Or L'Simcha, Dor Hadash, and New Light Congregation.

NEW TRENDS IN JEWISH GIVING EMERGING

In 2018, the report *Giving Jewish: How Big Funders Have Transformed American Jewish Philanthropy* commissioned by the AVI CHAI Foundation and authored by Professor Jack Wertheimer (Jewish Theological Seminary of America), found that the landscape of Jewish philanthropy had changed in recent years.⁶⁶ The report found that synagogues are not one of the primary recipients for large funders such as Jewish foundations, and were instead supported primarily by local donors. Another key finding is that large foundations have moved toward

funding engagement projects that include activities that reach out to Jewish individuals who are not currently involved in their congregations in order to help build Jewish identity.⁶⁷ According to Rabbi Ben Goldstein, “The future of non-orthodox Judaism is outside of a sanctuary and might be outside of synagogues Whether it’s around social justice, cultural or educational events, most thriving synagogues provide different types of engagement. The most successful communities know how to offer multiple entry points.”⁶⁸

The Jewish Communal Fund NY surveyed the trends of nearly 9,000 people in its network across the United States and found that of the \$435 million in grants given in the 2018 fiscal year, only \$40.9 million went to religion—about 9 percent of the total.⁶⁹ The recipients of the largest grants were General Education, Israel/International, and Community Organizations and Human Services. The top two synagogues in terms of number of grants were Union of Orthodox Jewish Congregations of America and Congregation Shaare Zion in Brooklyn, NY. The top two synagogues in terms of dollar amounts were Union of Orthodox Jewish Congregations of America and Congregation Rodeph Sholom in New York City.⁷⁰

Muslim giving

REBUILDING FROM ISLAMOPHOBIC ATTACKS

The Victoria Islamic Center, a mosque in South Texas that was burned down in January 2017 by an arsonist, reopened in August 2018 with help from a GoFundMe campaign created by Omar Rachid, a member of the mosque since 1994.⁷¹ The campaign raised approximately \$1.1 million in donations from more than 20,000 individuals throughout the world.⁷²

MUSLIM COMMUNITY PROVIDES SUPPORT TO TREE OF LIFE—OR L’SIMCHA CONGREGATION

Two Muslim-American activists, Tarek El-Messidi, founder of CelebrateMercy, and Linda Sarsour, co-founder of MPower Change and co-chair of the 2017 Women’s March, launched a crowdfunding campaign on the Muslim-run LaunchGood website just days after the attack at the Tree of Life synagogue. The drive was held in partnership with the Islamic Center of Pittsburgh and the Tree of Life—Or L’Simcha Congregation.⁷³ The campaign reached its goal of \$150,000 in a little over 48 hours, with donations from nearly 3,600 donors.⁷⁴

Support for the Tree of Life—Or L’Simcha Synagogue was not limited to monetary donations; members of the Muslim community also made a pledge to support the local Jewish community in non-monetary ways, including providing

trips to the grocery store, offering protection during religious services, and helping with other needs.⁷⁵

EMERGING TRENDS IN THE U.S. MUSLIM COMMUNITY

Pew Research Center estimates about 3.45 million Muslims of all ages live in the United States, making up about 1.1 percent of the total U.S. population.⁷⁶ Pew estimates that by 2040, Muslims will replace Jews as the second largest religious group in the U.S. after Christians.

Often overlooked by the larger world of foundations, Muslim Americans have begun to organize their own philanthropic initiatives, including launching a donor-advised fund.⁷⁷ The American Muslim Fund (AMF), launched in 2016, envisions itself as the country's first Muslim community foundation and supports Muslims in fulfilling their religious obligations of zakat and other donations through donor-advised funds (DAFs).⁷⁸ Though AMF supports more than just mosques—some recipients do not even have a Muslim focus—the following mosques received support:

- Evergreen Islamic Center in San Jose, CA;
- Islamic Center of Santa Cruz, CA
- Islamic Society of East Bay in Fremont, CA;
- Kalamazoo Islamic Center, MI
- Muslim Community Center-East Bay;
- Muslim Community of the Western Suburbs of Detroit; and
- The Women's Mosque of America.⁷⁹

In addition, religious media outlets such as Sound Vision, based in Chicago, and Islam in Spanish, in Houston, whose mission is to “inspire, lead and pioneer solutions in educating Latinos and other communities about Islam through media production and grassroots outreach worldwide” have been recipients of AMF-supported DAFs.⁸⁰ AMF intends to offer grants to nonprofits that are specifically situated within Muslim communities. Potential grantees include mosques, art programs, and schools, as well as organizations serving incarcerated Muslims, promoting interfaith dialogue, and engaging in community organizing.⁸¹

MUSLIM GIVING AND APPS

The Feeling Blessed app, a free fundraising app developed by two Muslims in 2014, has helped create a platform for small, consistent donations that are important for the upkeep of local mosques.⁸² The North Austin Muslim Community Center (NAMCC) Executive Committee reported that donations have increased since the organization began using the app. Feeling Blessed has already hosted several successful campaigns, including

a fundraiser for Hurricane Harvey and NAMCC's campaign to build a fence around the mosque perimeters.⁸³

Following downward trend, report shows flat growth in giving to congregations in 2016

In 2018, empty tomb, inc. published *The State of Church Giving Through 2016: Understanding the Times*, which found that per-member giving to congregational finances and benevolences held steady at 2.17 percent—the same percent as 2015.⁸⁴ This may be a signal that the downward slide in which 2014 was at an all-time low (2.15 percent of member income) has stalled.

Study shines light on the link between religiosity and charitable giving

A 2018 study by James A. Roberts (Baylor University) and Meredith E. David (Baylor University) investigated the relationship between religiosity and

charitable donations. The researchers found that religiosity did indeed have a positive association with charitable giving. This is not necessarily the same thing as religious affiliation and church attendance, but rather that, the more central religious beliefs and practices are to an individual, the more likely that person is to donate. Materialism was found to moderate the relationship between religiosity and giving. The more materialistic a person was demonstrated to be, the less likely the person was to have a high rate of charitable giving. At the end of the article, the authors detail managerial implications, including encouraging fundraisers to consider a donor's religiosity as a key value that may help guide that donor's decision-making.⁸⁵

Improvements in measuring religious identification

A 2018 study by Derek Lehman (Tarleton State University) and Darren Sherkat (Southern Illinois University) provides an updated "framework for grouping religious identifications on a continuum of theological exclusivism—universalism."⁸⁶ The authors attempt to provide a more sociologically useful classification that takes into account the important differences, including ethnicity, religious traditions, and social contexts within Protestant

denominations. The authors hope that this new framework can help better explain how religious in-groups relate to the dominant culture, and how these relationships can shift behavior.

Religious broadcasting gains ground while other religious organizations remain steady

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁸⁷ Previously *The Philanthropy 400*, *The Chronicle of Philanthropy* has

adapted their methodology this year to include just 100 organizations in a list called America's Favorite Charities. The compilation still 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, financial statements, and a questionnaire. New this year, the *Chronicle* restricted participants to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.⁸⁸



America’s Favorite Charities for 2018 included three religiously focused organizations.⁸⁹ Note that because religious organizations are not required to report revenue to the IRS, participants that made the list were those that self-reported. There are likely many other religious organizations that would qualify for the America’s Favorite Charities list. The religious organizations included in the list are included in Table 2.

Table 2 Religious organizations among charities with highest revenue in America’s Favorite Charities 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
29	Cru ⁹⁰	Orlando, FL	\$543.99 million	\$549.32 million	+5.5%
68	Young Life ⁹¹	Colorado Springs, CO	\$282.29 million	\$282.75 million	-.5%
98	Christian Broadcasting Network ⁹²	Virginia Beach, VA	\$208.92 million	\$209.41 million	+11.9%

Data: “America’s Favorite Charities,” *Chronicle of Philanthropy*, 2018, www.philanthropy.com

All three organizations appeared on *The Philanthropy 400* list in its final year, though Christian Broadcasting Network ranked 142nd in that year.⁹³

Chapter authored by Rafia Khader, MA, Program Manager at Lake Institute on Faith & Giving and Managing Editor of the *Journal of Muslim Philanthropy & Civil Society*, and Andrew L. Williams, doctoral student at the Indiana University Lilly Family School of Philanthropy.

Good to Know! section and Practitioner Highlights authored by *Giving USA* Editorial Review Board members Richard Dunham, Thomas Kissane, Bob Guittard, and Elaine Jansen.

ENDNOTES

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9 Giving to Education

- Giving to the education subsector amounted to 14 percent of total giving in 2018.¹
- Contributions to education organizations declined 1.3 percent between 2017 and 2018, to \$58.72 billion. Adjusted for inflation, giving to education organizations declined 3.7 percent.
- The total amount contributed to education in 2018 reached its second highest inflation-adjusted value ever.

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.

Practitioner Highlights

- In 2018, community colleges received multi-million dollar gifts.² Donors who are investing in community colleges are often local leaders who see the vital role that the community college plays in workforce development and educational affordability.
- As capital campaigns become increasingly common, cultivating a major gift donor base will be a critical determinant in an institution's ability to meet campaign fundraising objectives.³
- Research shows that community colleges could benefit from planned giving programs. There is a need for growing support—some of which is being met—for community colleges and public education that have not necessarily built the long-term culture of philanthropy or mechanisms for fundraising that more advanced programs have built.⁴

Trends in giving to education in 2018

After four years of consecutive growth, giving to education declined in 2018.⁵ The two-year growth rate for giving to education in current dollars was 9.4 percent. In the last five-year period (2014–2018), giving to this subsector experienced a greater than average annualized growth rate of 5.7 percent—

outpacing the average annualized growth rate for total giving of 5.2 percent.

Several reports issued in 2019 and in late 2018 indicate relatively stagnant giving to education in 2018 with some evidence of growth in giving to higher education. 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 2018 on giving to this subsector include:

- The Voluntary Support of Education (VSE) survey, which was acquired by the Council for Advancement and Support of Education (CASE) in July 2018, found that total contributions to higher education reached \$46.73 billion in the 2017-2018 academic fiscal year. This total represents a 7.2 percent nominal increase from the 2016-2017 academic fiscal year.⁶ As with the previous year, all donor types increased nominal contribution totals. The highest percent increase came from organizations other than corporations and foundations, growing 13.5 percent to a total of \$5.27 million. Non-alumni individuals also saw strong growth, with a 9.0 percent nominal increase for a total of \$18.3 million.
- According to Blackbaud Institute's *Charitable Giving Report*, released in 2019, higher education reported 2.0 percent growth in 2018, but K–12 education reported a 0.1 percent decline in the same period.⁷ Higher education and K–12 education both increased their share of #GivingTuesday contributions. In 2018, higher education earned 32 percent of contributions (versus 20 percent in 2017), and K–12 education earned 17 percent of contributions (versus 9 percent in 2017). According to the *Luminate Online Report*, released in 2019, total online revenue for higher education in 2018 was \$676,477, a nominal increase of 9.4 percent from the previous year.⁸
- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 65 percent of fundraisers in education reported an increase in charitable revenue from January to June of 2018.⁹

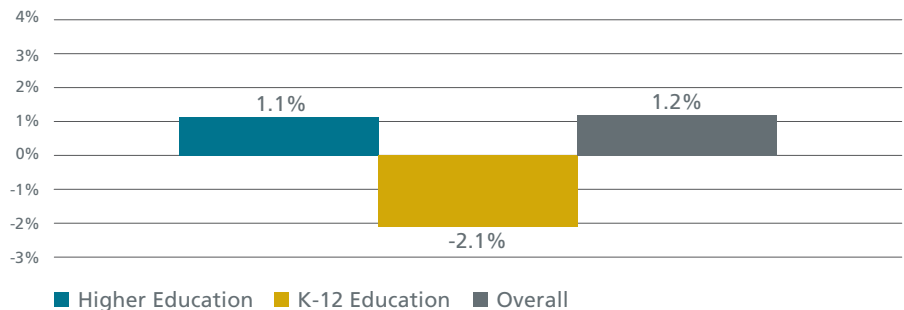
To provide additional context for giving to education in 2018 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.



Online giving to education had mixed results in 2018

Figure 1 Percentage of growth for online giving to educational organizations in 2018

Percentage of growth in online giving



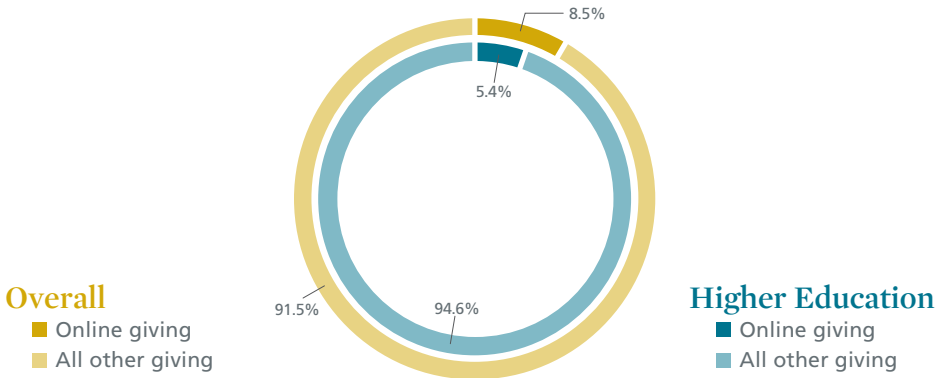
Data: Charitable Giving Report: How Fundraising Performed in 2018, Blackbaud Institute, 2019, www.blackbaud.com

Online giving to all categories grew 1.2 percent in 2018 over 2017, according to Blackbaud Institute's *Charitable Giving Report*. Online giving to higher education causes grew at a similar rate to the sector overall (1.1 percent), but online giving to K-12 education declined 2.1 percent compared to 2017.¹⁰ Figure 1 shows these results.



Figure 2 Percentage of dollars given online for higher education organizations in 2018

Online giving as a percent of overall giving: Higher Education

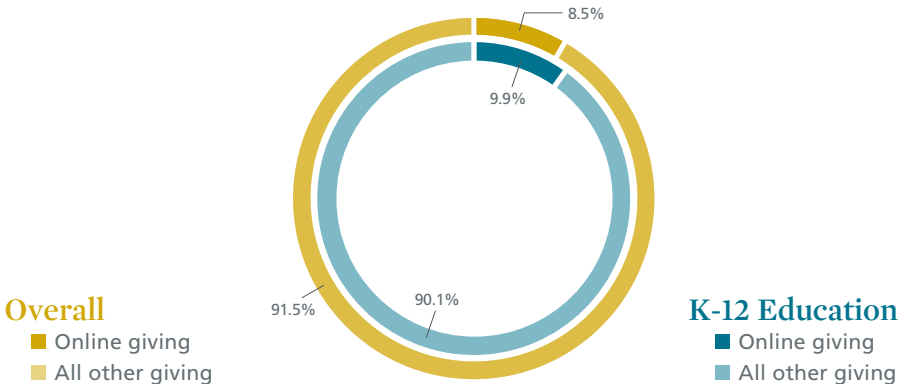


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

Blackbaud Institute's *Charitable Giving Report* indicates that online giving to higher education was 5.4 percent of total fundraising received by this subsector in 2018, smaller than the percentage for online giving overall (8.5 percent of total fundraising from online giving).¹¹ Figure 2 shows these results.

Figure 3 Percentage of dollars given online to K-12 education organizations in 2018

Online giving as a percent of overall giving: K-12 Education

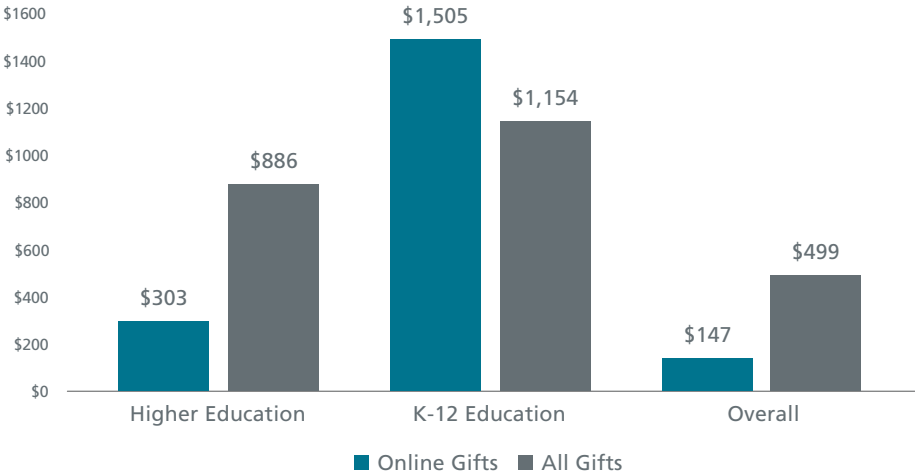


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud, 2019, www.blackbaud.com

Blackbaud Institute's *Charitable Giving Report*, released in 2019, indicates that almost 1 in 10 dollars raised for K–12 education was raised online in 2018, higher than the percentage for online giving overall.¹²

Figure 4
Average gift size for educational charities in 2018 (in dollars)

Mean gifts by recipient type:



Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits, K-12 education saw the highest mean gift rates of any subsector. Higher education too had higher mean gifts than the overall sector for both online giving and overall giving in the Blackbaud sample.¹³ Figure 4 shows these results.

Voluntary Support of Education (VSE) survey reports a 7.2 percent increase in charitable revenue to institutions of higher education in 2017-2018 year

Contributions to higher education institutions reached \$46.7 billion in the

2017–2018 academic fiscal year, a 7.2 percent increase from the 2016–2017 academic fiscal year, according to the annual Voluntary Support of Education (VSE) survey, which was acquired by the Council for Advancement and Support of Education (CASE) in July 2018.¹⁴ Contributions to colleges and universities in 2017-2018 reached the highest levels ever recorded by the VSE survey, with seven institutions receiving a gift of \$100 million or more (the largest number of \$100 million and over gifts ever recorded in one year, with the exception of 2015).

The VSE survey also reveals that giving by all donor types increased, including giving by individuals, foundations, corporations, and other organizations in the 2017–2018 academic fiscal year.¹⁵ Giving by non-alumni individuals increased an impressive 9.0 percent from the 2016–2017 academic fiscal year. Giving by corporations grew the least, at 2.0 percent. The strongest growth came from other organizations, whose giving increased 13.5 percent in 2017–2018. Other sources of giving to higher education institutions include other nonprofits, federated fundraising organizations (such as United Way), religious organizations, and grants from

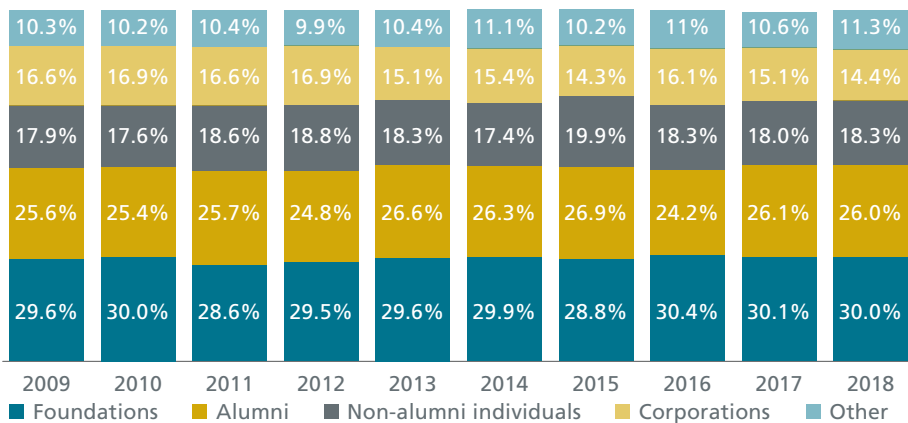
donor-advised funds (DAFs).

This year, the VSE included an optional question about DAFs.¹⁶ The respondents from that part of the survey reported that dollar values of gifts from DAFs increased 65.8 percent from the previous year. The report indicated that, generally, giving to higher education rises in tandem with growth in the stock market and GDP.

Figure 5 breaks down the percentage of total amounts raised by colleges and universities by source of giving for the academic years 2009–2010 through 2017–2018.

Figure 5

Percentage of total amounts raised by higher education institutions, by source of giving, for academic years 2008–2009 to 2017–2018



Note: "Other" includes giving by federated fundraising organizations, religious organizations, some donor-advised funds, and other organizations.

Data: Council for Advancement and Support of Education (CASE), Voluntary Support of Education (VSE) surveys, 2009–2018, www.case.org

Good to Know!

Studies find it usually costs less to retain and motivate an existing donor than to attract a new one. Reducing donor loss can be one of the least expensive ways to increase annual net fundraising gains.¹⁷ Educational institutions should more effectively focus on donor retention and return on investment by considering these steps:

- Be transparent. Show donors their dollars are being spent wisely;
- Create a new-donor welcome packet; distribute timely, easy-to-read endowment reports; invite donors to tour the facility they helped build;
- Review acknowledgement letters to be sure “you” shows up twice as much as “we” in the message;
- Don’t overlook stewardship opportunities that leverage faculty-student relationships, or tap into positive experiences of former student-athletes;
- Stop guessing and start listening. Invest in a survey to gather feedback on alumni donor preferences regarding communication, programming, and fundraising;
- Track who opens email blasts, likes you on Facebook, responds to surveys, or attends events. Maximize your database by consistently recording donor activity; and
- Assess your alumni chapters. Determine how much effort staff expends and if alumni are making meaningful connections through that avenue.



Philanthropy seeks to address challenges in the education space

According to a report by the Center on Budget and Policy Priorities, government support of two and four-year colleges declined \$7 billion in inflation-adjusted dollars from 2008 to 2018.¹⁸ As a consequence, the role of philanthropy in institutions of higher education is increasing. Its role may become even larger for community colleges, which have historically received less private financial support than four-year institutions.¹⁹

SEVERAL COLLEGES AVOID CLOSURE DUE TO PHILANTHROPIC GIFTS

In 2018, several institutions relied on philanthropy to stay fiscally afloat:

- Iowa Wesleyan University (Mount Pleasant, IA), a small, private liberal arts university, was required to raise \$2.1 million before end of year 2018 in order to remain open for 2019.²⁰ The campaign received \$500,000 from an alumni donor.
- Bennet College (Greensboro, NC), one of two historically black women's colleges, was tasked with raising \$5 million by February 1, 2019 to avoid having the college's accreditation stripped.²¹ Alumni started an online

campaign that went viral and raised \$8.2 million by the February deadline.

- Sweet Briar College (Sweet Briar, VA), which nearly closed in 2015 due to lack of funds, fully reopened in 2019 after raising a total of \$44 million in private funds.²² In the reopening year, private donations composed 82 percent of the budget.

REPORT FINDS THAT THE NUMBER OF ALUMNI DONORS IS DECLINING

Blackbaud Institute's *donorCentrics Annual Report on Higher Education Alumni Giving* found that more money is being raised, but from fewer donors. Alumni giving rates experienced a year-over-year decline and are projected to continue to decline over time.²³ However, the number of gifts per donor is on the rise, with an all-time high of 1.34 gifts per donor across public and private universities.

Large donations continue to dominate the higher education landscape

CAPITAL CAMPAIGNS INCREASINGLY COMMON, SURVEY FINDS

Capital campaigns require large gifts and sustained fundraising effort.

According to some reports, these campaigns are becoming more common. A survey of nearly 600 fundraising professionals in higher education conducted by the consulting firm Ruffalo Noel Levitz found that 81 percent of respondents were either in a current capital campaign or about to start one.²⁴ Capital campaigns may also be an area where some institutions of higher education are making gains: the VSE survey indicated that the growth in alumni giving in academic fiscal year 2017–2018 was driven in part by alumni giving to capital-purpose gifts.²⁵

REPORT FINDS THAT THE NUMBER OF GIFTS OF \$10 MILLION AND OVER INCREASED, BUT DOLLAR AMOUNT DECREASED AS OF MIDYEAR 2018

The Marts & Lundy 2018 *So Far: \$10M+ Giving to Higher Education* report uses data from *The Chronicle of Philanthropy* and Twitter to track gifts of \$10 million and over to institutions of higher education. The report found that while there were more midyear gifts of \$10 million and over to higher education in 2018, the total of these gifts was 7.3 percent lower in 2018 than at the same point in 2017.²⁶ While the number of large gifts in 2018 exceeded the number of large gifts in 2017 as of midyear, the increase in number of gifts was driven by gifts in the lowest range of the study (\$10–\$24 million), with gifts in the mid range (\$24–\$29 million) falling

28 percent from 2017. Gifts in the higher range (\$50 million and over) as of midyear 2018 were healthy, totaling \$1.3 billion, but still represented a slight decline from the dollar total of gifts for the same range at midyear 2017 (\$1.8 billion).

COMMUNITY COLLEGES RECEIVE MAJOR GIFTS

The VSE survey found that public two-year colleges received an average of \$1.7 million in private gifts during the 2017–2018 academic fiscal year, an increase of 8 percent.²⁷

Large gifts to community colleges in 2018 included a bequest valued at \$19 million from Virginia and Jim Gatewood to Tyler Junior College in Tyler, TX.²⁸

The gift is historic: it is the largest ever received by the College, and it is also believed to be the largest gift by an individual to a community college in Texas. The Lincoln Land Community College in Springfield, IL also received \$18 million from Charlie and Irene Kreher to support the agriculture program. The gift will establish an endowment for the program, and part of the funds from the endowment will support scholarships for students.

Finally, Metallica, the rock band, donated \$1 million to 10 community colleges in 2018 through its All Within My Hands Foundation.²⁹ The foundation, which focuses on work-force education initiatives, partnered with the American Association of Community Colleges to

distribute the gifts. All of the colleges that received gifts were close to tour stops for Metallica's most recent tour.

MAJOR GIFTS COVER TUITION IN 2018

In 2018, Waste Management founder Dean Buntrock gave \$21.4 million to St. Paul College to create a new master of divinity program.³⁰ The gift will support five years of tuition and living expenses for divinity students.

Michael Bloomberg's \$1.8 billion gift to John Hopkins University, believed to be the largest single gift to an institution of higher education, will allow the university to proceed with "need-blind" admission, meaning that students will be accepted regardless of financial need, and they will be able to attend the university without taking out loans.³¹

LARGE GIFTS TO MEDICAL SCHOOLS DEFRAY TUITION COSTS FOR STUDENTS

An anonymous \$3 million donation to the University of Houston's new medical school will ensure that all 30 incoming students will attend tuition free when the school opens in 2020.³² In addition, NYU's school of medicine announced that it would pay the tuition for all students, regardless of financial need in 2018.³³ The school anticipates that the cost will be \$600 million and reports that \$450 million of that total has been raised, thanks in part to a \$100 million gift from Kenneth G. Langone, the

founder of Home Depot, and his wife, Elaine. According to the article, this is a growing trend due to the rising cost of tuition and student debt.

Major funders support K-12 education in 2018

From 1997 to 2017, the Walton Family Foundation gave \$424 million to over 2,000 schools, and in 2018, the foundation released a report outlining its strategy for giving to education going forward.³⁴ The strategy includes giving to public charter, district, and private schools; embracing new teaching approaches; and supporting teachers and leaders of color in the early phases of their careers.

Several funders prioritized giving to K-12 education in 2018, including the following:

- Stephen Schwarzman, Chairman and CEO of the Blackstone Group, announced a \$25 million gift to Abington High School in Abington, PA in 2018.³⁵ The gift is reportedly the largest donation ever made to a public high school.
- Banker Denny Sanford gave \$100 million to expand The Sanford Harmony program, a social and emotional learning program through National University System aimed at

increasing the social and emotional skills of children in the sixth grade and younger.³⁶

Billion-dollar higher education campaigns opened or in progress in 2018

Based on announcements from online reports and websites, *Giving USA's* tracking of billion-dollar higher education campaigns revealed that at

least 10 campaigns opened to the public in 2018. The following universities launched new billion-dollar campaigns: Baylor University; Dartmouth College; Lehigh University; Rochester Institute of Technology; University of Kentucky; University of Maryland at College Park; University of Pennsylvania; University of Pennsylvania - Wharton; University of Utah; and University of Virginia.

A total of forty-eight billion-dollar campaigns were identified as in progress in 2018, including campaigns that opened in 2018 (see Table 1).



Table 1 Billion-dollar higher education campaigns opened or in progress in 2018

Institution	Opened or announced	Plan to close	Goal (\$)	Raised (\$)	As of
Arizona State University ³⁷	2017	2020	\$1.5B	\$1B	January 2017
Baylor University ³⁸	2018	Unknown	\$1.1B	\$692M	May 2019
Boston University ³⁹	2012	2019	\$1.5B	\$1.3B	September 2017
Brown University ⁴⁰	2015	2022	\$3B	\$2.06B	March 2019
California Institute of Technology ⁴¹	2016	Unknown	\$2B	\$1.79B	May 2019
College of William and Mary ⁴²	2015	2020	\$1B	\$860M	March 2019
Colorado State University ⁴³	2016	2020	\$1B	\$1B	October 2018
Dartmouth College ⁴⁴	2018	2022	\$3B	\$2.05B	May 2019
Indiana University ⁴⁵	2015	2020	\$3B	\$2.73B	January 2019
Iowa State University ⁴⁶	2016	2020	\$1.19B	\$1.187B	May 2019
Kansas State University ⁴⁷	2015	2020	\$1.4B	\$1.4B	May 2019
Lehigh University ⁴⁸	2018	Unknown	\$1B	\$550M	October 2018
Massachusetts Institute of Technology ⁴⁹	2016	N/A	\$6B	\$3.6B	October 2017
Mississippi State University ⁵⁰	2013	2020	\$1B	\$915.6M	May 2019
New York University ⁵¹	2013	N/A	\$1B	\$680M	February 2017
North Carolina State University ⁵²	2016	2021	\$1.6B	\$1.492B	May 2019
Northwestern University ⁵³	2014	2020	\$5B	\$4.34B	February 2019
Pennsylvania State University ⁵⁴	2017	2021	\$1.6B	\$1.038B	April 2019
Purdue University ⁵⁵	2015	2019	\$2.02B	\$2.414B	May 2019
Rochester Institute of Technology ⁵⁶	2018	2022	\$1B	\$606M	May 2019
Texas A&M ⁵⁷	2015	2020	\$4B	\$3.514B	April 2019
Tufts University ⁵⁸	2017	N/A	\$1.5B	\$630M	Spring 2018
Tulane University ⁵⁹	2017	N/A	\$1.3B	\$820M	December 2017
The University of Chicago ⁶⁰	2014	2019	\$5B	\$4.977B	May 2019
University Of Arkansas ⁶¹	2016	2021	\$1.25B	\$1.079B	May 2019
University of California, Los Angeles ⁶²	2014	2019	\$4.2B	\$4.7B	May 2019
University of California, San Diego ⁶³	2017	N/A	\$2B	\$1.841B	May 2019
University of California, San Francisco ⁶⁴	2017	N/A	\$5B	\$4.456B	May 2019
University of Florida ⁶⁵	2017	2022	\$3B	\$1.66B	August 2018

University of Georgia ⁶⁶	2016	2020	\$1.2B	\$1.2B	February 2019
University of Houston ⁶⁷	2017	2020	\$1B	\$979M	January 2019
University of Illinois System ⁶⁸	2017	2022	\$3.1B	\$2.25B	May 2019
University of Kentucky ⁶⁹	2018	Open ended	\$2.1B	\$1B	September 2018
University of Maryland at College Park ⁷⁰	2018	2021	\$1.5B	\$1B	May 2010
University of Minnesota ⁷¹	2017	2021	\$4B	\$3.31B	May 2019
University of Missouri ⁷²	2015	2020	\$1.3B	\$1.019B	July 2018
University of New Mexico ⁷³	2006	2020	\$1B	\$1B	May 2018
University of North Carolina ⁷⁴	2017	2022	\$4.25B	\$2.59B	May 2019
University of Oregon ⁷⁵	2014	N/A	\$3B	\$2.03B	February 2019
University of Pennsylvania ⁷⁶	2018	2021	\$4.1B	\$3.3B	April 2019
University of Pennsylvania, Wharton ⁷⁷	2018	2021	\$1B	\$774M	May 2019
University of Southern California ⁷⁸	2011	2021	\$6B	\$7.16B	May 2019
University of Tennessee ⁷⁹	2017	2020	\$1.1B	\$1.17B	May 2019
University of Utah ⁸⁰	2018	2022	\$2B	\$1.24B	April 2019
University of Virginia ⁸¹	2017	2025	\$5B	\$1.7B	June 2018
University of Washington ⁸²	2016	2020	\$5B	\$5B	October 2018
University of Wisconsin-Madison ⁸³	2015	2020	\$3.2B	\$2.98B	April 2019
Wake Forest University ⁸⁴	2013	2020	\$1B	\$900M	January 2019

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 completed in 2018

Based on announcements from online reports and websites, 10 higher education institutions concluded billion-dollar campaigns in 2018. All of these universities met or exceeded their campaign goals (see Table 2).

Table 2 Billion-dollar higher education campaigns closed in 2018

Institution	Opened or announced	Plan to close	Goal (\$)	Raised (\$)
Case Western Reserve University ⁸⁵	2011	2018	\$1.5B	\$1.82B
Florida State University ⁸⁶	2014	2018	\$1B	\$1.159B
Harvard Business School ⁸⁷	2014	2018	\$1.3B	\$1.4B
Harvard University ⁸⁸	2014	2018	\$6.5B	\$9.6B
Johns Hopkins University ⁸⁹	2010	2018	\$4.5B	\$6.015B
Michigan State University ⁹⁰	2014	2018	\$1.5B	\$1.7B
University of Alabama, Birmingham ⁹¹	2013	2018	\$1B	\$1B
University of Michigan ⁹²	2013	2018	\$4B	\$5B
University of South Florida ⁹³	2009	N/A	\$1B	\$1.03B
Washington University in St. Louis ⁹⁴	2012	2018	\$2.5B	\$3.378B

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 grow in 2018, but 10-year average remains short of goal

The 2018 National Association of College and University Business Officers (NACUBO)-Commonfund Institute Study of Endowments (NCSE) report shows that the endowments of participating higher education institutions returned an average of 8.2 percent for the 2018 fiscal year (July 1, 2017 to June 30, 2018)—a decline from 12.2 percent for the 2017 fiscal year.⁹⁵ NACUBO collected data for the NCSE from 802 U.S. colleges and universities with a collective \$616.5 billion in

endowment assets. Although the median endowment size of participating institutions was approximately \$140.2 million, 41 percent of study participants reported having endowments of \$101 million or less.

The 2018 NCSE notes that, while single-year returns are meaningful, endowment managers typically use 10-year average annual returns for planning purposes.⁹⁶ The 10-year annual average endowment return for participating institutions increased from 4.6 percent in the 2017 fiscal year to 5.8 percent in the 2018 fiscal year. The increase is still short of the 7.2 percent average that many institutions seek to achieve. On the spending side, participating institutions' average effective spending rate stayed level with the 2017 fiscal year rate of 4.4 percent.

Provisions of the Tax Cuts and Jobs Act may have an impact on the education sector

Certain provisions of the Tax Cuts and Jobs Act may have an impact on educational institutions. For instance, both institutions of higher education and other educational organizations are expected to be impacted by the new Unrelated Business Income Tax (UBIT) provisions in the Tax Cuts and Jobs Act (2017).⁹⁷

UNIVERSITIES REACT TO THE FIRST YEAR OF IMPLEMENTATION OF THE TAX CUTS AND JOBS ACT

The TCJA introduced a 1.4 percent tax on the net investment income of private colleges and universities with 500 or more enrolled students and assets valued at over \$500,000 per student.⁹⁸ A small number of schools are affected by this provision (estimates range from 25 to 30 institutions). However, the impacted institutions may attempt to increase enrollment numbers to decrease their “endowment-per-student” ratio to miss the tax threshold.⁹⁹ Colleges that already have low enrollment could lower enrollment even more to miss the tax threshold as well. Finally, schools are lobbying against the 1.4 percent tax on annual

net investments.

Public university employees are currently considered exempt from the Tax Cuts and Jobs Act’s stipulation that nonprofits pay a 21 percent excise tax on employee salaries of \$1 million or more.¹⁰⁰

However, lawmakers proposed that public universities be required to pay the tax in early 2019. If the proposal was to pass, *The Chronicle of Higher Education* identified 205 employees at 73 public institutions that would be impacted by the tax. Private universities are still responsible for the 21 percent tax on salaries of \$1 million or more.

Community colleges benefit from planned giving programs, study finds

A study published in 2018 by Everett A. Smith (University of Cincinnati), G. David Gearheart (University of Arkansas), and Michael T. Miller (University of Arkansas) sheds light on the role of planned giving at community colleges.¹⁰¹ The study analyzed the results of a survey of 150 community college development officers, finding that only 34 percent of the surveyed institutions housed a formal planned giving program. The study also found that planned gifts were

an important fundraising stream for the surveyed institutions: 28 percent of all gifts of \$1 million or more were planned gifts, and nearly 26 percent of the total dollars raised from all respondents came from planned gifts. The study concluded that community colleges should consider developing or strengthening their planned giving programs.

Colleges and universities hold 41 of the top 100 spots for charitable giving revenue

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.¹⁰² Previously *The Philanthropy 400*, *The Chronicle of Philanthropy* has adapted its methodology this year to include just 100 organizations in a list called America's Favorite Charities. The

compilation still 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, financial statements, and a questionnaire. New this year, *The Chronicle* restricted inclusion to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.

America's Favorite Charities included 21 private colleges and universities and 20 public colleges and universities.¹⁰³ The top five colleges and universities are included in Table 3.

Table 3 Educational organizations among charities with highest revenue in America's Favorite Charities 2018

Ranking	Name	Location	Cash contributions	Private contributions	Percent change (year over year)
4	Harvard University ¹⁰⁴	Cambridge, MA	\$1.28 billion	\$1.28 billion	+5.8%
6	Stanford University ¹⁰⁵	Palo Alto, CA	\$1.11 billion	\$1.13 billion	+16.2%
10	Cornell University ¹⁰⁶	Ithaca, NY	\$743.50 million	\$743.50 million	+23.7%
13	MIT ¹⁰⁷	Cambridge, MA	\$672.81 million	\$672.94 million	+56.9%
15	University of Southern California ¹⁰⁸	Los Angeles, CA	\$647.01 million	\$669.33 million	-1.9%

Data: "America's Favorite Charities", *The Chronicle of Philanthropy*, 2018, www.philanthropy.com

The only charity in the education category to make the top-100 list this year was Step Up for Students (Jacksonville, FL), which has been the top-ranking education charity for the two previous years.¹⁰⁹

Key findings from annual studies

Table 4 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 4 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: 2016, 2017, and 2018
www.nais.org

	2016–2017	2017–2018	2018–2019
Median annual giving per student	\$1,425	\$1,563	\$1,644
Median endowment per student	\$16,598	\$18,828	\$19,635
Giving by alumni	\$406	\$419	\$472
Median gift participation rate	9.7%	9.5%	9.5%
Giving by parents	\$1,107	\$1,139	\$1,191
Median gift participation rate	67.5%	66.9%	65.6%
Giving by trustees	\$4,531	\$4,635	\$2,564
Median gift participation rate	100.0%	100.0%	100.0%

Chapter authored by Anna Pruitt, PhD, Managing Editor of *Giving USA* at the Indiana University Lilly Family School of Philanthropy.

Good to Know sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Angela White, Patricia House, 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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- Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud, 2019, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5,537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- Luminate Online Benchmark Report 2018*, Blackbaud, 2019, www.blackbaud.com. Data from this report cover the fiscal year July 1, 2015 to June 30, 2018 for a sample of 937 nonprofit organizations that use Luminate Online cloud-based software by Blackbaud.
- 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
- Same as note 7.
- Same as note 7.
- Same as note 7.
- This information was provided to *Giving USA* directly from Blackbaud in April 2019. This data comes from a sample of 9,029 nonprofits that use Blackbaud services. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>
- Same as note 6.
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- Same as note 6.
- Good to Know section authored by Editorial Review Board member Patricia House.
- Michael Mitchell, Michael Leachman, Kathleen Masterson, and Samantha Waxman, *Unkept Promises: State Cuts to Higher Education Threaten Access and Equity*, Center on Budget and Policy Priorities, 2018, <https://www.cbpp.org/research/state-budget-and-tax/unkept-promises-state-cuts-to-higher-education-threaten-access-and>
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A photograph of a person sitting on a concrete bench in a dark, brick-walled tunnel. The person is wearing a dark jacket and is looking down. The tunnel is dimly lit, with light coming from an opening at the far end. The number '10' is overlaid in a large, yellow, serif font on the left side of the image.

10 Giving to Human Services

- Contributions to the human services subsector comprised 12 percent of all donations received by charities in 2018.¹
- Giving to human services organizations declined slightly by 0.3 percent in 2018, totaling \$51.54 billion. Adjusted for inflation, giving to human services declined 2.7 percent between 2017 and 2018.
- Contributions to human services in 2018 totaled the second-highest inflation-adjusted amount recorded to date.

Practitioner Highlights

- Amid rising demand for services, anticipated federal funding cuts, and a potential decline in giving due to tax law changes, many human services organizations are faced with the challenge of doing more with less.²
- The continued emergence of recognizable spokespersons, such as celebrities, elected officials, civic leaders, and athletes, has had an enormous impact on giving for human services charities. Their instant recognition value coupled with their widespread social media footprint is a key factor in elevating a human services charities presence and impact.³
- Spontaneous fundraising moments resulting from disasters or celebrity engagement also present an opportunity for organizations to engage differently by adapting quickly to this dynamic and even spearheading groundbreaking e-philanthropy platforms.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; rather, a collection of examples from the field.

Trends in giving to human services in 2018

Several reports issued in 2019 and late 2018 reveal mostly positive results for giving to human services organizations in 2018. 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 seen between these sources and Giving USA data. Some highlights from 2018 on giving to this subsector include:

- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 58 percent of fundraisers in this area reported an

increase in charitable revenue from January to June 2018.⁵

- According to the 2018 Blackbaud Institute Charitable Giving Report, human services reported 1.3 percent growth from the previous year. The share of #GivingTuesday contributions to human services decreased. In 2018, human services earned 18 percent of contributions (vs 19 percent in 2017).⁶ According

to the Blackbaud Institute's 2018 Luminate Online Report, total online revenue for human services in 2018 was \$393,780, an increase of 13.7 percent from the previous year.⁷

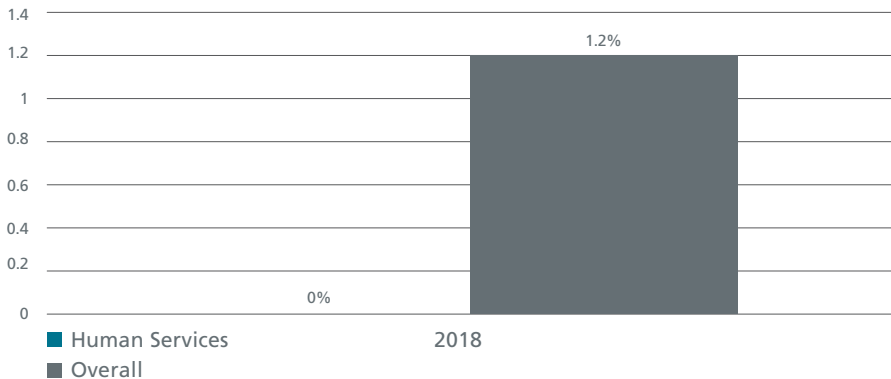
To provide additional context for giving to human services in 2018 and in recent years, the following sections provide detail on recent trends, related campaigns, and news for this subsector.



Hunger & poverty organizations reported larger than average gifts in 2018

Figure 1 Percentage of growth for online giving to human services organizations in 2018

Growth in online giving: Human services

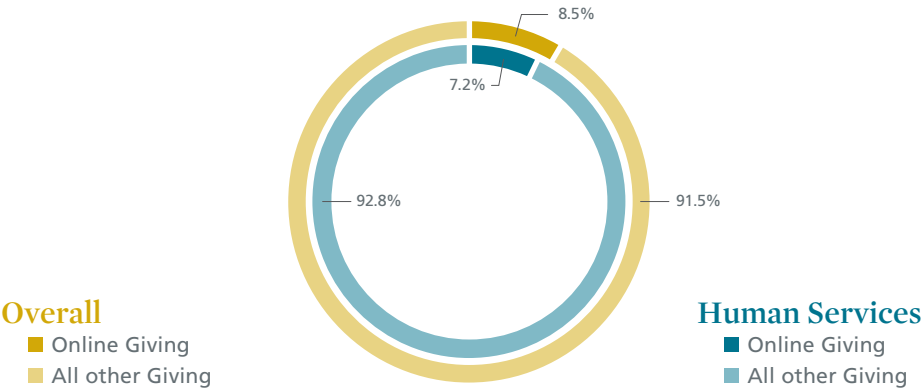


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com⁸

According to the Blackbaud Institute *Charitable Giving Report*, online giving to human services saw no growth in 2018.⁹ Figure 1 shows these results.

Figure 2
Percentage of dollars given online for human services organizations in 2018

Online giving as a percent of overall giving: Human services

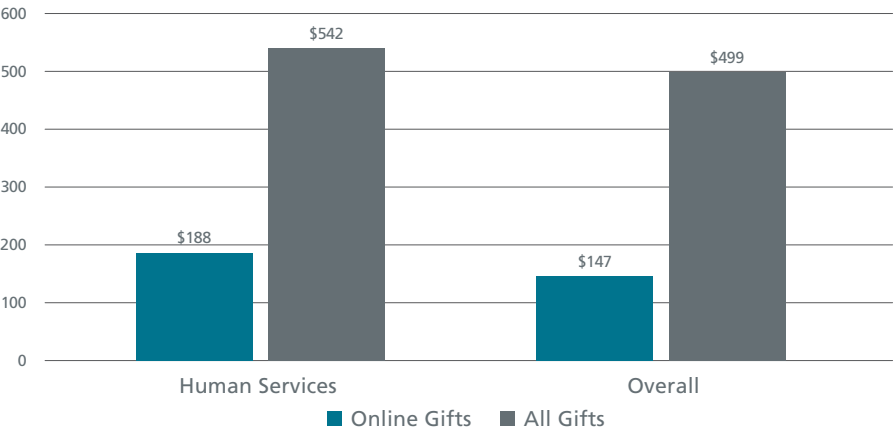


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

According to Blackbaud Institute *Charitable Giving Report*, human services had a slightly lower percentage of revenue coming from online giving than the sector overall.¹⁰

Figure 3
Average gift size for human services charities in 2018

Mean gifts by source: Human services



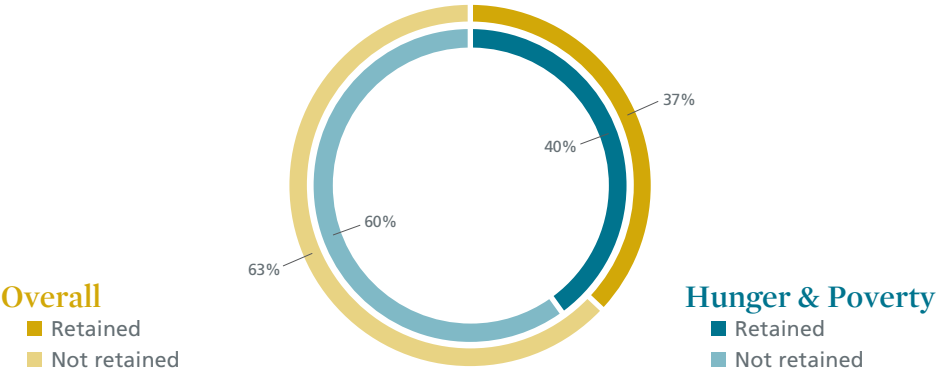
Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>



In spring 2019, the Blackbaud Institute reported that among its sample of over 9,000 nonprofits the average human services gift online and average gift through all means was smaller than the respective averages in the sector.¹¹ Figure 3 shows these results.

Figure 4 Online donor retention rate for hunger & poverty organizations in 2018

Online donor retention: Hunger & poverty



Data: M+R and NTEN, 2019 *Benchmarks*, www.mrbenchmarks.com

According to the *Benchmarks 2019* report by M+R and NTEN, the online retention rate for hunger and poverty organizations in their study was 40 percent, compared with the 37 percent overall online retention rate in all sectors.¹²

Tax Cuts and Jobs Act may have larger impact on human services than other sectors

The charitable tax deduction has long been an incentive for giving to nonprofits, but a recent change to the tax code will increase the standard deduction, meaning individuals and families would have to give a lot more to take an itemized deduction from their charitable giving.¹³

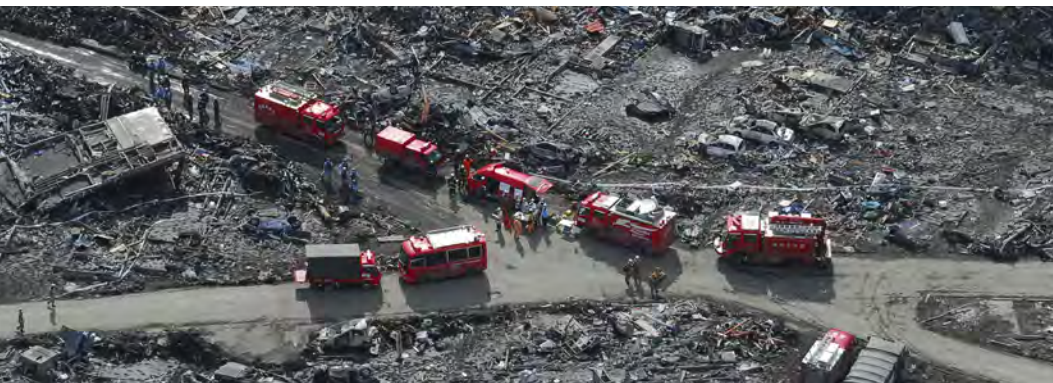
This law, the Tax Cuts and Jobs Act, passed at the end of 2017, may impact giving to all charitable sectors, but *The Chronicle of Philanthropy* reported that the law will especially impact human service organizations.¹⁴ Nicholas Duquette (University of Southern California) predicts that charitable giving to human services will drop as much as 5 percent because of the changes to the tax code.¹⁵

Disaster relief continues to form substantial component of human service funding

In 2018, the United States had several devastating natural disasters adding up to a total cost of \$91 billion in damages.¹⁶ This continues a trend of the last five years which had an annual cost average of \$99.1 billion a year due to natural disasters.¹⁷ In particular, Hurricanes Florence and Michael caused serious damage to the Carolinas and the Gulf Coast, and across the country, deadly forest fires wiped out entire communities.

SPORTS TEAMS AND BUSINESSES LEAD THE WAY FOR DISASTER RELIEF

Over \$16 million was donated in the aftermath of the wildfires in California.¹⁸



In addition to the thousands of small gifts, some of the largest gifts came from companies, foundations, and celebrities.¹⁹

- Direct Relief International donated \$2 million to support relief efforts in both Northern and Southern California.²⁰
- The American Red Cross received close to \$3 million in donations for wildfire relief.²¹
- Aaron Rodgers, the quarterback for the Green Bay Packers, launched a \$1 million fund after the Camp Fire.²² The fund was created to allow other organizations and offer individuals the opportunity to donate to the fund as well.²³
- The Walmart Foundation gave both cash and product donations totaling \$500,000 for Camp Fire relief, and an additional \$100,000 for Red Cross shelters in the region affected.²⁴
- Professional sports teams such as the Oakland Raiders and the Golden State Warriors pledged money for Camp Fire relief efforts as well.²⁵

Additionally, there were many individuals and organizations that responded to the destruction caused by Hurricanes Florence and Michael.

- The American Red Cross received over \$10 million in response to Hurricane Florence,²⁶ and close to \$8 million for Hurricane Michael relief.²⁷

- The Air Force Aid Society donated \$6 million to local charities that provide aid to military families affected by Hurricane Michael.²⁸
- Walmart donated \$5 million for Hurricane Florence relief and \$2.5 million for Hurricane Michael relief.²⁹
- Amazon enabled the ability for the Echo, the smart home device, to take donations by simply saying, “Alexa, make a donation to Hurricane Florence.”³⁰ This is the first time disaster relief campaigns received Alexa donations. Additionally, the company donated and shipped more than 400,000 items for Florence relief.³¹
- Michael Jordan and the Charlotte Hornets basketball team created a webpage for fans to donate to various organizations that helped with Florence recovery.³²

Some individuals in Florida felt that the charitable response to Hurricane Michael was anemic in comparison to other natural disasters.³³ Candid (formerly Foundation Center) estimated donations for Hurricane Florence at over \$59 million, while donations for Hurricane Michael relief a month later are estimated at \$35 million.³⁴



Gates poverty initiative leverages big data for large scale problem

The Bill & Melinda Gates Foundation announced a new initiative in 2018 that focuses on anti-poverty work in the United States.³⁵ The Foundation's \$158 million, four-year program will fund research that collects and analyzes large amounts of data on poverty.³⁶ By analyzing local characteristics, demographics, and other factors, the foundation hopes to empower local leaders with data to allow for economic mobility.³⁷ The new focus on big data comes from a general lack of understanding of how government and philanthropic support impacts communities and individuals.³⁸

The Ballmer Group, the Bill & Melinda

Gates Foundation, and Bloomberg Philanthropies have collaborated to fund What Works Cities, an initiative to address economic mobility in urban areas around the country.³⁹ The initiative received \$12 million in funding to start collecting and analyzing data to benefit 10 communities around the country.

Private sector takes on role in addressing affordable housing crisis

According to recent reports from the Department of Housing and Urban Development, roughly 550,000 people experienced homelessness on one night in 2018, and 36,000 of those people were unaccompanied youth under the age of 25.⁴⁰ Many large companies, especially tech companies, have drawn

criticism in recent years for being a contributing factor in the housing crisis that many communities are now facing.⁴¹ Many businesses will donate to local nonprofits and programs that address the housing issue:

- The tech company Cisco has announced a five-year commitment for \$50 million to work toward ending homelessness in Santa Clara County, CA.⁴² Cisco will funnel the first \$20 million of the commitment through the Silicon Valley Community Foundation.
- Wells Fargo pledged \$20 million for affordable housing in the Charlotte, NC area.⁴³ Over the past several years, Charlotte has been dealing with a housing crisis with rising rent and high home prices, which has caused a struggle for low-income residents.⁴⁴ The \$20 million will go to organizations that construct houses and assist homeowners with down payments.⁴⁵
- The Pohlad Family Foundation, the charitable organization created by the Pohlad family who owns the Minnesota Twins baseball team and several other businesses, is giving \$8 million in grants to local organizations that combat homelessness and housing scarcity.⁴⁶
- The Home Depot Foundation pledged to give \$250 million by 2025 to provide resources for building and renovating houses for veterans.⁴⁷

In Austin, TX, the organization Mobile Loaves & Fishes announced the ambitious plan to house all of Austin's chronically homeless population within ten years.⁴⁸ Their initiative, Community First!, had a groundbreaking ceremony for a housing project that will provide housing and RV home hookups in a 51-acre project that will have a healthcare facility, kitchens, a multipurpose center, and organic gardens.⁴⁹ The organization launched a capital campaign to raise \$20 million for the expansion. The first phase of the project will provide space for 200 formerly homeless individuals, with the second phase providing 500 more spaces.⁵⁰

Data informs new approaches to food and hunger

Using data from the Food Security Supplement of the Current Population Survey (CPS), the 2017 Hunger Free America's report, *Working America's Still Hungry*, estimates that 41 million Americans, including 13 million children, are struggling with food scarcity.⁵¹ That is about 4.7 percent of the population in the United States. Over 5.5 million Americans over the age of 60 are hungry; representing 8.2 percent of that generation.

The report highlights the number of food insecure adults in each state, as

well as the percentage of employed adults who suffer from hunger.⁵² In states with a minimum wage of at least \$10, the average proportion of the population of working hungry was 9.3 percent. In states with a minimum wage of \$7.25 or less, the average proportion of the population struggling with food insecurity was 10.3 percent.

NEW METHODS PREVENT FOOD WASTE

The Rockefeller Foundation has been a longtime supporter of food security and anti-hunger initiatives around the world.⁵³ The foundation is now pivoting away from investing in soil and plant science for the optimization of crops to instead focus on reducing food waste during transportation. In 2018, the James Beard Foundation launched the Waste Not Campaign with funding from the Rockefeller Foundation.⁵⁴ The Waste Not Campaign encourages culinary professionals and others to reduce food waste by practicing full-use cooking as well as other techniques to ensure that food waste in America declines.

The nonprofit Rescuing Leftover Cuisine intercepts still-edible food from restaurants before the food is thrown away.⁵⁵ Since its founding, the organization has rescued over 2.7 million pounds of food, allowing the nonprofit to serve over 2.3 million meals.⁵⁶ Rescuing Leftover Cuisine is unique in that there is no minimum pound requirement to pick up food

from restaurants, a constraint that can limit how much food a restaurant will donate.⁵⁷ Over half of the organization's operating costs are covered by a \$30 pickup fee, which businesses can deflect using an available tax credit.

ONLINE FOOD DRIVE MEETS PEOPLE WHERE THEY ARE

From World Food Day on October 16, 2018 through November 27, 2018, Amazon, Kellogg, and Feeding America launched an initiative called the Digital Food Drive.⁵⁸ Throughout the campaign, the website highlighted items that local pantries needed to encourage the donation of the most necessary resources. Organizers created The Digital Food Drive to meet people where they are, which in 2018 was primarily online.⁵⁹ Donors can “click, ship and donate” non-perishable food using Amazon's efficient and familiar online platform; the items are then shipped to a local nonprofit.⁶⁰

Youth groups receive support from private sector

Several organizations are funding programs that target at-risk or economically disadvantaged youth:

- The Ballmer Group is donating \$20 million to the Harrisburg, PA organization Youth Advocate

Programs to scale up current programs for at-risk youth, particularly individuals who have already had trouble with the law.⁶¹

- Coca-Cola pledged \$2 million in support of Vision Safe Atlanta, which will fund activity centers around the city that serve at-risk children and teens in Atlanta, GA.⁶²
- McDonald's donated \$2 million to local organizations in Chicago that help with job-readiness and skill training for local youth.⁶³ The programs focus on children and teens with less access to opportunities for education and economic mobility.
- The Harry and Jeanette Weinberg Foundation pledged \$1.2 million to 40 different programs in the Baltimore area for summer programs for low income youth.⁶⁴

campaigns that benefit victims of emergencies. The campaigns were from a seven-year period, 2010–2017, and were all emergency crowdfunding campaigns on popular commercial crowdfunding platforms.

According to the study, transparency efforts to reveal the operations of an organization can increase donor trust and increase giving by as much as \$65 per month.⁶⁶ With the use of only conventional fiscal and legal transparency efforts, donations only increased by \$22 per month on average.

To be effective with crowdfunding, show your work, study demonstrates

A study published in 2018 by Jorge Mejia (Indiana University), Gloria Urrea (Indiana University), and Alfonso J. Pedraza-Martinez (Indiana University) examines how crowdfunding has become a powerful tool for disaster relief.⁶⁵ The study examined, with econometric analysis, 100,000



Good to Know!

The Human Services sector must embrace the keys to unlock success. These factors are:

- Strong public relations strategies can create lasting partnerships to gain public awareness of a need or issue.
- Exploring the use of state-of-the-art technology, innovative ideas, and direct response tactics may help unleash support from a broad base of donors.
- Outside of disaster relief efforts, human service organizations should focus on community-based impact, and investment dollars will increase to affect those locally more so than nationally.
- Operational transparency through various channels of communication will increase donors' trust in the organization, and ultimately increase their overall financial support.⁶⁷

Salvation Army, Lilly Family School of Philanthropy update Human Needs Index for the first half of 2018

In 2015, The Salvation Army, in partnership with the Indiana University Lilly Family School of Philanthropy, released The Human Needs Index (HNI).⁶⁸ 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 provided, clothing provided, housing assistance, furniture provided, medical assistance, and help with energy bills.⁶⁹

According to the index, the national score indicates the overall level of human need for basic social services.⁷⁰ A zero score represents the lowest level of need. According to the latest update released in September 2018 for the year 2018, the national HNI was 1.03, a decrease from the 2017 HNI of 1.16. For state-level patterns, the new report wave revealed that Nevada, Wyoming, Oklahoma, South Dakota, and Arkansas had the highest levels of need in 2018.

Human service organizations receive top two slots for most private support

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁷¹ Previously called the *Philanthropy 400*, *The Chronicle of Philanthropy* has adapted their methodology this year to include just 100 organizations in a list called *America's Favorite Charities*. The compilation still 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, financial statements, and a questionnaire. New this year, *The Chronicle* restricted inclusion to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.⁷²

America's Favorite Charities included 9 organizations providing social services.⁷³ The top five organizations in this category are included in Table 1.

Table 1 Human services organizations among charities with highest revenue in 2018
America's Favorite Charities 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
1	United Way Worldwide ⁷⁴	Alexandria, VA	\$3.26 billion	\$3.47 billion	-4%
2	Salvation Army ⁷⁵	Alexandria, VA	\$1.47 billion	\$2.03 billion	+5.7%
7	The Y ⁷⁶	Chicago, IL	\$974.28 million	\$974.28 million	-8.4%
8	Boys & Girls Club of America ⁷⁷	Atlanta, GA	\$909.04 million	\$988.65 million	+11.3%
11	Lutheran Services in America ⁷⁸	Baltimore, MD	\$731.57 million	\$731.57 million	-2.1%

Data: America's Favorite Charities, *The Chronicle of Philanthropy*, 2018, www.philanthropy.com

Chapter authored by Bryan Fegley, Assistant Director of Annual Giving at the University of North Carolina Wilmington.

Good to Know! sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Erik Rogers, Lisa Wolf, Sarah Anderson, and Thomas Kissane.

ENDNOTES

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11 Giving to Foundations

- Giving to foundations amounted to 12 percent of total giving in 2018.¹
- Contributions to foundations declined 6.9 percent, to \$50.29 billion in 2018. Adjusted for inflation, giving to foundations declined 9.1 percent.
- Giving to foundations reached its second highest inflation-adjusted value in 2018, exceeded only by the highest inflation-adjusted value of \$55.32 billion in 2017.
- 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

- Between 2016 and 2017, the total number of individual donor-advised funds grew 60 percent. Over the same period, the number of donor-advised funds held by community foundations increased by only 0.1 percent. Community foundations will continue to find competition for donors from commercially-sponsored donor-advised funds such as Fidelity Charitable and Vanguard Charitable.²
- Donors are increasingly using more creative methods to achieve their philanthropic objectives, including creating family donor-advised funds and new advocacy organizations.³
- As the popularity of giving days continues to rise, a new study shares good news. The majority of participants plan to make an additional gift throughout the year in addition to the contribution made during a giving day.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 2018

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 2018 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.

Major gifts to foundations in 2018

Major gifts to foundations continued at strong rates in 2018. This section outlines various trends seen among the major gifts to foundations.

GIFTS TO FOUNDATIONS DID NOT SLOW IN 2018 FOR TECH GIANTS

Amazon founder Jeff Bezos and his now ex-wife MacKenzie established the Bezos Day One Fund with a donation of \$2 billion in September 2018.⁵ The fund will use a two-pronged approach to helping low-income families and families experiencing homelessness: the Day 1 Families Fund will support organizations around the U.S. that provide both emergency and long-term services to families experiencing homelessness, while the Day 1 Academies Fund will support full-scholarship preschools in underserved areas.⁶

Other tech entrepreneurs made major gifts of \$100 million to foundations in 2018 using stock from their respective

tech companies, including:

- Mark Zuckerberg and Priscilla Chan donated Facebook stock estimated at \$214 million to their donor-advised fund at the Silicon Valley Community Foundation;⁷
- Bill and Melinda Gates donated an estimated \$138 million to the Bill & Melinda Gates Foundation; and⁸
- Evan and Sara Williams donated 3.1 million shares of Twitter stock valued at approximately \$100 million to the Someland Foundation (previously the Sara and Evan Williams Foundation).⁹

COMMUNITY FOUNDATION RECEIVED UNEXPECTED GIFT

David and Rita Nelson left an estate gift of \$100 million to the Community Foundation for the Fox Valley Region, based in Appleton, WI, the largest single gift that the organization had ever received.¹⁰ The gift will establish a fund to award up to \$4.5 million in grants per year by 2021 to organizations in the northeast Wisconsin region.

MAJOR GIFTS SHOW THAT SOME DONORS CONTINUE TO DIVERSIFY THEIR GIVING STRATEGIES

Laura and John Arnold gave an estimated \$129.2 million to their foundation in 2018.¹¹ However,

in February of 2019, the Arnolds announced that they were transitioning their philanthropic efforts to a limited liability corporation model, which will include the Laura and John Arnold Foundation, the Arnolds' donor-advised fund, and the Action Now Initiative, an advocacy organization launched by the Arnolds.¹² Donors increasingly are turning to multiple vehicles in order to achieve their philanthropic goals.

In 2018, several donors gave major gifts to at least two foundations. These donors included:

- Qualcomm co-founder Irwin Jacobs and his wife Joan donated \$94.6 million to their Dunaway Foundation, and an additional \$14.1 million to their donor-advised fund at the Jewish Community Foundation of San Diego.¹³ The majority of the Jacobs' gifts have gone to support organizations in the San Diego area.
- Facebook Chief Operating Officer Sheryl Sandberg donated over \$50 million to her donor-advised fund, and announced a plan to give another \$50 million to establish the Sandberg Goldberg Charitable Support Fund.¹⁴ Much of Sandberg's philanthropic work has focused on women and food security in Silicon Valley.
- Craigslist founder Craig Newmark gave an estimated \$86.3 million to his foundation, which among other causes, supports news and journalism organizations. Newark gave an additional \$57.5 million to the Craig Newmark Philanthropic Fund, a donor-advised fund.¹⁵



Good to Know!

As the financial services industry becomes more automated and less localized, the relationships community foundations once held with local financial advisors will yield fewer donors in the future. Prospective donors are courted by multi-national financial players who have far more marketing resources than community foundations. And many donors prefer the ease of establishing and giving from a donor-advised fund (DAF) like Fidelity Charitable.

To thrive, community foundations must:

- Double down on what makes them unique;
- Emphasize their ability to make real change at a local level;
- Cement partnerships with the nonprofits in their community and steward relationships between nonprofits and their DAF donors; making themselves essential; and
- Serve their donors by adding value—philanthropic advice, personal service—that donors won't get from a corporate conglomerate.

Unless community foundations make their case to donors, the rate of giving to commercially-sponsored DAFs will continue to outpace giving to community foundation DAFs.¹⁶

Giving days continue to grow in 2018

Giving days continue to be exceptionally popular fundraising tools in 2018.

Giving days, usually organized, supported, and hosted by community foundations, were first envisioned as 24-hour fundraising campaigns. However, in recent years, some campaigns are extending the length of time to several days or even one month.

A recent survey of a donor satisfaction after the 2016 Give Local DeKalb County Day found that, despite a widespread technology malfunction that prevented many donors from being able to make their donations in the 24-hour time frame, the majority of respondents reported that they were either “satisfied” or “very satisfied” by the experience of participating in a Giving Day (75.2 percent).¹⁷ In addition, the survey found that 89.8 percent of respondents affirmed that they planned to make another donation to a nonprofit in the region in the same

year. The study concluded that community foundations could ensure success by having a contingency plan in case of technology issues, ensuring participation of elected officials or other local figures; and by including a matched gift component to donations.

Table 1 outlines a number of results from giving days in 2018 around the United States.

Table 1 2018 Giving Day results around the U.S.

Name	Hosting organization	Total raised in 2018	Total raised since inception
North Texas Giving Day ¹⁸	Communities Foundation of Texas	\$48 million	\$240 million
Erie Gives ¹⁹	Erie Community Foundation	\$4.5 million	
Giving Challenge ²⁰	Community Foundation of Sarasota County	\$11.7 million	\$40 million
MontereyCountyGives! ²¹	Community Foundation for Monterey County	\$4.9 million	\$16 million
Give Local York ²²	Give Local York	\$1.5 million	
East Texas Giving Day ²³	East Texas Communities Foundation	\$755,000	
NY Gives Day ²⁴	New York Council of Nonprofits	\$2.2 million	
Give STL Day ²⁵	St. Louis Community Foundation	\$2.4 million	\$9.9 million
Give Local Greater Waterbury and Litchfield Hills ²⁶	Connecticut Community Foundation	\$1.34 million	
San Angelo Gives ²⁷	San Angelo Area Foundation	\$1.6 million	\$4.5 million
Big Day of Giving ²⁸	Sacramento Region Community Foundation	\$7.4 million	\$30 million
Great Give Day ²⁹	Community Foundation of Greater Dubuque	\$230,801	\$1.5 million
Give Big Pittsburgh ³⁰	The Pittsburgh Foundation and The Community Foundations of Westmoreland County	\$1.7 million	
Extraordinary Give ³¹	Lancaster County Community Foundation	\$10.25 million	

PREPARATION IS KEY FOR A SUCCESSFUL GIVING DAY, ACCORDING TO SOURCES North Texas Giving Day, run by the Communities Foundation of Texas,

is one of the largest giving days in the country, earning \$48 million in 2018 for nearly 2,700 nonprofits (a 23 percent increase over the previous year).³² According to *The Chronicle of*

Philanthropy, several strategies from the North Texas Giving Day campaign can be applied to other giving day campaigns, including:

- Offer scheduled giving in advance of the giving day to decrease the risk of losing a potential donation due to a technology malfunction;
- Pay attention to the news cycle to ensure that donors have an opportunity to respond to any major events (such as a natural disaster); and
- Provide media training and tips for charities that are new to social media as well as those that already have a robust presence.

United Methodist Retirement Communities Foundation finds capital campaign success to support elderly patients

The United Methodist Retirement Communities Foundation found itself faced with a problem: a growing population of elderly individuals but

a small share of charitable funds going to support them.³³ In a unique scenario during their capital campaign, the United Methodist Retirement Communities Foundation received an anonymous donation with a matching grant up to \$1.5 million. The challenge of gaining momentum from this donation despite its anonymous nature did not stymie the foundation. The capital campaign harnessed the donor's connections to find opportunities for larger grants while respecting the donor's anonymity. When the campaign reached its \$26 million goal more than a month before scheduled, the United Methodist Retirement Communities Foundation had received donations from more than 1,780 individual and organizations donating.³⁴

Report finds that 2017 was a strong year for giving to smaller foundations

The *2018 Annual Report on Private Foundations* by Foundation Source tracks giving to 927 private foundations with assets valued at \$50 million or less in 2017, and breaks up the findings by small, medium, and large foundations.³⁵ The report found that contributions increased 8.3 percent over the previous year for all foundations in the survey: small foundations (assets of less than

\$1 million) received 5.5 percent more contributions in 2017 than in 2016, while medium (assets of \$1–\$10 million) and large foundations (assets of \$10–\$50 million) increased by 8.7 percent and 8.3 percent, respectively.

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 \$55.32 billion in 2017, increasing 33.1 percent from 2016.³⁶ This increase in giving to foundations followed an increase of 2.0 percent between 2015 and 2016, and a decline of 12.3 percent between 2014 and 2015.

Candid (formerly Foundation Center) releases extensive data about charitable foundations throughout the year, including data on foundations' revenue and assets. *Giving USA's* estimates for giving to foundations relies on historical data from Candid.³⁷

The sections below provide data on gifts made to the largest community, independent, and operating foundations for the year 2017 (the latest year in which detailed data are available).

GIFTS RECEIVED BY FOUNDATIONS IN 2017

Candid's fiscal year 2017 gifts received by independent, community, and operating foundation totaled \$65.71 billion in contributions.³⁸

GIFTS RECEIVED BY INDEPENDENT FOUNDATIONS IN 2017

Independent foundations received \$41.57 billion, an increase of 24.4 percent over 2016.³⁹ Total assets of independent foundations amounted to \$827.08 billion, an increase of 11.5 percent over 2016. Gifts received by independent foundations represented 63.3 percent of all gifts to foundations in 2017.

GIFTS RECEIVED BY OPERATING FOUNDATIONS IN 2017

Operating foundations received \$12.62 billion, an increase of 33.4 percent over 2016.⁴⁰ Total assets of these foundations amounted to \$52.14 billion, an increase of 11.9 percent over 2016. Gifts received by operating foundations represented 19.2 percent of all gifts to foundations in 2017.

GIFTS RECEIVED BY COMMUNITY FOUNDATIONS IN 2017

Community foundations received a total of \$11.52 billion, an increase of 19.4 percent over 2016.⁴¹ Total assets of community foundations totaled \$102.63 billion, an increase of 14.6 percent over 2016. Gifts received by community

foundations represented 17.5 percent of all gifts to foundations in 2017.

The Chronicle of Philanthropy shows community foundations with greatest support

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁴² Previously the *Philanthropy 400*, *The Chronicle of Philanthropy* has adapted their methodology this year to include just 100 organizations in a list called America’s Favorite Charities. The compilation still 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, financial statements, and a questionnaire. New this year, *The Chronicle* restricted organizations to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.⁴³ The top three community foundations are included in Table 2.

Table 2 Community foundations among charities with highest revenue in America’s Favorite Charities 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
77	Greater Kansas City Community Foundation ⁴⁴	Kansas City, MO	\$257.43 million	\$507.48 million	+9.2%
79	Silicon Valley Community Foundation ⁴⁵	Mountain View, CA	\$246.75 million	\$1.37 billion	-3.1%
86	Tulsa Community Foundation ⁴⁶	Tulsa, OK	\$226.34 million	\$226.92 million	+51.2%

Chapter authored by Anna Pruitt, PhD, Managing Editor of *Giving USA*.

Good to Know! section and Practitioner Highlights written by *Giving USA* Editorial Review Board member Jessica Browning.

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.
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12 Giving to Health

- Contributions to the health subsector comprised 10 percent of all donations received by charities in 2018.¹
- Giving to health organizations in 2018 reached \$40.78 billion, with a nearly flat growth rate of 0.1 percent. Adjusted for inflation, giving to health declined 2.3 percent between 2017 and 2018.
- Giving to health in 2018 reached its second-highest-ever recorded inflation-adjusted giving level to date.

Practitioner Highlights

- A balancing act exists between research and patient care: Private philanthropy is reducing its investment in health research for smaller organizations while a few institutions are getting record gifts. Simultaneously, more funding is available to subsidize the cost of care and to clear medical debt.²
- Average gift size is larger in the health sector than in philanthropy overall, but retention is lower. Large gifts are prevalent in this sector.³
- Philanthropy is tackling community health issues—which is good news for small community-based health providers—particularly addressing needs of marginalized communities, mental health concerns, and widespread issues like the opioid crisis.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 2018

Several reports issued in 2019 and late 2018 note generally positive trends in giving to health organizations in 2018. 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 seen between these sources and *Giving*

USA data. Some highlights from 2018 on giving to this subsector include:

- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 62 percent of fundraisers in the health subsector reported an increase in charitable revenue from January to June 2018.⁵
- According to the Blackbaud Institute's 2018 *Charitable Giving Report*, healthcare organizations

reported 0.6 percent growth from the previous year. Medical research organizations reported a 2.2 percent decrease from the previous year. Healthcare and medical research both decreased their share of #GivingTuesday contributions. In 2018, healthcare earned 6 percent of contributions (vs. 12 percent in 2017), and medical research earned 3 percent of contributions (vs. 6 percent in 2017).⁶ According to the Blackbaud Institute's *Luminate*

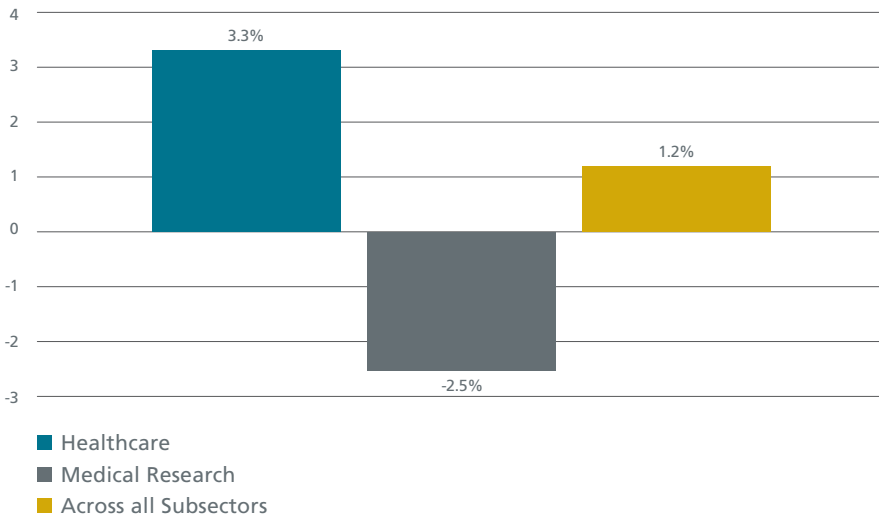
Online Report, total online revenue for health research in 2018 was \$775,484, a nominal increase of 0.9 percent from the previous year. For hospital foundations and hospitals, the 2018 total was \$927,017, an increase of 9.5 percent.⁷

To provide additional context for giving to health in 2018 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.

Online giving to health had mixed results in 2018

Figure 1 Percentage of growth for online giving to health organizations in 2018

Growth in online giving: Health

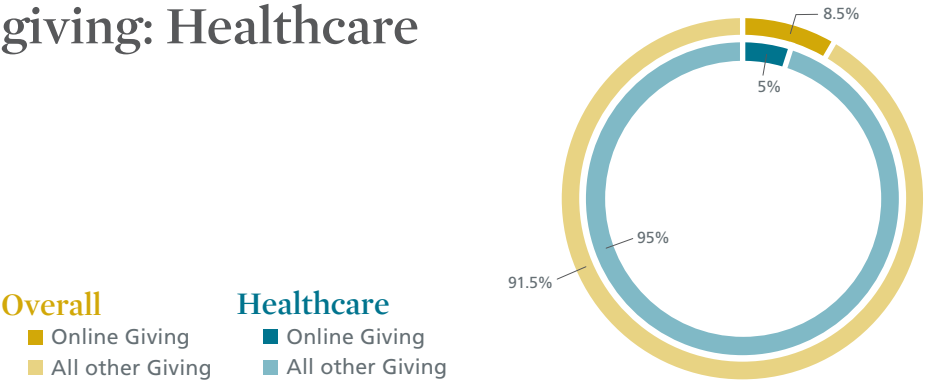


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

According to Blackbaud Institute’s *Charitable Giving Report*, online giving for healthcare grew at more than twice the overall rate of the sector (3.3 percent for healthcare vs. 1.2 percent overall), yet medical research saw a 2.5 percent decline.⁸ Figure 1 shows these results.

Figure 2 Percentage of dollars given online for healthcare organizations in 2018

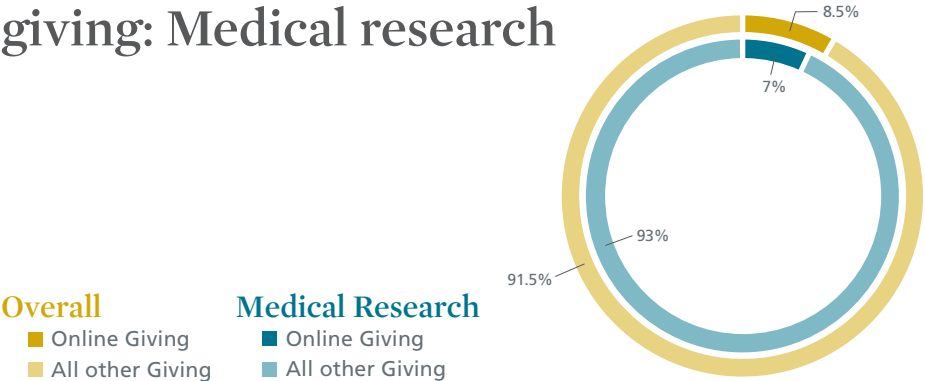
Online giving as a percent of overall giving: Healthcare



Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

Figure 3 Percentage of dollars given online for medical research organizations in 2018

Online giving as a percent of overall giving: Medical research

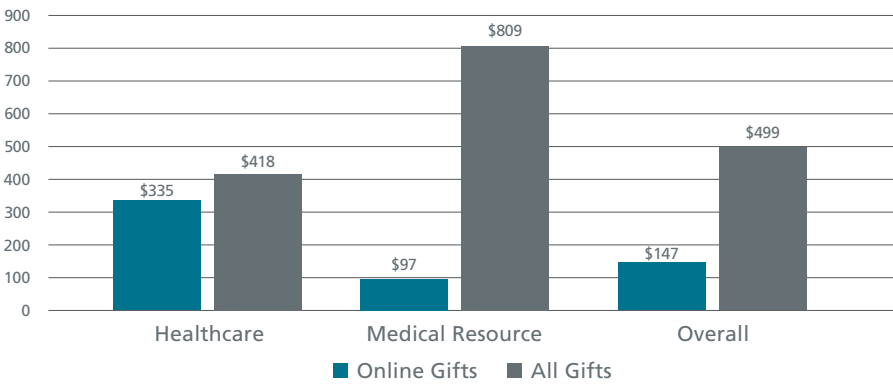


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

Both medical research and healthcare have a lower proportion of gifts given online compared with gifts to the sector overall, according to the Blackbaud Institute *Charitable Giving Report*.⁹

Figure 4 Average gift size for health charities in 2018 (in dollars)

Mean gifts by source: Health

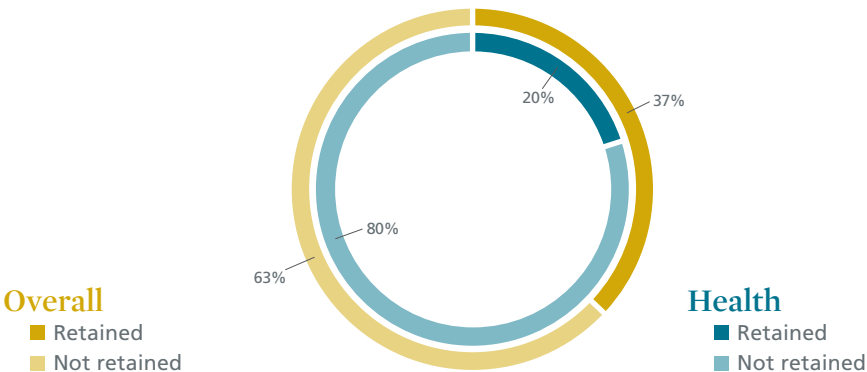


Data provided directly by Blackbaud Institute. For more research featuring the *Blackbaud Institute Index*, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits, average healthcare donations were above average for online gifts but below average for all types of gifts. For medical research, the trend was the opposite: online gifts were lower than the mean, but the overall gift amount was higher on average.¹⁰

Figure 5 Online donor retention rate for health organizations in 2018

Online donor retention: Health



Data: *Benchmarks 2019*, M+R and NTEN, 2019, www.mrbenchmarks.com

According to the *Benchmarks 2019* report by M+R and NTEN, online retention rate for the health organizations in their study was 20 percent, compared with the 37 percent overall online retention rate.¹¹

Large gifts dominate health giving landscape

Many of the largest gifts in 2018 will address this century's toughest health challenges, from cancer to neurological diseases and from behavioral to community health. Some of the gifts over \$100 million include:

- The family of Robert Hale Jr., CEO of Granite Telecommunications offered donations totaling \$100 million to Boston Children's Hospital and Brigham and Women's Hospital for renovating spaces that will specifically focus on heart health, neonatal intensive care, and increased general surgery capacity.¹²
- Roberta Buffett Bialek Elliott donated \$105.8 million to Montage Health Foundation. The gift will address behavioral health in children and adolescents through inpatient and outpatient services, counseling, trainings, and community activities.¹³
- McKesson Corporation, a Fortune 500 pharmaceutical company, contributed \$100 million to a new foundation committed to fighting the opioid crisis.¹⁴
- Twin gifts from the Hall Family Foundation and the Sunderland Foundation (each for \$75 million, totaling \$150 million) will provide

for the construction of a Children's Research Institute at Children's Mercy Hospital in Kansas City.¹⁵

Large medical gifts were also made to several key universities. Among those gifts:

- University of Michigan's Comprehensive Cancer Center received a gift of \$150 million from Richard and Susan Rogel, representing the largest gift to Michigan's medical programs.¹⁶
- Brown University received a \$100 million gift from Robert J. and Nancy D. Carney to found the Carney Institute for Brain Science, which will advance research on devastating neurological diseases, including ALS and Alzheimer's.¹⁷
- Emory University received a \$400 million gift earmarked for medical research. The Robert W. Woodruff Foundation gift will support the Winship Cancer Institute as well as medical research on the campus itself through the construction of a new Health Sciences Research Building.¹⁸

OTHER MAJOR GIFTS FOCUS ON HEART HEALTH AND MEDICAL TECHNOLOGY

Philanthropists offered two other \$50 million gifts in 2018. One gift to Cedars-Sinai Medical Center from the Smidt Family Foundation will focus on treatment and research on heart conditions.¹⁹ The other gift to Johns Hopkins University from the United

Arab Emirates will similarly address both research and patient care, focus on stroke prevention, diagnosis, and treatment.²⁰

Neil Bluhm, a real estate developer, has offered \$25 million to Northwestern Medicine to “advance the study and treatment of cardiovascular disease” through artificial intelligence and machine learning.²¹

University of Maryland School of Medicine will establish a center combining bioengineering and medicine with the help of a \$20 million grant from Robert E. Fischell, ScD. The approach will advance medical technology for patients globally.²²



starting in 2019 for up to \$150 million per year to increase access to healthcare in low-resource and vulnerable communities.²⁴

Catholic Church makes big commitment to New York State

The Catholic Church, through the Catholic Diocesan Bishops of New York State, has founded one of the biggest health foundations in the state of New York. The Church created the \$3.2 billion Mother Cabrini Health Foundation upon the sale of Fidelis Care, the church's health plan. The foundation will serve all New York State residents, regardless of faith background.²³ The foundation will accept grant applications

Healthcare philanthropy addresses cost of treatment and hospital debt

LARGE GIFTS SUPPORT THE COST OF TREATMENT FOR FAMILIES

The average cost of inpatient care in the United States is \$22,000, contributing to medical debt and even bankruptcy.²⁵



The estate of Bruce Leven has endowed \$60 million to the Seattle Children's Hospital to create the Bruce Leven Endowed Fund to help families access care, whether or not those families can afford treatment. Seattle Children's Hospital provides more than \$164 million a year in financial assistance to families in need and supports uncompensated care within the hospital's pediatric cancer care unit.²⁶

MEDICAL DEBT PURCHASING ORGANIZATION CLEARS DEBT FOR OVER 1,000 PEOPLE

Medical debt is the reason for two-thirds of all bankruptcy filings in the United States and constitutes the highest share of consumer debt.²⁷ It constitutes the highest share of consumer debt. As frequently happens with mortgages, debt collection agencies often buy medical debt for pennies on the dollar. This strategy allows hospitals to recuperate some portion of owed

revenue.

By donating \$12,500, Carolyn Kenyon and Judith Jones allowed a charity to purchase and forgive \$1.5 million of medical debts. RIP Medical Debt purchases debt from collection agencies and forgives the debt. In the case of Carolyn Kenyon and Judith Jones, they were able to forgive medical debt of 1,284 New York residents.²⁸

CORPORATE SECTOR TAKES COLLABORATIVE APPROACH IN RESPONDING TO COSTS, EMPLOYEE SATISFACTION

Three of the 20 largest companies in the United States announced in 2018 that they would unite forces to reduce costs and improve employee satisfaction in the healthcare system. Together, Amazon, Berkshire Hathaway, and JP Morgan Chase & Co plan to create an independent company without a financial bottom line.²⁹ The new venture, called simply Haven, hopes to capitalize

on the expertise of the large companies and innovating like a new enterprise.³⁰

Efforts target community health initiatives, interlocking health indicators

STRATEGY CONTINUES TO FOCUS ON IMPROVING HOLISTIC HEALTH IN MARGINALIZED COMMUNITIES

The *Human Progress and Human Services Report* from the Institute for Alternative Futures conducted a projection analysis that predicts different outcome scenarios in the year 2035. In their analysis, the Institute for Alternative Futures projected four scenarios of possible futures based on input from practitioners and area experts. The study found that projects improved health when they kept equity and capacity-building in mind in all phases of program design, regardless of whether the scenario was baseline, optimistic, or pessimistic.³¹

STRATEGY CONTINUES TO FOCUS ON IMPROVING HOLISTIC HEALTH IN MARGINALIZED COMMUNITIES

Grantmakers in Health's report, *Philanthropy's Role in Addressing*

Neighborhood Conditions that Shape Health, shows that philanthropic organizations have taken a stronger approach to environmental health. Rather than focusing exclusively on treatment or investing deeply in health research, 88 percent of funders reported a focus on social and environmental conditions in neighborhoods that have an impact on health. The report also noted an emphasis on measurable metrics, with 60 percent of funders reporting an evaluation of their funding efforts.³²

The California Wellness Foundation will address health for women of color through a \$13 million grant over the next five years. While continuing to provide services to all in need, they will focus on issues that affect women of color at a disproportionate level, specifically through the Reentry Women and HIV/AIDS/STIs and Women of Color initiative.³³

Projects sponsored by the grant include:

- Upspoken, a public awareness campaign that attempts to engage several generations of black women to rethink HIV.
- A New Way of Life, Justice Now, Time for Change Foundation, and the Praxis Project will all leverage state and local policy resources to address specific health and employment opportunities facing women reentering society after prison stays.

Philanthropic response to opioid crisis grows in 2018

According to the CDC, over 400,000 people died in opioid-related circumstances between 1999 and 2017. The epidemic has included three peaks of intensity during the last 20 years, beginning with prescription use and later becoming more concentrated on the illegal drugs heroin and fentanyl. The epidemic has affected and continues to affect communities nationwide.³⁴

FOUNDATIONS FOCUS ON INTERVENTIONS AT THE POINT OF SERVICE DELIVERY

The Laura and John Arnold Foundation (LJAF), which has traditionally placed a strong emphasis on evidence-backed grantmaking, has offered \$4.1 million in grants to help study interventions that could break the cycle between addiction and jail or hospitals. LJAF will divide these grants between three pilot programs and an evaluation of each program's success.³⁵

Aetna Foundation has announced \$6 million in grants to address the opioid epidemic. To date, Florida joins Pennsylvania and North Carolina as a grantee. Both Pennsylvania and North Carolina have been awarded similar grants. Through this initiative, the Florida Alcohol Drug Abuse Association will expand ER intervention and the

Recovery Project, which connects recovering individuals to a variety of services.³⁶

ENDEAVORS TARGET BEHAVIORAL HEALTH AND TRAINING APPROACHES

Montana Healthcare Foundation awarded a \$150,000 grant for 2018–2020 to Community Medical Center to strengthen services for infants and pregnant women with substance use disorders. The approach includes training parents on evidence-backed practices that ease symptoms of withdrawal for their infants.³⁷ This grant combines with state and private funding for a total of \$5 million to be dedicated to the Perinatal Behavioral Health Initiative by 2023.³⁸

Taube Philanthropies' founders Tad and Dianne Taube made two dedicated donations to study concussions and opioid use disorder in youth populations. The lion's share (\$9.5 million) of the \$14.5 million donation will establish the Tad and Dianne Taube Youth Addiction Initiative at the Stanford School of Medicine.³⁹ This is in addition to a \$20 million grant by the Taubes to open a new main building at Lucile Packard Children's Hospital, also at Stanford.⁴⁰

PHARMACEUTICAL COMPANY FAMILIES SEEKING TO DONATE FIND CONTROVERSY

The pharmaceutical industry has been particularly involved in donating to

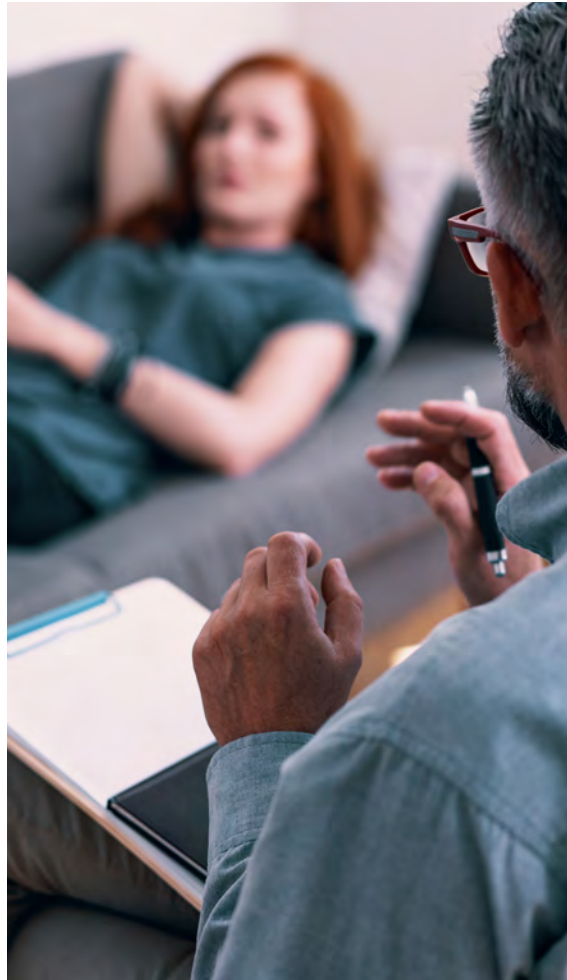
recovery efforts. With individual grants ranging from \$35,500 to \$100 million in total grants by individual pharmaceutical companies, some criticize the financial contributions from this industry as oriented toward reducing their tax bill and protecting their brand from potential damage their products' contributions to the crisis have caused.⁴¹

Mental health continues to be a challenge for fundraising

Despite the fact that mental health is an increasingly dominant health topic in public discourse, funding for the sector still lags. With the suicide rate up 33 percent since 1999, more funding maybe needed. The National Institutes for Health spent \$68 million studying suicide in 2018 but nearly five times that studying sleep.⁴²

Donations following the deaths of celebrities like Kate Spade have called additional awareness to the ongoing increase in acute mental health conditions nationwide. Following Spade's death, Kate Spade NY offered \$250,000 plus up to \$100,000 in gift matching to the Crisis Text Line, which offers a mechanism for people suffering from acute mental health conditions to reach out for resources and help.⁴³

Begun in 2013, the Crisis Text Hotline has analyzed data from over 50 million messages to help uncover patterns.⁴⁴ Upon the death of Anthony Bourdain, a New York City restaurant called Xi'an Foods agreed to donate net sales for a day's business to the National Suicide Prevention Lifeline. Kru Contemporary Japanese Cuisine followed suit by donating bar tips with a matching gift from the restaurant.⁴⁵



Fundraisers find challenges increasing funding to healthcare

PROJECT-SPECIFIC FUNDING, DONOR TRUST CREATE ONGOING CHALLENGES

According to the Blackbaud Institute's *Charitable Giving Report Healthcare Spotlight*, overall giving to health increased at a much lower rate (0.6 percent) compared with the sector overall (1.5 percent). Through its spotlight report, Blackbaud Institute spoke with philanthropy experts to overcome some ongoing challenges in healthcare fundraising. Some lessons that stood out include:⁴⁶

- Strong fundraisers use data to benchmark their successes against peer organizations.
- The best fundraising efforts include tailored marketing by platform, specifically capitalizing on Internet tools to enhance co-creation with site visitors.
- For online campaigns like #GivingTuesday it can be helpful to have a specific goal and report on progress toward that goal. Contributing to an actionable outcome can be motivating for donors to contribute more than they might otherwise.

Donor trust in institutions has been eroding for the past two decades, and many charities have suffered as a consequence, according to the *Give.org Donor Trust Report*. However, this report found that health organizations made gains in public opinion: not-for-profit hospitals were among the most trusted types of charities, while health organizations fifth-most-trusted type of charity. By comparison, not-for-profit hospitals ranked 11th in 2001 and health organizations ranked 10th at that time.⁴⁷

GENERATIONAL GIVING CHANGES SHAPE OF PHILANTHROPY

When asked in a survey to prioritize the sectors to which participants would most likely make charitable contributions, generations differed quite dramatically. Though each generation surveyed (Matures, Boomers, Gen X, Millennials, and Gen Z) ranked health in their top seven priorities, only Gen X listed health as the #1 priority. This preference variation could have implications for the overall pool of funding available in the health sector. In the immediate term, Gen X is becoming more of the core of health-oriented giving.⁴⁸



As grateful patient programs expand, practitioners tackle ethics

One third of hospitals have \$10 million or more of debt. This industry-wide phenomenon has resulted from patient delinquency, ineffective revenue management, and complex industry regulations.⁴⁹ The situation is especially grave when just 30 percent of self-pay accounts (generally un- and under-insured patients) comprise 80 percent of the debt.⁵⁰ Further, tax policy changes may reduce both individual coverage (by repealing the individual mandate penalties) and tax revenues overall, potentially worsening the hospital debt crisis.⁵¹ This abundant debt has resulted in hospitals turning to new means to generate income.

One such strategy is ‘Grateful patient programs.’ The concept refers to a fundraising strategy in which hospitals systematically develop relationships with former and current patients and families to encourage them to become hospital donors. Patients with positive care experiences are a natural affinity group for hospitals in many ways: they are able to express their gratitude for their care and provide resources for future patients through a gift to the hospital.⁵² The strategy and ethics of this type of philanthropic approach are

not uncomplicated; The Association for Healthcare Philanthropy recommends ethical practices focusing on the means and philanthropic inclination of potential donors through prospect research.⁵³

This approach allows health-care organizations to assess the likelihood that an individual or family will make a contribution by assessing their charitable giving history, affinity for the hospital, and economic situation.⁵⁴

In response to ethical concerns about the practice, physicians, lawyers, and health professionals convened the Summit on the Ethics of Grateful Patient Fundraising to discuss the physician’s role in this type of fundraising. Summit participants concluded that the doctor should avoid participating in this fundraising when their participation could risk the quality of care of their patients.⁵⁵

The practice of grateful patient programs is quite common; of 108 hospitals in a 2016 online survey by the Philanthropy Leadership Council, 68 had such a program. Some grateful patient programs have become a large share of fundraising efforts for the hospitals which house such programs. At Sharp HealthCare hospital system, of \$34 million raised in 2018, patients and families offered approximately two-thirds.⁵⁶

Good to Know!

Identifying and addressing differences between generations will be key as organizations plan for the future. While the current donor population to health may not yet reflect the coming shift in the general population, the affinity for giving to health should not be discounted. Current steps will impact an organization's ability to cultivate millennial and Gen X as donors in the years to come. So how can organizations align current methods with the preferences of younger donors?

- Focus on language that describes the people your organization serves and the impact you are having on the community.
- Request opinions and offer opportunities to react to your programs.
- Provide volunteer opportunities to build loyalty over time, including leadership roles.
- Leverage online and social platforms, for solicitation, stewardship, and engagement initiatives.⁵⁷

Peer-to-Peer fundraising experiences shifts

Published by the Peer-to-Peer Professional Forum, the *Peer-to-Peer Fundraising Thirty* report identified a decline in top peer-to-peer campaigns among the largest peer-to-peer fundraising events. The *Fundraising Thirty* only looks at the largest campaigns in terms of revenue, so the identified decline may not be representative of a larger trend, especially as more peer-to-peer campaigns are present in the sector. In 2018, the top 30 peer-to-peer

campaigns raised \$1.39 billion, down from \$1.45 billion in 2017. The decline, however, seems to be flattening: the decrease was 60 percent less than the shift between 2016 and 2017.⁵⁸

According to the 2018 *Peer-to-Peer Fundraising Thirty* report, the top five highest grossing peer-to-peer fundraising “a-thon” events in terms of annual revenue for 2017 were:⁵⁹

- American Cancer Society’s “Relay for Life” at \$184.8 million, a decline of 19.7 percent over 2017;
- American Heart Association’s “Heart Walk” at \$122.6 million, a decline of -2.0 percent from 2017;
- Alzheimer’s Association’s “Walk to

End Alzheimer's" at \$96.9 million, an increase of 8.8 percent over 2017;

- American Heart Association's "American Heart Association Youth Programs" at \$84.3 million, an increase of 6.5 percent from 2017; and
- The Leukemia & Lymphoma Society's "Light the Night Walk" at \$77.0 million, an increase of 4.0 percent over 2017.

ONLINE STREAMING EVENTS TO RAISE FUNDS GROW IN POPULARITY

Online platforms for philanthropic activity are growing in popularity. While one may immediately think of crowdfunding platforms on Facebook or Gofundme.com, another platform is emerging: gaming. *The Guardian* reports that the online live streaming video platform Twitch alone has raised more than \$75 million between 2012 and 2017.⁶⁰

The Breast Cancer Research Foundation has received to date its largest corporate donation from an online source. Activision Blizzard, an online game platform, harnessed the popularity of its Overwatch game to sell in-game features and merchandise for breast cancer research.⁶¹ The company donated \$12.7 million in proceeds to the Breast Cancer Research Foundation in another example of blending profit and purpose, a practice increasingly common in this decade.

Extra Life is a platform that utilizes the "walk-a-thon" model but through a virtual platform. Extra Life joins families together to play video games and to raise awareness for health conditions. The strategy has raised over \$40 million since its inception in 2008.⁶² Some of the participating hospitals in the 2018 fundraiser include:

- Morgantown, WV: WVU Children's Hospital (over \$30,000 raised);⁶³
- Houston, TX: Texas Children's Hospital;⁶⁴
- Reynoldsville, PA: UMPC Children's Hospital of Pittsburgh;⁶⁵
- Grand Rapids, MI: Helen DeVos Children's Hospital; and⁶⁶
- Vermont and New York: University of Vermont Children's Hospital.⁶⁷

Annual trends in giving to nonprofit healthcare organizations, fiscal years 2004–2017

The Association for Healthcare Philanthropy's (AHP) 2018 annual *Report on Giving*, based on data from 210 nonprofit healthcare organizations, reveals that corporate/foundation gifts and major gifts were the largest sources of healthcare funds raised in fiscal year 2017 at 25.8 percent and

24.7 percent, respectively. These sources were followed by special events (15.5 percent), annual gifts (13.4 percent), and planned giving (11.1 percent). For high performers—defined as organizations that represent the top 25 percent in net production returns—major gifts were the largest source of healthcare funds raised (31.8 percent).⁶⁸

The AHP study revealed a 2.9 percent increase in healthcare donations between 2016 and 2017, for a total of \$10.44 billion in donations. The organizations once again saw more than a four-fold return on investment in 2017. The overall return on investment in 2017 was \$4.03. This represents a decline in return on investment compared with previous years (from \$4.06 ROI in 2016. The cost to raise a

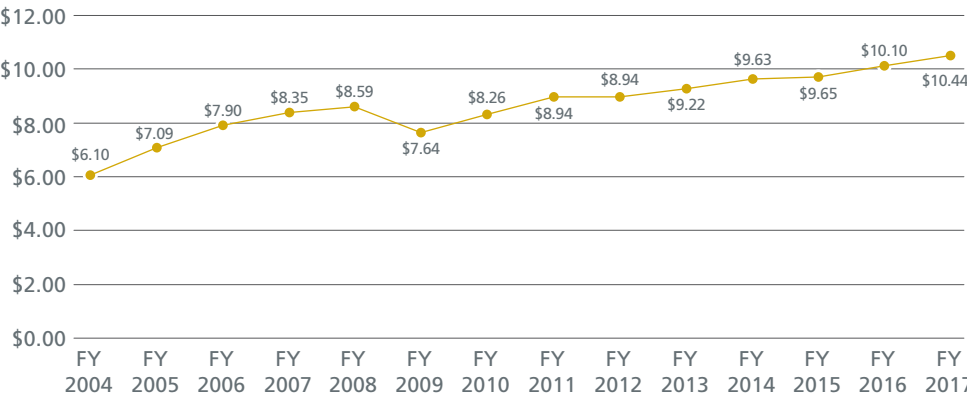
dollar was 25 cents in 2017, remaining constant from 2016.

The *Blackbaud Healthcare Philanthropic Index* revealed some unanticipated healthcare philanthropy trends in 2018. In their 6,900-organization sample, wealth varied dramatically at the community level, as did hospital size, but the average donation size did not vary as dramatically between differently sized hospitals or economically-varied communities.⁶⁹

Healthcare continues to be an identified priority for many Americans. A Grey Matter study asked 1,000 respondents which charity they would prioritize if they could choose only one. The two most common responses were ALSAC/ Saint Jude Children’s Hospital and American Cancer Society.⁷⁰

Figure 6 (median value for all institutions in billions of current dollars)

Annual trend in giving to healthcare organizations, fiscal years (FY) 2004-2017



Data: Report on Giving for FY 2017: USA, Association for Healthcare Philanthropy, 2019, www.ahp.org

New health charities, hospitals earn among top spots on *America's Favorite Charities* list

The *Chronicle of Philanthropy* annually compiles a list of the top revenue earners among cause-driven nonprofits.⁷¹ Previously called the *Philanthropy 400*, *The Chronicle of Philanthropy* has adapted their methodology this year to include just 100 organizations in a list called *America's Favorite Charities*. The compilation still 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, financial statements, and a questionnaire. New this year, the *Chronicle* restricted organizations to nonprofits that seek contributions from the public, meaning that private foundations, government agencies, standalone donor-advised funds are not included.⁷²

The *America's Favorite Charities* report for 2018 included 13 health organizations and eight hospitals and medical centers. The top five health organizations and hospitals in terms of private support are included in Table 1.⁷³

Table 1 Health organizations among charities with highest revenue in *America's Favorite Charities* 2018

Ranking	Name	Location	Cash Contribution	Private Contribution	% change (year over year)
3	American Lebanese Syrian Associated Charities/St. Jude Children's Hospital ⁷⁴	Memphis, TN	\$1.31 billion	\$1.31 billion	+13.9%
5	Mayo Clinic ⁷⁵	Rochester, MN	\$1.14 billion	\$1.15 billion	+21.9%
14	American Cancer Society ⁷⁶	Atlanta, GA	\$669.95 million	\$736.26 million	-7.5%
22	Chan Zuckerberg Biohub ⁷⁷	San Francisco, CA	\$580.35 million	\$580.72 million	NA
25	American Heart Association ⁷⁸	Dallas, TX	\$567.50 million	\$622.12 million	-10.9%

Data: *America's Favorite Charities*, *The Chronicle of Philanthropy*, 2018, www.philanthropy.com



There were eight health organizations in the top 100 in 2017: the American Cancer Society, the American Heart Association, the Patient Access Network Foundation, the Make-A-Wish Foundation, the American Kidney Fund, Health Research, the Leukemia & Lymphoma Society, and the Alzheimer's Association. This year, 13 organizations appeared from the health sector. All charities from 2017 appeared in 2018, and the following organizations were new to the top 100 this year: the Chan Zuckerberg Biohub, Planned Parenthood, the HealthWell Foundation, the Patient Advocate Foundation, and JDRF International.⁷⁹

For hospitals and medical centers, there were five organizations making the top 100 in 2017, including the American Lebanese Syrian Associated Charities/ St. Jude Children's Research Hospital, University of California at San Francisco, Partners HealthCare System, Memorial

Sloan Kettering Cancer Center, and Dana-Farber Cancer Institute. This year, eight organizations appeared among hospitals and medical centers. New organizations to the top 100 in 2018 included the Mayo Clinic, Shriners Hospitals for Children, Mount Sinai Health System, and Boston Children's Hospital. University of California at San Francisco did not appear in the 2018 top 100 list.⁸⁰

Key findings from academic studies show effects for cause-based therapy, effective crowdfunding for female pediatric patients

RESEARCH SHOWS HOW TO CREATE A VIRTUOUS CYCLE IN CANCER RECOVERY

Results from an online survey conducted by M. Renee Umstattd Meyer (Baylor University), Andrew Meyer (Baylor University), Cindy Wu (Baylor University), and John Bernhart (University of South Carolina) indicate that a cancer survivor who participates in cause-based physical activities may see better health outcomes than one who does

not. Of course, a correlation between participation and health outcomes does not necessarily indicate that participation causes better outcomes. Perhaps those individuals who were healthier were more able and therefore more likely to participate. Still, the relationship between participation and health outcomes is interesting and warrants more exploration.⁸¹

CROWDFUNDING FAVORS FEMALE BABIES

A Poisson regression analysis by Juliane

Proelss (Concordia University), Denis Schweizer (Concordia University), and Tingyu Zhou (Florida State University) of crowdfunding campaigns explored individuals' appetite to fund specific crowdfunding campaigns for individual patients. The study found that younger female patients were more likely to achieve crowdfunding support most quickly. Additionally, campaigns that explained the situation in detail but without technical language were also among the most successful.⁸²

Chapter authored by Rebecca TeKolste at the Lilly Family School of Philanthropy at IUPUI.

Good to Know! section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Kate Harris and Merrell Milano.

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 Kate Harris.
- 3 Practitioner Highlight authored by Editorial Review Board Member Kate Harris; *Benchmarks 2019*, M+R and NTEN, 2019, www.mrbenchmarks.com. Note that this study uses a convenience sample of 135 organizations. They analyzed 7,026,485 gifts totaling over \$376 million. Note also that the organization types reported in this study do not necessarily match those used in *Giving USA*.
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- 5 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
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- 9 Same as note 6.
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13 Giving to Public-Society Benefit

- Giving to public-society benefit organizations amounted to 7 percent of total giving in 2018.
- Contributions to the public-society benefit subsector declined 3.7 percent to \$31.21 billion in 2018. Adjusted for inflation, giving to public-society benefit organizations declined 6.0 percent.¹
- The total amount contributed to public-society benefit in 2018 reached its third-highest inflation-adjusted value ever, behind 2017 (highest-level) and 2016 (second-highest level).

Practitioner Highlights

- The public-society benefit category includes a broad variety of organizations, ranging from United Way chapters to legal aid to national donor-advised funds. Different types of organizations experienced very different fundraising conditions in 2018 as detailed in the chapter that follows; some saw significant gains while others continued to struggle.²
- Giving through workplace giving campaigns continues to decrease; therefore, some of the nonprofits traditionally defined by workplace giving are forced to evolve and reinvent their fundraising strategies.³
- Giving to donor-advised funds continues to be a very popular way for individuals to donate. The number of funds, the amount contributed to those funds, and the grants made from those funds have all increased in the last two years.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 public-society benefit in 2018

After eight consecutive years of growth, giving to public-society benefit declined in 2018.⁵ In the last five-year period (2014 to 2018), giving to this subsector experienced an annualized average growth rate of 5.2 percent. Giving to the public-society benefit subsector stayed level with the five-year

annualized average rate of growth in total giving of 5.2 percent. The public-society benefit subsector's two-year growth rate was 2.1 percent in current dollars.⁶

Other reports issued in 2019 and late 2018 note an increase in giving to public-society benefit organizations in 2018. 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 seen between these sources and *Giving USA* data. Some highlights from 2018 on giving this subsector include:

- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 50 percent of fundraisers in this area reported an increase in charitable revenue from January to June 2018.⁷
- According to Blackbaud Institute's *Charitable Giving Report*, public-society benefit reported a 3.0 percent growth in 2018 from the previous year. Public-society benefit increased its share of #GivingTuesday contributions. In 2018, public-society benefit earned 6 percent of contributions (versus 5 percent in 2017).⁸ According to Blackbaud's

Luminate Online Benchmark Report, total online revenue for public-society benefit in 2018 increased 7.24 percent from the previous year.⁹

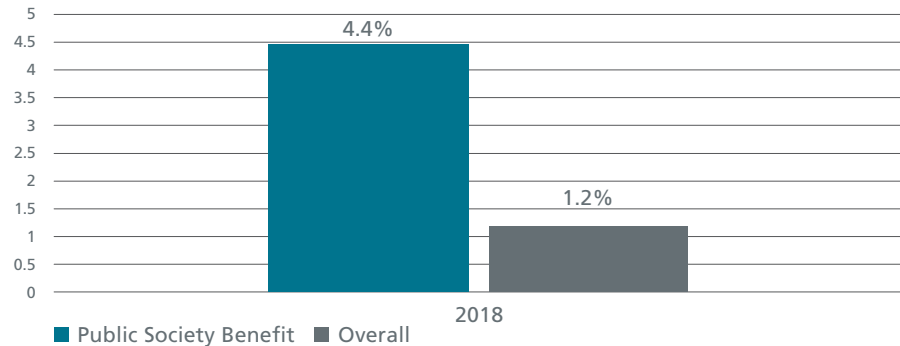
To provide additional context for giving to public-society benefit organizations in 2018 and in recent years, the following sections provide detail on recent trends, related campaigns, and news for this subsector.

Online giving to public-society benefit organizations saw strong growth again in 2018



Figure 1 Percentage of growth for online giving to public-society benefit organizations in 2018

Growth in online giving: Public-society benefit

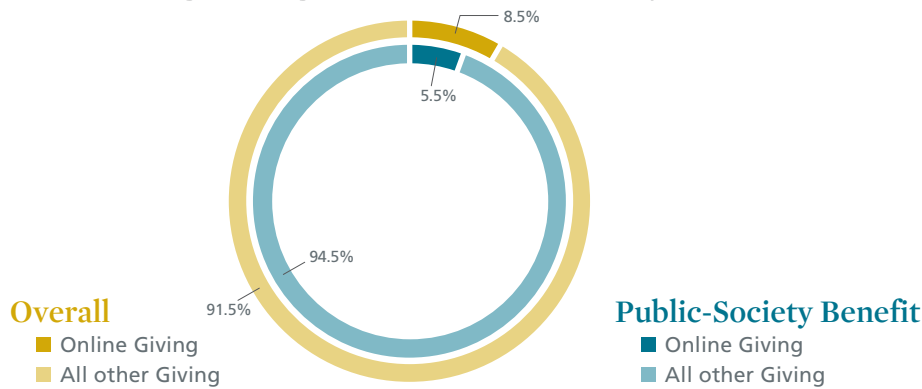


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2018, www.blackbaud.com

According to the *Charitable Giving Report*, public-society benefit had among the greatest percent growth in online giving of any sector (4.4 percent). This is more than three times the overall growth in online giving (1.2 percent).¹⁰

Figure 2 Percentage of dollars given online for public-society benefit organizations in 2018

Online giving as a percent of overall giving: Public-Society Benefit

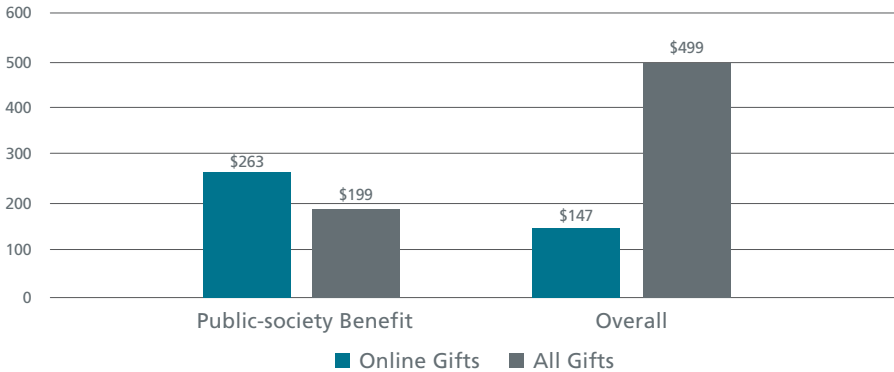


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

Public-society benefit received 5.5 percent of its revenue from online giving, compared with 8.5 percent from the sector overall, according to Blackbaud Institute's 2018 *Charitable Giving Report*.¹¹

Figure 3 Average gift size for Public-society benefit charities in 2018 (in dollars)

Mean gifts by source: Public-society benefit

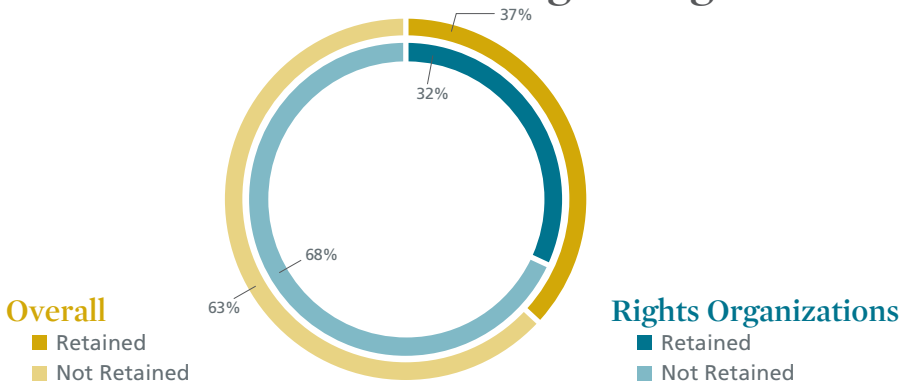


Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

According to Blackbaud Institute, public-society benefit organizations had a larger mean online gift size than the sector overall. This observation contrasts with the sector overall, where gifts of all types were much larger on average than similar gifts to public-society benefit organizations.¹²

Figure 4 Online donor retention rate for rights organizations in 2018

Online donor retention: Rights organizations



Data: Benchmarks 2019, M+R and NTEN, 2019, www.mrbenchmarks.com

According to the *Benchmarks* 2019 report by M+R and NTEN, the online retention rate for rights organizations in their study was 32 percent, compared with the 37 percent overall online retention rate.¹³

Nonprofits receive support in response to new immigration policies at the U.S.-Mexico border

In April 2018, the Trump Administration announced that individuals entering the U.S. illegally are subject to criminal prosecution according to the “Zero-Tolerance Policy for Criminal Illegal Entry,” as well as the Homeland Security Act of 2002.¹⁴ Under the Zero-Tolerance Policy, all those who enter the country

illegally will be prosecuted criminally and the children of the prosecuted adults will be classified as “unaccompanied” alien minors and placed under federal custody. There have been several philanthropic responses to this policy.

Charlotte and Dave Willner raised over \$15 million through Facebook to be given to RAICES (Refugee and Immigrant center for Education and Legal Services) in response to new, stricter immigration policies put in place at the U.S.-Mexico border.¹⁵ Funds will be used for legal representation of immigrant children and adults in Texas, hiring and training volunteer lawyers to travel to Texas to assist, and paying adults’ bonds so they can be released from detention centers and reunited with children. The organization Families Belong Together used online appeals and protests to raise awareness, and online fundraisers to raise charitable dollars for travel expenses for family



reunification. As of January 2019, the fund had reached \$485,615.¹⁶

Criminal justice garners attention from funders

CRIMINAL JUSTICE GROUP RAISES \$60 MILLION

In April 2018, the Vera Institute of Justice exceeded its campaign goal of \$50 million by raising \$60 million from a range of old and newer funders, including Google, the Ballmer Group, the Ford Foundation, and the Open Society Foundations.¹⁷ The Vera Institute provides research on criminal justice, as well as initiatives to reform the criminal justice system. The campaign raised more than six times any previous campaign for the organization.

RECIDIVISM PREVENTION INITIATIVE LAUNCHES IN 2018

In 2018, the Charles Koch Foundation and the Texas Policy Foundation gave a total of \$4 million to establish the Safe Streets and Second Chances project, whose goal is to study ways to reduce recidivism.¹⁸ In 2018, the pilot phase of the project launched, with researchers studying criminal rehabilitation programs in Texas, Louisiana, and Pennsylvania. The rehabilitation program will focus on preparing recently released prisoners for the workforce.

Giving to support women gained steam in 2018

VoteRunLead, a bipartisan nonprofit that encourages women to run for public office, was one of four organizations that received The Rodenberry Prize and \$250,000 in 2018.¹⁹ Though the Rodenberry Prize typically focuses on addressing global warming, the Gene Rodenberry Foundation that issues the prize is also interested in looking at alternative solutions to climate change, including increasing gender equity. During the 2018 primary elections, 70 percent of the 131 women who had attended VoteRunLead training sessions won their races.²⁰

NEW FUND TARGETS WOMEN ENTREPRENEURS

The Women Entrepreneurs Opportunity Facility, launched in 2014, provides funding for women-led organizations in developing countries as well as providing advice and training to female entrepreneurs.²¹ Investments in the fund reached \$1 billion in 2018—the capital is particularly needed as the World Bank Group reports that up to 70 percent of female business owners in developing countries do not qualify for loans at all, or only qualify for high-cost short-term loans.²²

IFC gave \$100 million and the Goldman Sachs Foundation contributed an

investment of \$43 million in an initial round of investments to create the facility that IFC manages.²³ The fund has already provided loans to 50,000 women entrepreneurs.²⁴

TIME'S UP MOVEMENT GARNERS SIGNIFICANT SUPPORT IN 2018

Since its launch in December 2017, Time's Up Legal Defense Fund, which provides legal and public relations assistance for victims of workplace sexual harassment and abuse, raised

more than \$22 million, making it GoFundMe's most successful singular campaign ever.²⁵ Donations came from 21,661 individuals, including celebrities and their charitable foundations.²⁶

By the end of October, the fund had received 3,500 requests for legal funds, and had agreed to support 51 cases.²⁷

The Time's Up organization also has a 501(c)4 arm of the organization that focuses on advocacy.²⁸

Good to Know!

Traditional workplace giving campaigns—such as the Combined Federal Campaign and United Way—have struggled to adapt to changes in the workplace and a new generation of donors.²⁹ Future success in workplace giving campaigns will rely on an understanding of the impacts of the following on giving:

- **Diversity:** workplaces where men and women work closely together tend to have greater overall participation in workplace campaigns; while in ethnically and racially heterogeneous workplaces, participation tends to be lower.
- **Stability:** length of service is positively linked to both donation rate and amount.
- **Confidence:** Common faith in both the employer and the charitable partner is important.
- **Connection:** employees respond more favorably in workplaces where they feel they have agency over the campaign tactics and charitable recipients.³⁰

United Way and other workplace giving campaigns report an uneven year

Despite landing the top spot in *The Chronicle of Philanthropy's* America's Favorite Charities list for fiscal year 2017, the United Way Worldwide has seen a 28 percent decline over the past ten years.³¹ The CEO, Brian Gallagher, reported that gifts of \$100,000 or more increased 9 percent in 2017, and expressed hopefulness about the new initiatives that the organization is launching, including a new philanthropic tool developed in partnership with Salesforce that will help organizations encourage and increase workplace philanthropy.

Several United Way affiliates released information about campaigns that concluded in 2018. Several United Way affiliates reported that they met or exceeded their campaign goals, including:

- United Way of San Antonio and Bexar County, San Antonio, TX, raised over \$46 million, topping their goal by nearly \$5 million;³²
- United Way of Greater St. Louis, St. Louis, MO, exceeded their \$76 million goal in 2018 by over

\$6,000;³³ and

- United Way of Cascade County, Great Falls, MT met the \$1.1 million goal in 2018.³⁴

In addition, several United Way affiliates reported that they did not meet fundraising goals, including:

- Great Rivers United Way, Onalaska, WI, raised approximately \$2 million, falling short of the \$2.09 million goal;³⁵
- United Way of the Northern Shenandoah Valley, Middletown, VA, raised \$1.04 million, falling short of the \$1.086 million goal, citing an unexpected change in corporate sponsorship and pledges; and
- United Way of Greater Cincinnati, Cincinnati, OH raised \$50.3 million in 2018, falling short of the \$52 million goal, citing personnel conflicts that went public, and the declining number of local workers at some of the largest companies in the area.³⁶

GIVING USA SPECIAL REPORT HIGHLIGHTS UNITED WAY AND COMBINED FEDERAL CAMPAIGN

The *Giving USA* Special Report on the Evolution of Workplace Giving, a publication of *Giving USA* Foundation, written and researched by the Indiana University Lilly Family School of Philanthropy, with support from Deloitte, put a special focus on giving to United Way as well as the Combined Federal Campaign (CFC).³⁷ The report

found that more traditional workplace giving campaigns, such as United Way and CFC, are facing declines. A number of United Way branches reduced their disbursements to nonprofits in 2018 in order to manage budget shortfalls. The report also found that United Way chapters, including the United Way of Greater Milwaukee & Waukesha as well as the Dallas branch, have turned their attention to supporting young entrepreneurs and generating familiarity and engagement among millennials and younger professionals to increase donations.

The *Giving USA Special Report on the Evolution of Workplace Giving* also reported the nearly 40 percent decline of pledges to the Combined Federal Campaign (CFC) in 2017, attributed in part to unexpected technological difficulties.³⁸ In May 2019, the CFC released the results of the 2018 campaign: pledges declined by 13 percent to a total of \$90 million, after a series of setbacks including the shorter campaign period due to the federal government shutdown and issues with the online pledge system.³⁹

Jewish Federations find success in 2018

The United Jewish Appeal Federation of New York received \$31 million in 2018 at their Annual Wall Street Dinner, a



4 percent increase from 2017 and an all-time high for the organization.⁴⁰ Representatives from the organization reported that the number of donors remained steady, and that the increase could be attributed to larger gifts from donors. The dollars raised at the event will help support food pantries throughout the New York area, among other causes.

The Jewish Communal Fund also saw an uptick in grants from donor-advised funds that are housed in the organization: grants from donor-advised funds increased to a total of \$435 million in fiscal year 2018.⁴¹ The JCF's Special Gifts Fund, supported by this growth, granted \$840,000 to organizations in the Jewish community.

Two well-known Ohio nonprofits, the Jewish Federation of Columbus and the Columbus Jewish Foundation, merged to form a new organization called Jewish Columbus in 2018, one year after first making plans to unite.⁴² This

combination of a Jewish federation with a foundation is increasingly common, as nearly 4 out of 5 Jewish federations currently operate under this model. The new organization will align fundraising and grantmaking goals for their constituents.

Methods change to Chronicle of Philanthropy report alters representation of public-society benefit organizations on top charities list

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁴³ Previously The Philanthropy

400, The Chronicle of Philanthropy has adapted their methodology this year to include just 100 organizations in a list called America’s Favorite Charities. The compilation still 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, financial statements, and a questionnaire. New this year, the Chronicle restricted organizations to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.⁴⁴

2 of the top 100 recipient organizations in 2018 were Jewish federations, 2 were public affairs organizations and 1 was classified as “other.”⁴⁵ The top organizations in this category include:

Table 1 Public-society benefit organizations among charities with highest revenue in America’s Favorite Charities 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
40	ACLU Foundation ⁴⁶	New York, NY	\$447.07 million	\$476.59 million	+79.0%
63	Pew Charitable Trusts ⁴⁷	Philadelphia, PA	\$297.17 million	\$308.83 million	-56.5%
75	Jewish Federations of North America ⁴⁸	New York, NY	\$259.29 million	\$259.29 million	-8.4%
82	Barack Obama Foundation ⁴⁹	Chicago, IL	\$232.59 million	\$232.59 million	NA
97	UJA Federation ⁵⁰	New York, NY	\$209.58 million	\$209.73 million	+16.7%

Data: “America’s Favorite Charities”, *Chronicle of Philanthropy*, 2018, www.philanthropy.com

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 donor-advised 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 donor-advised funds in *Giving USA*

Essentially operating as a type of charitable savings account, donor-advised 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.⁵¹ 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.⁵²

Recent reports agree that donor-advised

funds continue to grow in popularity and usage. According to National Philanthropic Trust (NPT)'s *2018 Donor-Advised Fund Report*, charitable gifts to donor-advised funds increased 16.5 percent in 2017 over 2016. Total contributions to donor-advised funds in 2017 reached \$29.23 billion, representing 9.9 percent of the revised total for giving by individuals in 2017.⁵³ The report found that other metrics increased in 2017 over 2016 as well, including total amount of assets (27.3 percent), total number of donor-advised fund accounts (60.2 percent), and total grant dollars distributed from donor-advised funds (19.9 percent).

Donor-advised fund providers typically fall into three categories:⁵⁴

- 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 donor-advised 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 who 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 are the oldest providers of donor-advised funds in the United States, which are managed and housed within the foundation. 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 11: Giving to Foundations**)

The remainder of this special section will focus on those donor-advised funds that fall under the Public-Society Benefit subsector.

Potential new regulations for donor-advised funds under consideration by the IRS

After the Tax Cuts and Jobs Act was passed in December 2017, the IRS released Notice 2017-73, which provides clarification on donor-advised fund governance and asked for comments to help the IRS create additional regulations.⁵⁵

Within the nonprofit landscape, voices have emerged asking for greater regulation of donor-advised funds, specifically with regard to payout rates, while others have cautioned against making additional regulations.⁵⁶ Most recently, Rep. Dave Camp (R-MI) proposed legislation that would have taxed donor-advised fund assets that were not paid out to charity within five years.

Trends in giving to and from donor-advised funds in 2018 and in recent years

The following sections detail the most up-to-date reporting from major donor-advised fund sponsors in the United States, as found in independent studies, annual reports, and news articles.

INDIVIDUAL GRANT MAKING FROM COMMERCIAL DONOR-ADVISED FUNDS CONTINUES TO RISE

Recent data show that individuals continue to use donor-advised funds at growing rates.⁵⁷ Account holders at Fidelity Charitable, the largest donor-advised fund provider in the United States, made almost 1.3 million grants to 140,000 nonprofit organizations in

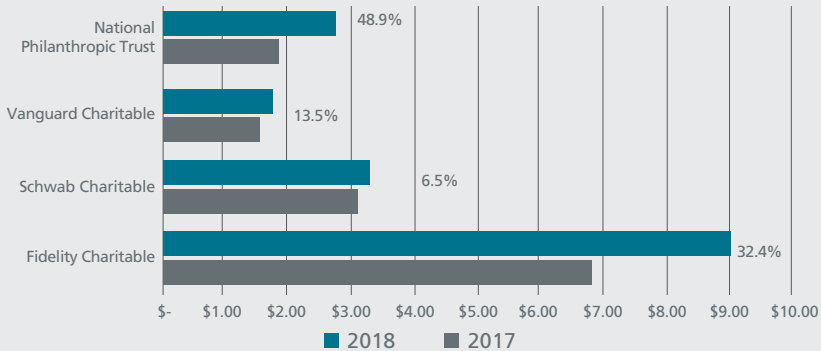
2018. Amounting to \$5.2 billion, this total represents a 17 percent increase from 2017. Schwab Charitable reported an even greater rise in grant making from donor-advised funds, with account holders granting \$2.2 billion to charities in 2018, a 35 percent increase from the previous year.

CONTRIBUTIONS TO DONOR-ADVISED FUNDS IN 2018 AND RECENT YEARS

Data from 2018 and supporting data from 2017 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 donor-advised fund sponsors in fiscal year 2018, and tracks contribution changes as compared to fiscal year 2017.⁵⁸



Figure 1 Contributions to select donor-advised fund sponsors, fiscal year (FY) 2017 and 2018 (billions of dollars)



Data: 2018 Annual Report, National Philanthropic Trust, 2018, <https://www.nptrust.org/reports/annual-report/>; 2018 Annual Report, Vanguard Charitable, 2018, https://www.vanguardcharitable.org/annual_report_2018/; Megan O'Neil, "Schwab Charitable Donor-Advised Fund Contributions Reach \$3.3 Billion," *The Chronicle of Philanthropy*, July 18, 2018, <https://www.philanthropy.com/article/Schwab-Charitable/243964>; 2017 Annual Giving Report, Schwab Charitable, 2017, <https://www.schwabcharitable.org/publicfile/P-8142068/>; Fidelity Investments Charitable Gift Fund Financial Statements For the Years Ended June 30, 2018 and 2017, Fidelity Charitable, 2018, <https://www.fidelitycharitable.org/docs/Audited-Financial-Statements.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.⁵⁹ 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. Breakdowns of cash and non-cash assets broke down along the following lines for major donor-advised fund sponsors:

- Fidelity Charitable reported that cash composed 37 percent of contributions in calendar year 2018.⁶⁰ Nearly half (47 percent) 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 16 percent of all contributions;

- Vanguard Charitable reported that cash composed 30 percent of contributions in fiscal year 2018.⁶¹ A majority (37 percent) of all contributions were securities. Mutual funds composed the third largest share, representing 26 percent of all contributions; and
- Schwab Charitable Fund reported that 26 percent of contributions in fiscal year 2018 were in the form of cash assets, with non-cash assets representing 74 percent of all contributions.⁶²

GRANTS ISSUED BY DONOR-ADVISED FUNDS IN 2018 AND RECENT YEARS

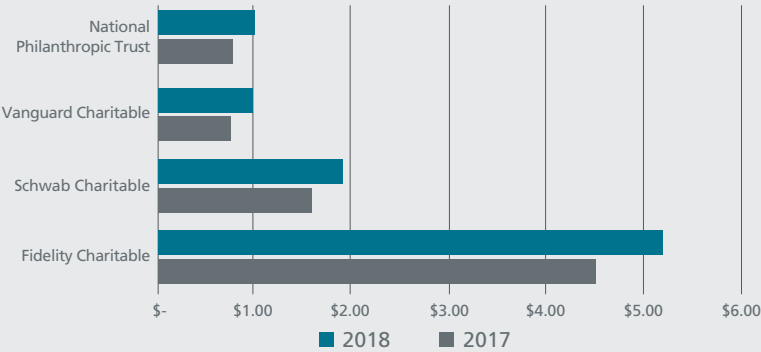
Large national donor-advised fund sponsors realized year-over-year growth in aggregate grants awarded, with four different organizations posting double digit growth over 2017.⁶³ In addition, many major funds reported all-time highs for aggregate amount given, number of grants, and number of organizations supported.

Grants from both Fidelity Charitable and Schwab Charitable exceeded \$1 billion⁶⁴

again in 2018, for a combined total of \$7.1 billion. Grants from NPT also crossed the billion dollar threshold, and grants from Vanguard Charitable came in just shy of \$1 billion (\$989 million).⁶⁵

Figure 2 summarizes aggregate grantmaking from major donor-advised fund sponsors in fiscal or calendar year 2018, as compared to fiscal or calendar year 2017.⁶⁶

Figure 2 Grants from select donor-advised fund sponsors, fiscal year or calendar year 2017 and 2018 (billions of dollars)



Note: Fidelity Charitable's data is based on the calendar year, while the data for all other organizations is based on fiscal year.

Data: 2018 Annual Report, National Philanthropic Trust, 2018, <https://www.nptrust.org/reports/annual-report/>; 2018 Annual Report, Vanguard Charitable, 2018, https://www.vanguardcharitable.org/annual_report_2018/; "How our donors are making a difference," Schwab Charitable, 2018, [https://www.schwabcharitable.org/public/file/P-11578359](https://www.schwabcharitable.org/public/file/P-11578359;); 2017 Annual Giving Report, Schwab Charitable, 2017, <https://www.schwabcharitable.org/public/file/P-8142068/>; 2019 Giving Report, Fidelity Charitable Gift Fund, 2019, <https://www.fidelitycharitable.org/docs/giving-report-2019.pdf>; 2018 Giving Report, Fidelity Charitable Gift Fund, 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.⁶⁷

Table 1 summarizes the top subsectors supported by major donor-advised fund sponsors, according to information disclosed in annual reports from these institutions.⁶⁸ Additionally, sponsors may classify and group organizations into charitable subsectors differently than *Giving USA*.

Table 1 Subsector grant distribution from major donor-advised fund sponsors,
Fiscal year (FY) or calendar year 2018

Subsector	Fidelity Charitable (2018 calendar year)	Vanguard Charitable (2018 FY)	NPT (2018 FY)	Jewish Communal Fund (2018 FY)
Education	29%	19%	29%	21%
Religion	15%	20%	9%	9%
Human services	11%	27%	14%	16%
Health	8%	12%	10%	8%
International affairs	5%	N/A	15%	17%
Public-society benefit	18%	6%	19%	5%
Arts and culture	7%	7%	6%	10%
Environment and animals	5%	7%	2%	3%
Other subsectors	1%	1%	6%	11%

Note: Fidelity Charitable's data is based on the calendar year, while the data for all other organizations is on based on fiscal year. Note that 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: 2019 *Giving Report*, Fidelity Charitable Gift Fund, 2019, <https://www.fidelitycharitable.org/docs/giving-report-2019.pdf>; 2018 *Annual Report*, Vanguard Charitable, 2018, https://www.vanguardcharitable.org/annual_report_2018; 2018 *Annual Report*, National Philanthropic Trust, 2018, <https://www.nptrust.org/reports/annual-report>; Jewish Communal Fund 2018 *Giving Report*, Jewish Communal Fund, 2018, <https://jcfny.org/app/uploads/2018/12/JCF-2018-Giving-Report.pdf>

There is significant overlap between the most popular charities at Schwab Charitable and Fidelity Charitable: The Red Cross, The Salvation Army, Doctors Without Borders, and Planned Parenthood were in the top five most popular charities for both organizations.⁶⁹ Vanguard Charitable reported that The Red Cross was the most popular charity in fiscal year 2018, largely due to the number of grants that went to disaster relief.⁷⁰

Chapter authored by Anna Pruitt, PhD, Managing Editor of *Giving USA*.

Good to Know sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Nathan Relles, Laura MacDonald, and Wendy McGrady.

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.
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- 3 Practitioner Highlight authored by Editorial Review Board member Wendy McGrady.
- 4 Same as note 3.
- 5 This information is in current dollars.
- 6 Same as note 5.
- 7 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
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14 Giving to Arts, Culture, & Humanities

- Giving to the arts, culture, and humanities subsector amounted to 5 percent of total giving in 2018.¹
- Contributions to arts, culture, and humanities organizations stayed relatively flat since 2017, growing 0.3 percent to \$19.49 billion in contributions. Adjusted for inflation, giving to these organizations declined by 2.1 percent.
- The total amount contributed to arts, culture, and humanities in 2018 reached its second-highest inflation-adjusted value ever.

Practitioner Highlights

- On the heels of great disasters in 2017, in which a substantial portion of funding got funneled into human services, arts organizations have attained varying degrees of success in recovery.²
- Online gifts represent a larger percentage of revenue in arts, culture, and humanities organizations than the sector overall, and 2018 was a year of growth. While the volume is high, retention and average gift size are lower than other non-profits.³
- Philanthropy to organizations in the arts, culture and humanities sector are influenced by broader cultural factors such as social change movements. Some organizations struggled to respond to these movements, while others tapped into public sentiment.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 2018

In 2018, giving to arts, culture, and humanities organizations grew in nominal terms for the second consecutive year. The two-year growth

rate in nominal terms was 13.8 percent. The five-year (2014 to 2018) annualized average growth rate of 5.9 percent for giving to this subsector was greater than the five-year annualized average growth rate of 5.2 percent for total giving.

Reports issued in 2019 and late 2018 indicate an increase for arts, culture, and humanities organizations in 2018. 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 seen between these sources and Giving USA data. Some highlights from 2018 on giving in this subsector include:

- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 58 percent of fundraisers in this area reported an increase in charitable revenue from January to June 2018.⁵
- According to Blackbaud Institute's

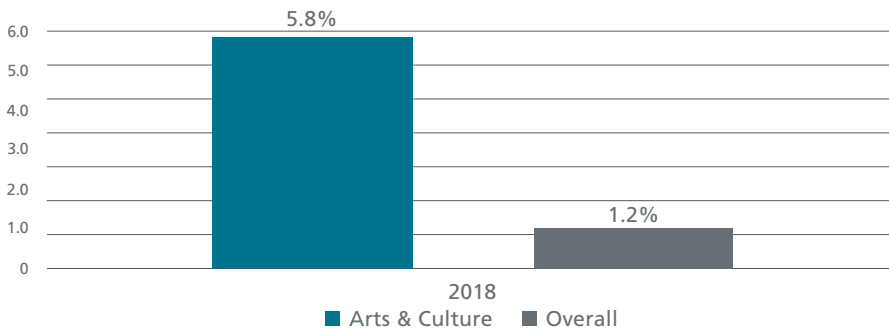
Charitable Giving Report, arts and culture reported a 5.5 percent growth in 2018 from the previous year.⁶

Arts and culture maintained its share of #GivingTuesday contributions. In 2018, arts and culture earned 2 percent of contributions in both 2017 and 2018.⁷

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.

Figure 1 Percentage of growth for online giving to arts and culture organizations in 2018

Growth in online giving: Arts and culture

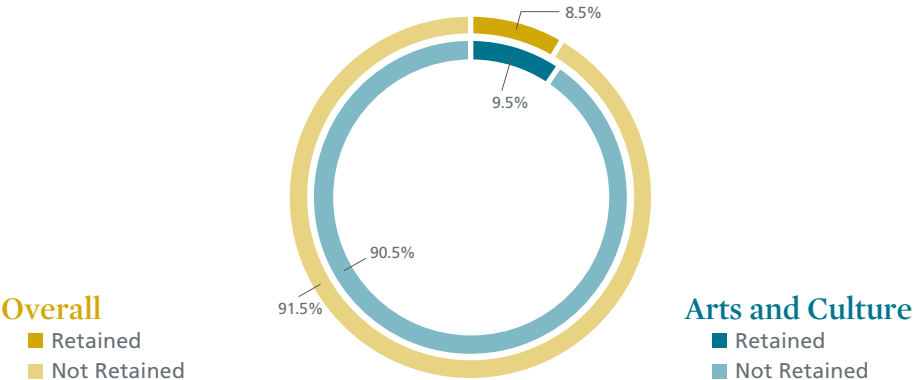


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

According to Blackbaud Institute's 2018 *Charitable Giving Report*, arts and culture had the greatest percent growth in online giving of any sector (5.8 percent). This is more than four times the overall growth in online giving (1.2 percent).⁸ Figure 1 shows these results.

Figure 2 Percentage of dollars given online for arts and culture organizations in 2018

Online giving as a percent of overall giving: Arts and culture

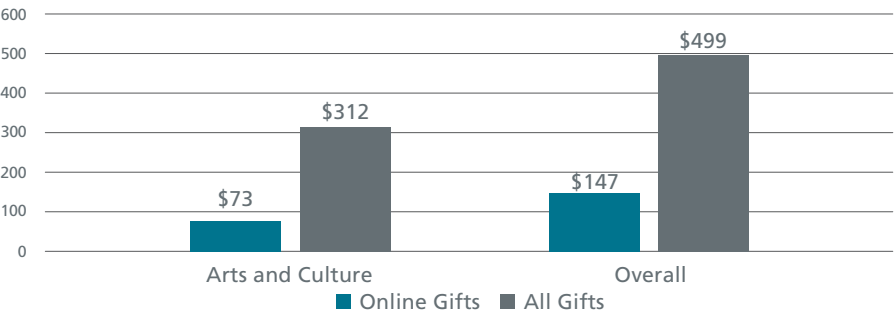


Data: *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com

Arts and culture organizations received a higher share of its revenue (9.5 percent) from online gifts than did the sector overall (8.5 percent of revenue received online), according to Blackbaud Institute’s *Charitable Giving Report*.⁹ Figure 2 shows these results.

Figure 3 Average gift size for arts and culture charities in 2018

Mean gifts by source: Arts and culture

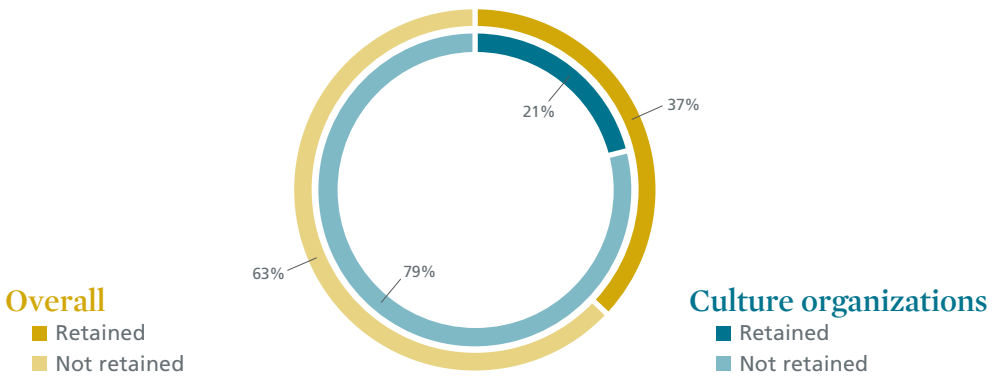


Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits, the mean giving to arts & culture organizations was lower than the overall sector, whether gifts were given online specifically or through any mechanism.¹⁰ Figure 3 shows these results.

Figure 4 Online donor retention rate for culture organizations in 2018

Online donor retention: Culture



Data: *Benchmarks 2019*, M+R and NTEN, 2019, www.mrbenchmarks.com

According to the *Benchmarks 2019* report by M+R and NTEN, online retention rate for culture organizations in their study was 21 percent, compared with the 37 percent overall online retention rate.¹¹ Figure 4 shows these results.

2018 was an exceptional year for journalism and nonprofit media

Nonprofit media and journalism organizations had a strong year in 2018. Major gifts included a \$10 million gift by Jarl and Pamela Mohn to NPR and a \$5 million gift from Andy and Sandy Ross to WOSU in Columbus, OH. This section explores the range of news and reports in the nonprofit media space in 2018.¹²

REPORT FOR AMERICA AIMS TO FILL INFORMATION VOID IN AREAS WITH NEW NEWS COVERAGE

A report by Matthew Nisbet (Northeastern University) and his team explores funding trends for nonprofit media strongly. Their exploratory study emphasized the development of areas of the country in which independent, local/regional news coverage is all but nonexistent.¹³ The result, according to the report and the founders of a new journalism service program, is a threat to democracy, where the lack of unbiased, locally relevant information, has huge effects on citizens' ability to make the choices that are right for them.

A new program modeled after national public service programs like AmeriCorps hopes to turn that tide.¹⁴ Started by two journalists, Steven Waldman and Charles Sennott, *Report for America* aims to increase the news access, especially rural communities where it has been lacking. Supported by funding from sponsors, foundations, and small individual donations, the 2018 class of 13 young reporters are stationed around the country. *Report for America* provides half of the salary for one reporter to a local news organization; the local station and another source supplies the remaining salary.

MAJOR GIFTS INSPIRED BY DESIRE FOR INDEPENDENT, NON- BIASED REPORTING

Seth MacFarlane, creator of the animated series *Family Guy*, donated \$2.5 million to National Public Radio, after a public clash on Twitter with Fox news host Tucker Carlson.¹⁵ *Variety* reported that MacFarlane's reasoning behind the gift was to support more independent, non-biased reporting.¹⁶

Two gifts totaling \$21 million by Craig Newmark, the founder of Craigslist, are also inspired by the desire for more independent reporting.¹⁷ Newmark made a gift to The MarkUp, a new journalism project focused exclusively on being a watchdog for big tech. In addition, Newmark's gift to *Mother Jones* aims to build reporting capacity at the progressive nonprofit news outlet.¹⁸

Some have criticized Newmark's giving to the journalism programming, since the appearance of Craigslist displaced so much ad revenue for local newspapers in the first place.¹⁹

Lastly, a high-profile announcement from the Hollywood Foreign Press Association included the public reveal of \$2 million of support for nonprofit, non-partisan news organizations.²⁰ Their gifts, divided in equal \$1 million contributions, will benefit the Reporters Committee for Freedom of the Press and InsideClimate News.

Museums and arts organizations grapple with political concerns, fluctuating revenue streams

REPORT SUGGESTS ART MUSEUMS ARE INCREASINGLY DEPENDENT ON PHILANTHROPY

A survey by The Association of Art Museum Directors, *Art Museums by the Numbers 2018*, shows that over the period 2003–2018 art museums have become increasingly dependent on philanthropic support.²¹ Earned income has risen from 27 percent of all sources of revenue in 2003 to 33 percent in 2017, up from an estimated low of 25

percent in 2008. One statistic shows that visiting an art museum remained a highly subsidized activity in 2018: on average museums charged visitors \$8 per entry, while the average cost per visitor was \$55.²²

MUSEUMS ASSESS GIFTS FROM SACKLER FAMILY

Reporting blames the Sackler family for spreading misinformation about the addictive properties and side effects of opioids through their company Purdue Pharma, which produces OxyContin. OxyContin, a prescription drug, has played an outsize role in the current opioid epidemic in the United States.²³ Some museums have made public statements in response to criticism about the Sackler family, which owns Purdue Pharma. The Guggenheim Museum announced it does not plan to accept any further contributions from the Sackler family, as did Britain's National Portrait Gallery.²⁴

Artists, activists, and visitors have been calling for museums to either return or no longer accept donations from the family for at least a year.²⁵ Fourteen months after protests began, the Metropolitan Museum of Art formally announced that it would no longer accept money from the Sackler family, but would wait to make changes to the name of the Sackler Wing until litigation against the family has concluded.²⁶

#MeToo affects arts organizations

The #MeToo movement has sparked philanthropic efforts to support women—CBS Corporation pledged \$20 million to women's empowerment organizations, legal defense funds, and other organizations dedicated to addressing sexual harassment in the workplace.²⁷ Among the grantees appeared seven organizations focusing on arts, culture, and/or humanities efforts:



- International Women's Media Foundation;
- Press Forward;
- Producers Guild of America Foundation;
- Sundance Institute's Momentum program;
- TIME'S UP Entertainment;
- Women in Film Los Angeles; and
- Women's Media Center

The rise of #MeToo and a series of public accusations raises the question of how organizations should respond when their endowments have been created by now-unsavory benefactors. Russell Simmons, co-founder of Def Jam Recordings, is currently facing several sexual impropriety claims. Simmons resigned in November 2017 from the board of the Rush Arts Foundation, which provides arts education to underserved youth.²⁸ *The New York Times* reported that the Rush Foundation is still struggling to raise funds due to an association with Simmons.²⁹

Some capital campaigns raise historic totals

SMITHSONIAN FINISHES MASSIVE CAPITAL CAMPAIGN

The National Parks Foundation just

closed a \$500 million campaign where their original goal was doubled, and The Smithsonian Organization finished a \$1.9 billion campaign.³⁰ With an initial goal of \$1.5 billion, the Smithsonian's campaign raised \$400 million more than was expected. 535,000 individuals contributed, with 350 giving in excess of \$1 million. The big vision behind the campaign was to modernize the organization, solidify its financial position, make renovations, and endow directorships.

FIELD MUSEUM'S "BECAUSE EARTH" CAMPAIGN HONORS 125TH ANNIVERSARY

Unveiled in September 2018, the Field Museum campaign "Because Earth" aims to raise \$250 million to document climate change. The museum's president Richard Lariviere indicated that the specific focus of the capital campaign intends to signal the museum's progressive values, emphasis on fact-based science, and drive to protect the access to the world's natural marvels. Among the funds raised for the campaign, the museum aims to raise \$125 million in endowment funds. Success in raising such an ambitious endowment will allow the museum to have a stable source of funding for many future years.³¹

CHILDREN'S MUSEUM LAUNCHES \$10.5 MILLION CAMPAIGN

The Port Discovery Children's Museum,

one of the largest in the mid-Atlantic region, announced a \$10.5 million capital campaign in May of 2018. The campaign will allow the museum to build new centerpiece exhibits based on educational research, including learning by playing strategies. One exhibit, SkyClimber will combine physical activity, problem-solving, and controlled risk-taking skills.³²

CAPITAL CAMPAIGN DOES NOT MEET GOAL BUT CONSTRUCTION CONTINUES

The Dr. Phillips Center of the Performing Arts in Orlando, FL, announced in early 2018 that it had received a \$3 million gift from Harvey and Carol Massey for its capital campaign.³³ The campaign, which was started to fund Steinmetz Hall, was still \$14 million short of its goal in 2018. Estimates indicate that the completion of the whole building will have exceeded \$550 million by the time the hall opens to the public in 2020.

In theatre subsector, campaigns play an increasingly important role

According to the most recent annual report from the Theater Communications Group, *TheatreFacts*

2017, overall contributed income in 2017 was \$3.8 million, up 17.2 percent from 2013, but down 7.4 percent from 2016.³⁴ TCG reported that capital campaigns played an increasingly large role in funding theatre around the U.S. between 2013 and 2017. Forty percent of trend theaters were currently in a capital campaign, and 38 percent of trend theatres reported they had completed a capital campaign in the last five years as of 2017. Including capital campaign contributions, trustee contributions rose 55 percent (47.7 percent adjusted for inflation) between 2013 and 2017. In general, giving by individuals (including both trustees and non-trustees) rose 23 percent. Most theatres experienced this increase in trustee giving, which may be a trend to watch for the future.

Poetry receives rare attention from funders

Poetry reading in the United States has increased in recent years according to data from the most recent *Survey of Public Participation in the Art* (SPPA) issued by the National Endowment for the Arts (NEA).³⁵ The data, based on surveys answered by 27,969 U.S. adults (a representative sample for the United States adult population), shows that poetry reading is almost back to its



highest level from 2002.

Perhaps resulting from this recent uptick in interest in poetry, funding for poetry organizations was strong in 2018. A gift of a combined \$1 million by the late artist Ellsworth Kelly and artist Jack Shear, announced in early January 2018, will endow the C.D. Wright Award for Poetry, given out annually by The Foundation for Contemporary Arts.³⁶ Later in 2018, the John S. And James L. Knight Foundation announced that it would support a partnership between the O, Miami Poetry Festival and the Betsy Hotel South Beach in Miami with \$1.25 million, to “create a new home for poetry in the Americas.”³⁷ This support is part of \$37 million donated by the Knight Foundation in 2018 to arts organizations in Miami, Florida,

bringing their total support for the arts in Miami to \$165 million since 2005.

Innovative fundraising reflects desire to disrupt establishment monoculture

MINI GRANTS AND OTHER SUPPORT TO INDIVIDUAL ARTISTS

One burgeoning trend in arts funding is the mini grants that directly support individual artists that are popping up in different urban areas in the country. In Atlanta, for example, a group of likeminded arts advocates has created the organization Idea Capital, which celebrated its 10th anniversary in 2018. Over 10 years, its granting has grown from \$500 to one artist to \$18,000 to nine artists.³⁸ Over the course of its existence, the organization has given out 80 individual artist grants. Key to a successful application are innovation and experimentation with a focus on benefitting the city of Atlanta.

Integrity Arts & Culture Association in Rock Island, IL offers similar micro-grants. In eight rounds of grants made in 2018, the organization offered grants averaging \$250 to local artists to purchase art supplies and other project-related expenses.³⁹ The Arts

Council of Tampa-Hillsborough offers a demonstration of the broader trend, listing 17 grants available to individual artists.⁴⁰

MEMPHIS ORGANIZATIONS INITIATE DISRUPTIVE IDEAS

A recent case study released by Participation INK, a think tank from Tucson, AZ, dives deeper into the inequities in arts funding, especially from foundations. Their findings show how one funder and arts organization, the Memphis Music Initiative (MMI), is changing the game.⁴¹

According to the report, arts organizations serving racialized, poor, and underserved communities, are structurally cut out from consideration for funding from many foundations.⁴² The authors believe that a model used by the Memphis Music Initiative is a promising way to beat these odds. The Memphis Music Initiative was designed to right the structural inequities experienced by black and brown youth in Memphis through music. MMI is both a provider of in-school programming to sustain music education in public schools, as well as a granting organization, and a professional development resource. These activities intend to create a community where access to arts is the norm rather than the exception. The authors believe that MMI challenges the existing paradigm and establishes a black arts ecosystem where the funders are invested in the

community and use data to support their practice.

Selling collections to raise funds met with mixed responses

In 2018, two museums sold pieces from their collections in order to raise capital. What distinguished the two sales was the reasons for which they were done. The Association of Art Museum Directors (AAMD) deemed the sale for endowment building purposes unethical at the Berkshire Museum, and asked its membership to immediately stop lending works to the museum and to discontinue engagement in any collaborations.⁴³ The Berkshire Museum had received permission from the Massachusetts attorney general to sell 40 works by Rockwell, Calder, and other artists, for up to \$55 million, and the museum moved forward by selling the pieces through auction, receiving \$42 million in proceeds.

The Baltimore Museum, however, was not punished for deaccessioning works.⁴⁴ The museum, citing that the nature of their collection was too monocultural and un-diverse, sold seven pieces to build capital with which

to acquire pieces from artists from underrepresented populations.

Disaster relief efforts send funds to arts organizations in 2018

Many organizations in Texas, Louisiana, Florida, Puerto Rico, and California experienced severe damage from natural disasters, including hurricanes and wildfires, in 2017 and 2018.⁴⁵ While foundation funding and individual giving was quick to follow these disasters, most of this funding aided human services organizations, as outlined in *Giving USA 2018*.⁴⁶

FOUNDATIONS STEPPING UP TO ASSIST ARTS, CULTURE, AND HUMANITIES ORGANIZATIONS WITH DISASTER RELIEF

Some foundations and organizations made grants and gifts in 2018 specifically to serve arts, culture, and humanities organizations recovering from disasters:

- In Puerto Rico, an effort led by *Hamilton* creator Lin-Manuel Miranda aims to rebuild much of what was lost by arts organizations.⁴⁷ Mr. Miranda plans to fund his Flamboyant Foundation with \$15 million, to

support Puerto Rican dance, theatre, and art programs in rebuilding efforts.

- The Pollock-Krasner Foundation contributed \$228,000 in grants to serve a variety of purposes for organizations and artists affected by the hurricanes and wildfires.⁴⁸ Among other purposes, some of the money will support residencies for displaced artists.
- The Smithsonian Organization announced a \$1 million gift from Bank of America in support of its Cultural Rescue Initiative (CRI).⁴⁹ CRI's intended purpose is to safeguard cultural heritage in times of crises or in conflict and disaster areas, as well as provide cultural heritage preservation training to U.S. military personnel and first responders.

Major gifts aim to help museums build capacity

Many museums received major gifts in 2018 for staff, capital campaigns, endowments, and a range of other purposes. This section identifies some of these gifts and their purposes.

SOME MUSEUMS FIND SUCCESS WITH ENDOWING POSITIONS

Independently, at least five museums reported in 2018 the ability to endow

curator positions and directorships:

- The Taft Museum of Art in Cincinnati, Ohio received a gift from the Estate of Sallie Robinson Wadsworth for the purpose of an Endowed Curatorship. The \$5 million endowment allows the deputy director and chief curator, Lynne Ambrosini, whose position is now named after Wadsworth, to spend more time on research and the production of exhibitions.⁵⁰
- The Jewish Museum in New York City received a gift from the Barnett and Annalee Newman Foundation. The gift combines works from the Newman collection as well as a cash gift to establish an endowment supporting the museum's first curatorial position dedicated to contemporary art.⁵¹
- The Mead Art Museum at Amherst College received a \$3 million gift from John and Sue Wieland to endow director and chief curator positions and to support the museum's contemporary art acquisitions.⁵²
- The Milwaukee Art Museum received a gift in support of its photography program in order for it to attract top curatorial talent. The Richard and Ethel Herzfeld Foundation pledged \$3.5 million to aimed to provide financial stability to the photography program.⁵³

Table 1 shows a list of gifts of \$5 million or greater in 2018. These gifts range from unrestricted funds to programmatic endeavors and have a wide range of goals.



Table 1 Major gifts to arts, culture, and humanities organizations by region

Region	Donor	Beneficiary	Gift Purpose	Gift Amount
East	Frank McCourt ^{54v}	Shed Arts Center, NY, NY	Capital	\$45 Million
	Leon and Debra Black ⁵⁵	Museum of Modern Art, NY, NY	Capital	\$40 Million
	Craig Newmark ⁵⁶	The Markup, NY, NY	Seed Funding	\$20 Million
	Gerret and Tatiana Copeland ⁵⁷	Delaware Art Museum, Wilmington, DE	Endowment	\$15 Million
	Jarl and Pamela Mohn ⁵⁸	National Public Radio, Washington, DC	Capital	\$10 Million
	Mario, Martha, John, Janet, and Josephine Molina ⁵⁹	Smithsonian Institution, National Museum of American History, Washington, D.C.	Lead gift for permanent Latino gallery space	\$10 Million
	The Starr Foundation ⁶⁰	National Museum of Intelligence and Special Operations, Ashburn, VA	Capital	\$10 Million
	Alan B. and Jill Miller ⁶¹	Museum of the American Revolution, Philadelphia, PA	Capital	\$8 Million
	Nine Major Airlines ⁶²	National Air and Space Museum, Washington, D.C.	Capital	\$28 Million
	Barnett and Annalee Newman Foundation ⁶³	Jewish Museum, NY, NY	Collection and Curatorial	\$10 Million and more than 40 pieces of art, value unpublicized
	Roy Lichtenstein Foundation ⁶⁴	Archives of American Art, Washington, D.C.	Preservation of art by artists from underrepresented populations	\$5 Million
	Ann S. Bowers ⁶⁵	Chamber Music Society of Lincoln Center, NY, NY	Artist Residency Program	\$5 Million
	Wan-go H.C. Weng ⁶⁶	Museum of Fine Arts, Boston, MA	Collection	183 works of Chinese Art, value unpublished
	Aaron and Barbara Levine ⁶⁷	Hirschhorn Museum and Sculpture Garden, Washington, D.C.	Collection	50 works by Marcel Duchamp, and his contemporaries, value unpublicized
Midwest	Janet and Craig Duchossois ⁶⁸	Art Institute of Chicago, Chicago, IL	Unrestricted	\$50 Million
	Bren Simon ⁶⁹	Great American Songbook Foundation, Carmel, IN	Establishing Museum	Real estate and personal property valued at \$30 Million
	Robert and Diane v.S. Levy ⁷⁰	Art Institute of Chicago, Chicago, IL	Operations and Acquisitions	\$20 Million

Region	Donor	Beneficiary	Gift Purpose	Gift Amount
	James and Elizabeth McDonnell of JSM Charitable Trust ⁷¹	The Muny, St. Louis, MO	Capital Improvements	\$20 Million
	James and Andrea Gordon ⁷²	Year of Chicago Theatre, Chicago, IL	Programming	\$10 Million
	Donna and Donald Baumgartner ⁷³	Milwaukee Ballet, Milwaukee, WI	Capital Improvements	\$10 Million
	Jean Hower Tabert ⁷⁴	Cleveland Orchestra, Cleveland, OH	Programming	\$9.3 Million
	Sandy and Andy Ross ⁷⁵	WOSU Public Media, Columbus, OH	Capital	\$5 Million
	Sallie Robinson Wadsworth ⁷⁶	Taft Museum of Art, Cincinnati, OH	Exhibits and Scholarship; Endowed curatorship	\$5 Million
	Paul Galvin Memorial Foundation Trust ⁷⁷	Joffrey Ballet, Chicago, IL	Endowed Artistic Directorship	\$5 Million
	Kim Kuehner ⁷⁸	Center of Creative Arts, St. Louis, MO	Create Our Future Campaign	\$5 Million
South	Kenneth C. Griffin Charitable Fund ⁷⁹	Norton Museum of Art, West Palm Beach, FL	Capital and endowed directorship	\$20 Million
	Linda Garner Riggs ⁸⁰	Arkansas Symphony, Little Rock, AK	Estate gift for operational support	\$1.8 Million
	Herta Klauser Cuneot ⁸¹	Van Wezel Foundation, Sarasota, FL	Capital	\$10 Million
	William and Ericka Cain ⁸²	Cornelius Art Center, Cornelius, NC	Naming Gift	\$5 Million
	Rosalind and Jerry Richardson ⁸³	International African American Museum, Charleston, SC	Endowment for field trips for underprivileged students	\$5 Million
	Margot and Ross Perot ⁸⁴	Perot Museum of Nature and Science, Dallas, TX	Admission outreach programming	\$5 Million
	C. Kenneth and Dianne Wright Foundation ⁸⁵	Virginia War Memorial Foundation, Richmond, VA	Naming gift in support of programs and exhibits	\$5 Million
West	Pat Reser ⁸⁶	Beaverton Center for the Arts, Beaverton, OR	Naming gift to support the construction of the center	\$13 Million
	Suzanne (Anonymous) ^{†87}	KEXP, Seattle, WA	Programming	\$10 Million
	Anonymous ⁸⁸	Artists Repertory Theatre, Portland, OR	Unrestricted	\$7 Million
	Sturm Family Foundation ⁸⁹	Denver Art Museum, Denver, CO	Renovation	\$6 Million
	I. Michael and Beth Kasser ⁹⁰	Tucson Museum of Art, Tucson, AZ	Capital	\$2.5 Million and long-term loan of 250 artworks
	Gérard and Dora Coggié ⁹¹	Los Angeles County Museum of Art, Los Angeles, CA	Collection	400 works, value unpublicized

† Indicates materialized bequest

Report shows share of foundation grants to arts organizations is shrinking

Celebrating the 25th anniversary in 2018 of its seminal report *Arts Funding: A Report on Foundation and Corporate Grantmaking Trends*, Grantmakers in the Arts (GiA) issued an overview of how arts funding from different sources has developed.⁹² Drawing on three decades of knowledge and reports at GiA, the author, Steven Lawrence, describes how spending on arts organizations has diminished as a share of foundation and government and how the arts have seemingly become less of a priority since 2000. As a portion of overall foundation grantmaking, the arts diminished from 13.4 percent in 2000 to 8.2 percent in 2014.

Lawrence describes several reasons why this change might be happening among foundations. One reason is the increased need for funding in the human services sector and a decreased ability for arts grantees to make a case for support in the face of these mounting needs.⁹³ A second reason for these shifting priorities is generational change evident in the stated goals of newly-established foundations.⁹⁴ This may not be surprising, however, given the fact that

the country has grown more ethnically and culturally diverse, and that most arts funding heavily favors large institutions that are steeped in a European tradition.

Business contributions to the arts strong and expanding, report suggests

The 2018 edition of *Business Contributions to the Arts*, a report issued by the Conference Board and Americans for the Arts, suggests that business contributions to the arts seem to be expanding.⁹⁵ The researchers surveyed 132 businesses in summer of 2018 with the purpose of gauging how these companies engaged in giving to the arts, and to what ends, in the year 2017.

Of the 132 businesses surveyed, 8 percent did not contribute in any form to arts organizations.⁹⁶ Of the 92 percent which did contribute, 80 percent of companies reported contributing financially (at an average of \$1.7 million), and 43 percent reported in-kind contributions, with some companies making both financial and in-kind donations. When divided into three broad categories of industries, manufacturing businesses were least likely to make contributions. When manufacturing businesses contributed,

they gave substantially more (\$4.6 million) than the financial services and nonfinancial services industries combined (\$2.2 million and \$0.6 million respectively). For the 20 businesses that responded to the survey in both 2015 and 2017, the mean giving total increased to \$3.7 million from \$2.3 million. Increasingly, the report suggests, businesses participate in arts funding because it creates environments in which they themselves can thrive.

Study explores impact of recession economies on fundraising practices

Using financial data gathered by the National Center for Charitable Statistics, Young-Joo Lee (University of Texas Dallas) and Jongmin Shon (Rutgers University – Newark School of Public Affairs and Administration) studied how the 2008 recession affected fundraising expenditures among 1,286 U.S.-based arts, culture, and humanities organizations.⁹⁷ The researchers found that, as expected, fundraising becomes more important during a recession, and they also found that fundraising expense rises relative to overall expenses, especially for nonprofits who derive most of their income from donations.

The study focused on financial data from the years 2005–2012, with 21 percent of the organizations not reporting any fundraising expenses over the entire period and 75 percent of organizations not reporting fundraising expenses for one or more years.⁹⁸ Although the study found that, relative to overall expenses, fundraising expenses rose during the recession, the researchers also observed an overall decline in fundraising expenses. The researchers theorize that this reduction in cost is partially due to the increase of low-cost alternatives to traditional fundraising methods but is mostly due to the desire from donors that donations be spent on program expenses rather than overhead.

Study suggests giving by middle and upper-class people of color can redefine historical narratives

A study by Patricia Banks (Mount Holyoke College) argues that giving by African-American voluntary associations to museums that focus on African-American history and culture both advances a national history narrative that allows African-Americans to take agency over their own emancipation and makes clear the previously

underreported influence of African-Americans on national history.⁹⁹ Through over 80 interviews with donors who gave upwards of \$100,000 to the National Museum of African American History and Culture (NMAAHC), the study finds that these gifts, consisting of

financial contributions as well as historic artifacts, provide an opportunity for these associations and their past and current members (often well-known public figures, such as Zola Neale Hurston and Thurgood Marshall) to become protagonists in these narratives.

Good to Know!

With the ever-increasing need for program expansion and operating costs, arts and cultural organizations are looking for ways to earn income, such as ticket sales.¹⁰⁰ Successful organizations must build a dynamic plan that can attract the right audience to meet revenue goals.

Here are a few questions you should ask:

- How can you leverage the audience you already have? Don't forget to promote your next event during your current one. Having to market each event from scratch is a heavier lift than taking the message straight to those who have already engaged.
- What part of your program could be exclusive? Membership should come with perks. Think about advance purchase options for your most loyal patrons and members.
- Have you optimized visibility on your social channels? Do not underestimate the power of your members' networks. Social media users love to share their cultural experiences and events they plan to attend.
- And speaking of social... Do you have influencers who you could invite to an advance screening? You can exchange free tickets to your event for positive social media posts by them.

DataArts report finds positive fundraising trends overall for arts organizations, but with large variations by organization type

Southern Methodist University DataArts (formerly NCAR) released an update in January 2019 to their multi-year data analysis and aggregation of fundraising performance in the arts and culture sector.¹⁰¹ This updated report analyzes 2014–2017 data from 1,888 organizations. The DataArts analysis includes two indices: the Return on Fundraising Index, which details total contributed revenue divided by total fundraising expenses, including personnel; and the Unrestricted Contributions Index, which measures what share unrestricted contributed revenue covers cash expenses.

The Return on Fundraising Index reveals that, following 2014, most arts organizations had generally experienced only slight reductions in their fundraising returns in 2017, defined as the total contributed revenue divided by total



fundraising expense including staff costs.¹⁰² On average, arts and culture organizations realized an \$8.56 gain for every fundraising dollar spent, a slight decline from \$8.80 in 2014. While the index shows a relatively stable trend, the index does not tell the full story. In general, the report found that organizations spent 3.3 percent less on fundraising between 2014 and 2017 and that these organizations experienced an accompanying decline of 5.9 percent in terms of contributed revenue.

Finally, there were differences on the Return on Fundraising Index in terms of subsectors. Seven of the 11 subsectors identified by DataArts realized an increase in fundraising returns in 2017 compared with 2014.¹⁰³ The only four exceptions were art museums, dance, performing arts centers, and theaters. Table 2 compares Return on Fundraising indices trends per subsector in 2014 and 2017.

Table 2 DataArts Return on Fundraising index trend, per arts subsector (total contributed revenue/total expenses, including staff costs)

NCAR subsector	2014	2017	Percent change, 2014–2017
Arts education	\$8.06	\$9.22	14.39%
Arts museums	\$12.32	\$8.52	-30.84%
Community arts organizations	\$7.81	\$10.07	28.94%
Dance	\$8.82	\$8.69	-1.47%
Music	\$6.29	\$7.49	19.08%
Opera	\$8.42	\$9.49	12.71%
Performing arts centers	\$9.91	\$9.23	-6.86%
Symphony orchestras	\$8.44	\$8.48	0.47%
Theater	\$7.61	\$7.35	-3.42%
Other museums	\$6.92	\$8.65	25.00%
General performing arts	\$6.09	\$6.11	0.33%

Data: "Return on Fundraising Index," Southern Methodist University, DataArts, retrieved May 2019, <https://culturaldata.org/the-fundraising-report/return-on-fundraising-index/trends/>

In 2017, the Unrestricted Contributions Index was 50.0 percent, meaning that the average arts and culture organization paid half of its cash expenses with unrestricted contributed revenue.¹⁰⁴ This share represents a decline from 2014, when the index was 58.5 percent. In 2017, unrestricted contributions as a share of paid expenses were the highest at music organizations (67 percent), general performing arts organizations (63 percent), and opera organizations (62 percent), while the index was the lowest for arts education organizations (39 percent) and performing arts centers (40 percent).

Arts organizations secure 1 spot of top 100 charities

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.¹⁰⁵ Previously the *Philanthropy 400*, *The Chronicle of Philanthropy* has adapted their methodology this year to include just 100 organizations in a list called America's Favorite Charities. The compilation still 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.

agencies, and standalone donor-advised funds are not included.¹⁰⁶

To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, financial statements, and a questionnaire. New this year, the *Chronicle* restricted organizations to nonprofit organizations that seek contributions from the public, meaning that private foundations, government

The America’s Favorite Charities list for 2018 included just one organization in this category.¹⁰⁷ Table 3 shows this result.

Table 3
 Arts and culture organizations among charities with highest revenue in America’s Favorite Charities 2018.

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
64	Metropolitan Museum of Art ¹⁰⁸	New York, NY	\$293.93 million	\$295.65 million	+19.6%

Data: "America's Favorite Charities 2018", *The Chronicle of Philanthropy*, 2018, https://www.philanthropy.com/interactives/americas-favorite-charities-data#id=table_cash



Key data from annual studies summarized

Table 4 presents three years of data from a study appearing annually about

giving to arts, culture, and humanities organizations. Website addresses are provided so readers can access the full reports.

Table 4 Key findings from other studies about giving to arts, culture, and humanities organizations

Theatre Communications Group

Theatre Facts 2017¹⁰⁹
www.tcg.org

	2015	2016	2017
Total contributed income to trend theatres*	\$3.75 million	\$4.11 million	\$3.81 million
Average contributions to trend theatres from:			
Individuals**	\$990,427	\$1,059,118	\$1,040,047
Foundations	\$754,147	\$905,759	\$727,709
Corporations	\$238,891	\$281,308	\$231,165
Trustees	\$671,905	\$752,881	\$629,893
Contributions as a percentage of total expenses in trend theatres***	48.2 percent	50.8 percent	45.2 percent

* 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 129 theatres included in the sample for the years 2015, 2016, and 2017; results are updated in the most-current year's edition of the trend theatre dataset.

** Individuals estimate does not include trustees.

*** 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.

Chapter authored by Maarten Bout, CFRE, Director of Development for Major Gifts at Indiana University Maurer School of Law.

Good to Know! section and Practitioner Highlights written by *Giving USA* Editorial Review Board members Patricia House, Laura MacDonald, Ashley Thompson, and Kathy Howrigan.

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 Ashley Thompson; Jim Schaffer, "Lin-Manuel Miranda Creates New Fund to Aid Puerto Rican Arts," *Nonprofit Quarterly*, July 24, 2018, <https://nonprofitquarterly.org/2018/07/24/lin-manuel-miranda-creates-new-fund-to-aid-puerto-rican-arts/>
- 3 Practitioner Highlight authored by Editorial Review Board member Kathy Howrigan; *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.9 billion in 2018. Online giving data are reported by 5,537 nonprofits with charitable support amounting to \$2.7 billion in 2018. This information was provided to *Giving USA* directly from Blackbaud Institute in April 2019. This data comes from a sample of 9,029 nonprofits. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>; *Benchmarks 2019*, M+R and NTEN, 2019, www.mrbenchmarks.com. Note that this study uses a convenience sample of 135 organizations with online revenue totaling over \$376 million and that the organizations types reported in this study do not necessarily match those used in *Giving USA*.
- 4 Practitioner Highlight authored by Editorial Review Board member Laura MacDonald; "CBS Announces Recipients of \$20 Million Grant to Support Eliminating Sexual Harassment in the Workplace," *CBS Corporation*, Retrieved June 2019, <https://www.cbscorporation.com/cbs-announces-recipients-of-20-million-grant-to-support-eliminating-sexual-harassment-in-the-workplace/>; Elizabeth Harris, "The Met will Turn Down Sackler Money Amid Fury Over the Opioid Crisis," *The New York Times*, May 15, 2019, <https://www.nytimes.com/2019/05/15/arts/design/met-museum-sackler-opioids.html>
- 5 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
- 6 *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5,537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- 7 Same as note 6.
- 8 Same as note 6.
- 9 Same as note 6.
- 10 This information was provided to *Giving USA* directly from Blackbaud Institute in April 2019. This data comes from a sample of 9,029 nonprofits who use Blackbaud Institute services. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>
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15 Giving to international affairs

- Contributions to the international affairs subsector comprised 5 percent of all donations received by charities in 2018.¹
- Giving to international affairs organizations increased 9.6 percent in 2018, totaling \$22.88 billion. Adjusted for inflation, giving to international affairs increased 7.0 percent between 2017 and 2018.
- The total for contributions to the international affairs subsector in 2018 did not surpass its previous highest inflation-adjusted value, which was recorded in 2008 at \$23.99 billion.

Practitioner Highlights

- Despite overall giving to international affairs increasing substantially (by 9.6 percent) in 2018, online giving saw a large decline (by -8.3 percent), compared with 1.2 percent growth in overall giving online in 2018.²
- Giving in this sector is largely focused on the refugee crisis in various countries, including the Rohingya refugee crisis in Myanmar, the economic and political crises in Venezuela, and the Syrian crisis.³
- Following overall trends, international affairs organizations are facing decreased donations in the area of general support that are required to ensure an organization's financial sustainability.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; rather, a collection of examples from the field.

Trends in giving to international affairs in 2018

Giving to international affairs increased in 2018 after two consecutive years of negative growth, according to Giving USA data.⁵ The two-year growth rate for 2016–2018 was 5.2 percent for international affair organizations. Despite recent growth, the five-year annualized average growth rate for international affairs was 3.3 percent,

and did not outpace the five-year annualized average growth rate for total giving (5.2 percent).

Several reports issued in 2018 and early 2019 note a small amount of growth in overall contributions to international affairs organizations in 2018, with growth in online giving to these groups again this year. 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

seen between these sources and Giving USA data. Some highlights from 2018 on giving to this subsector include:

- According to Blackbaud Institute's *Charitable Giving Report*, international affairs reported a 2.1 percent growth from the previous year. International affairs' share of #GivingTuesday contributions declined. In 2018, international affairs organizations comprised 1 percent of contributions (vs. 4 percent in 2017).⁶ According to Blackbaud's 2018 *Luminate Online Benchmark Report*, total online revenue for disaster and international aid in 2018 was \$1.2 million a nominal increase of 9.0 percent from the previous year.⁷
- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 56 percent of

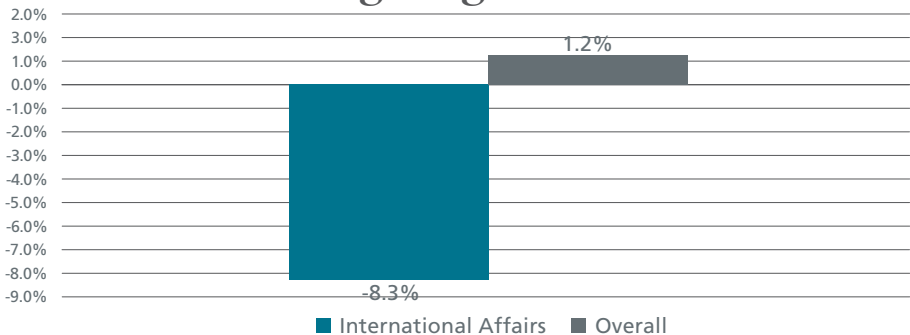
fundraisers in this area reported an increase in charitable revenue from January to June 2018.⁸

To provide additional context for giving to international affairs in 2018 and in recent years, the following sections provide detail on recent trends, related campaigns, and news for this subsector.

International organizations had greater share from online revenue than other sectors but still saw decline in online revenue

Figure 1 Percentage of growth for online giving to International affairs organizations in 2018

Growth in online giving: International affairs

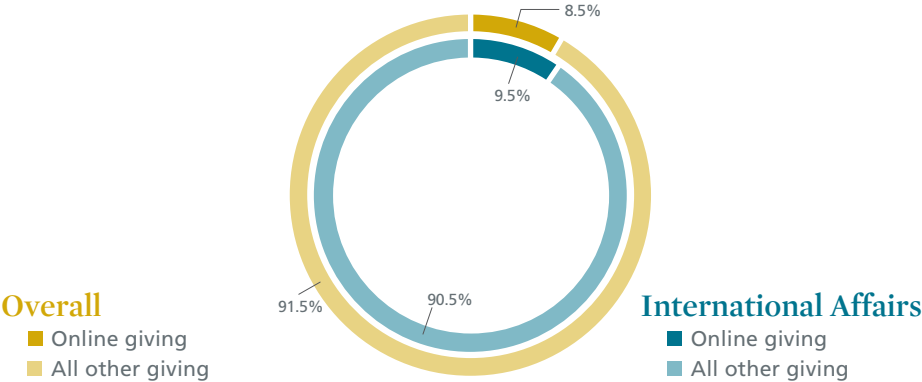


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

According to *Blackbaud Institute's 2018 Charitable Giving Report*, international affairs had the greatest percent decline in online giving of any sector (8.3 percent decline). This is compared with a positive overall growth in online giving (1.2 percent).⁹ Figure 1 shows these values.

Figure 2 Percentage of dollars given online for International Affairs organizations in 2018

Online giving as a percent of overall giving: International Affairs

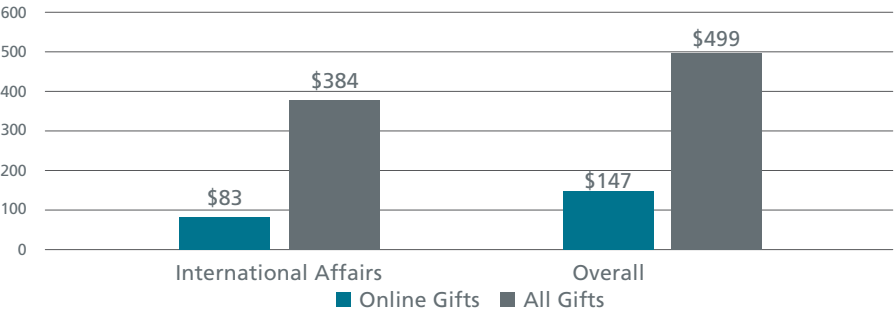


Data: Blackbaud Institute, *Charitable Giving Report: How Fundraising Performed in 2018, 2019*, www.blackbaud.com

According to *Blackbaud Institute's 2018 Charitable Giving Report*, international affairs organizations received a higher share of their revenue (9.5 percent) from online gifts than did the sector overall (8.5 percent of revenue received online).¹⁰ Figure 2 shows these values.

Figure 3 Average gift size for international affairs charities in 2018 (in dollars)

Mean gifts by source: International affairs

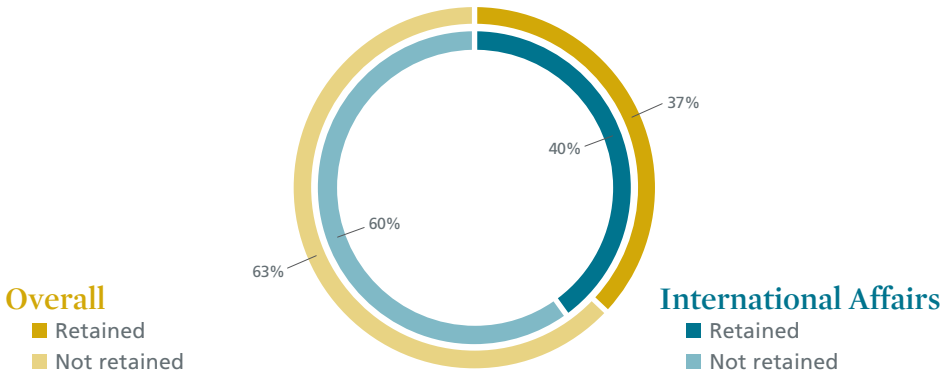


Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits mean giving for international affairs was lower than mean giving for the sector overall, whether donations were made online or elsewhere.¹¹ Figure 3 shows these values.

Figure 4 Online donor retention rate for international affairs organizations in 2018

Online donor retention: International affairs



Data: *Benchmarks 2019*, M+R and NTEN, 2019, www.mrbenchmarks.com

According to the *Benchmarks 2019* report by M+R and NTEN, online retention rate for international affairs organizations in their study was 40 percent, compared with the 37 percent overall online retention rate.¹² Figure 4 shows these values.

Nonprofit organizations face increased number of regulations on foreign activities

More than 20 countries have introduced restrictive regulatory changes affecting philanthropic sectors around the globe. According to the 2018 State of Civil Society Report published by CIVICUS, more than half of the countries

included in the report had obstructed, repressed, or closed civic space.¹³

The latest report captured the major trends for civil society measured in 195 countries during 2017 by using standard calculations and verification checks to measure civic liberties based on three factors: freedom of association, freedom of peaceful assembly, and freedom of expression.¹⁴

The United States' Department of the Treasury have included some cross-border and program activity restrictions, constraining foreign

activities of nonprofit organizations.¹⁵ Furthermore, InterAction, the alliance of US-based NGOs that work in developing countries, has developed self-regulatory mechanisms for charities in international aid and development. InterAction provides operational and ethical codes of conduct and creates reporting requirements for their organizations to enhance accountability of and supportive regulations on cross-border nonprofit activities.¹⁶

Reports suggest building infrastructure and financial sustainability as a new priority for foundations

According to the report on The Global Landscape of Philanthropy produced by Worldwide Initiatives for Grantmaker Support, the Global South lacks the political, regulatory, and transparency environment that would facilitate a robust philanthropic sector.¹⁷ Their report found that approximately 80 percent of funding for philanthropy infrastructure is concentrated in North America.

The Facilitating Financial Stability report

from Candid (formerly Foundation Center) analyzed foundation grants that support financial sustainability of nonprofit organizations working in six countries: Bosnia and Herzegovina, Colombia, the Democratic Republic of the Congo, Mexico, the Philippines, and Uganda and included interviews with nonprofit organization representatives to identify common themes and trends of financial sustainability.¹⁸ Despite consensus that multi-year, unrestricted funding was key to helping nonprofit organizations achieve financial sustainability, general support grants from foundations only accounted for 3 percent of overall funding. Of that funding, only 11 percent was multi-year.¹⁹

Innovative technology continues to enhance international giving and transparency

The 2018 Global Trends in Giving Report, a report researched by Nonprofit Tech for Good aims to gain a better understanding of how donors prefer to give and engage with nonprofit organizations and charitable causes.²⁰ The report is based upon the survey results of 6,507 donors



from 119 countries. 31 percent of donors worldwide gave to nonprofit organizations located outside of their country of residence. Additionally, 54 percent of respondents preferred to give online with a credit or debit card, and 41 percent of donors have donated to crowdfunded campaigns in 2018.

Besides online giving and crowdfunding, digital currencies could expand fundraising opportunities, especially for international affairs organizations. David Lehr (Hult International Business School and the University of North Carolina) and Paul Lamb (Man on A Mission Consulting) investigated advantages and disadvantages of Bitcoin and digital currencies in the nonprofit sector.²¹ Lehr and Lamb discussed emerging trends on digital currencies and philanthropy, focusing on international aid and remittances.²² The creation of “charity coins”—“customized cryptocurrencies to raise funds for specific nonprofit organizations or social impact projects—helped nonprofits raise money for their international projects.”²³

Philanthropy plays an essential role in achieving the United Nations’ Sustainable Development Goals

The Organization for Economic Co-operation and Development’s report on Sector Financing in the SDG Era provides detailed data on the role that private philanthropy plays in several different sectors.²⁴ Based on the report, while co-operation across sectors is crucial to achieve the United Nations Sustainable Development Goals, only few sectors—such as industry and energy—have experienced the mobilization of private investment.²⁵ The social sectors—such as health, education, and civil society—have struggled to mobilize private finance.

Using Bridgespan data on “big bets,” Ogden, Prasad, and Thompson analyzed donations and philanthropic pledges

of \$10 million or more made by 90 organizations and philanthropists between 2000 and 2016.²⁶ 52 percent of the funders made at least one donation of \$10 million or more on an issue that aligns with the Sustainable Development Goals.

Nearly half of the “big bets” (\$21.1 billion) supported Goal 3 of the 17 Sustainable Development Goals: Good Health and Well-Being.²⁷ Additionally, more than half of these “big bets” (416 out of 836) were granted to implement and scale solutions that already have evidence supporting them.

Pharmaceutical companies’ charitable donations aim to strengthen access to healthcare globally

Pfizer Foundation has donated \$5 million in grants to organizations including Save the Children, International Rescue Committee, World Vision, and CARE in order to support educational and healthcare programs—such as family planning education for women and men and vaccination for children—in five sub-Saharan African countries: Benin, Ethiopia, Kenya, Malawi, and Uganda.²⁸

AbbVie, a research-based global biopharmaceutical company, has donated \$100 million to strengthen access to healthcare and housing in Puerto Rico to support the island’s recovery after Hurricane Maria.²⁹ Direct Relief and Habitat for Humanity International each received \$50 million.³⁰ Direct Relief will focus on rebuilding and strengthening the island’s healthcare system for better preparedness for future disasters, and Habitat for Humanity will focus on rebuilding homes destroyed by Hurricane Maria in 2017.³¹

New financial tools seek to reduce extreme poverty and advancing financial inclusion across the globe

MetLife Foundation has granted a donation of \$5.4 million to Accion International, a nonprofit organization focused on microfinance in order to advance financial inclusion for underserved individuals in Latin America, Eastern Europe, and Asia.³² The award supports the Building Financial Capabilities and Strengthening Institutions Through Customer-Centered Innovations initiative, which seeks to use the power of design and technology to improve customer experience and use of



financial tools.³³

Village Enterprise has successfully raised \$3.5 million to introduce the first development impact bond for poverty alleviation in sub-Saharan Africa.³⁴ Nine impact investors—including the Delta Fund, the Laidir Foundation, the SV2 Silicon Valley Social Venture Fund, the Bridges Impact Foundation, and a number of individual investors—provided the capital for this bond.³⁵ Village Enterprise will provide seed capital, training, and mentoring to first-time entrepreneurs to help establish more than 4,600 small, sustainable businesses in rural Kenya and Uganda by 2020.³⁶ Using a pay-for-success model, USAID and the UK Department for International Development will repay Village Enterprise and its investors up to \$4.28 million in successful cases.³⁷

2018 Global Philanthropy Environment Index Launches

LILLY FAMILY SCHOOL OF PHILANTHROPY RELEASES THE MOST COMPREHENSIVE REPORT EVER OF THE PHILANTHROPIC ENVIRONMENTS IN 79 ECONOMIES AROUND THE WORLD

In April 2018, the Indiana University Lilly Family School of Philanthropy published the 2018 Global Philanthropy Environment Index. The index provided comprehensive information about the philanthropic environment in 11 regions and 79 economies around the world by examining five factors: ease of operating a philanthropic environment, tax incentives, cross-border flows, political environment, and socio-cultural environment.³⁸

The region including the United States and Canada had the most enabling philanthropic environment among the 11 regions studied in this index, as economies in this region have a diverse and highly developed philanthropic sector that is supported by favorable regulatory, political, and socio-cultural environments.³⁹ The report found that donors in this region often request more transparency and accountability as well as a higher level of involvement in the nonprofit organizations' governance and decision-making.⁴⁰

The United States is one of the top three economies in enabling philanthropic

environments.⁴¹ In terms of cross-border philanthropic flows, while Americans can donate internationally without prior government approval, such donations may not be eligible for tax deduction.⁴²

Giving to international affairs focuses on disasters, humanitarian crises

RESPONSES TO ONGOING CRISES RELY HEAVILY ON FOUNDATIONS' RESPONSE

According to World Vision, 7 of the worst disasters in 2018 were international natural, humanitarian, and public health crises. World Vision identified the following as critical issues:⁴³

- Rohingya refugees fleeing Myanmar for Bangladesh;
- Indonesian earthquake and tsunami response;
- Refugees escaping the Syrian Civil War;
- Hunger in East Africa;
- The Democratic Republic of the Congo facing Ebola, famine, and conflict simultaneously;
- The confluence of economic and political instability in Venezuela; and
- The death toll caused by violence and

hunger during the ongoing conflict in Yemen.

Private philanthropy played a crucial role in providing timely humanitarian assistance for refugees and their communities. The Norwegian Refugee Council analyzed 24 displacement crises that occurred in 2017 focusing on three criteria: lack of political will, lack of media attention, and lack of economic support.⁴⁴ According to the report, the world's most "neglected" displacement crises are: the Democratic Republic of the Congo, South Sudan, the Central African Republic, Burundi, Ethiopia, Palestine, Myanmar, Yemen, Venezuela, and Nigeria.⁴⁵

Global Washington, Seattle Foundation, and Seattle International Foundation have created a guide that provides information detailing the international impact of local organizations, and gives potential donors information about current areas of need.⁴⁶ To support international giving and philanthropy, the *2018 Global Philanthropy Guide* profiles organizations that offer immediate, intermediate, and long-term crisis responses as well as preparedness and mitigation efforts globally.⁴⁷

PHILANTHROPIC EFFORTS FAIL TO PROVIDE EFFECTIVE RESPONSE TO ROHINGYA CRISIS

In Myanmar, the Rohingya minority were forced to flee their country after facing persecution and extreme violence. According to the United Nations Inter

Sector Coordination Group Situation Report on the Rohingya Refugee Crisis, over 908,000 Rohingya refugees had relocated to Cox's Bazaar, Bangladesh by December 2018.⁴⁸ The United Nations appealed for \$951 million in 2018, but the goal was only 72 percent funded as of December 2018. Logistics received more than sufficient funding (109 percent), while shelter and non-food items (26 percent) and water, sanitation, and hygiene (27 percent) were the most underfunded sectors to address the immediate needs of Rohingya refugees.

REFUGEE CRISIS IN VENEZUELA CONTINUES TO BE A PRESSING CHALLENGE TO INTERNATIONAL PHILANTHROPY

In Venezuela, as the economic and political crises has escalated, an exodus of more than 3 million refugees has occurred. As the needs of refugees and the communities hosting them have increased, 40 partners and participants—including UN Agencies, international organizations, nonprofit organizations, and religious organizations—established the Regional Inter-Agency Coordination Platform in September.⁴⁹ Thanks to this coordination platform, the Refugee and Migrant Response Plan will address the needs of Venezuelan refugees and their inclusion in host communities.⁵⁰

Clean water initiatives and funding increases in 2018

In 2018, several individuals and organizations supported WASH—water, sanitary, and hygiene—initiatives in order to provide safe and sustainable access to clean water. According to the World Health Organization, 844 million people lack even basic drinking-water service, and by 2025, half of the world's population will be living in water-stressed areas.⁵¹

Private philanthropy also has an important role in supporting access to and sustainability of clean water and sanitation, one of the Sustainable Development Goals. However, between 2010 and 2016, less than 2 percent of grants of \$10 million or more supported this goal.⁵² PepsiCo Foundation continued its support of the WASH initiative, with \$4.2 million in grants going to organizations such as WaterAid.⁵³ These grants will provide safe water access solutions in Southern India.⁵⁴ Additionally, three sisters from Dallas, TX, named Isabelle, Katherine, and Trinity, raised over \$1.5 million for Paper for Water—an organization that provides access to clean water in 15 countries including the United States.

Study finds that corporate foundations use intermediaries to support programs in countries with less favorable institutional environments

U.S.-based companies often use intermediaries for their international giving, according to a new study by

Abigail Hornstein (Wesleyan University) and Minyuan Zhao (Wharton – University of Pennsylvania).⁵⁵ The authors analyzed data on overseas charitable grants made by 208 corporate foundations to 158 host countries from 1993 to 2008.⁵⁶ Based on their study, foundations of publicly listed multinational companies often use international organizations as intermediaries.⁵⁷ Corporate foundations were more likely to use an intermediary in countries where the rule of law was weak and the level of corruption was high, suggesting less favorable institutional environments.⁵⁸



Good to Know!

The international affairs sector is constantly changing; in the last two years, the sector faced changes in foreign regulations, new corporate efforts created to address international needs, and growth in online giving. Organizations can leverage donors for online giving initiatives by:

- Keeping a clear, compelling, and highly visible value proposition for email sign-up on the homepage of your website.
- Engaging with foundations and corporations working within this space, to leverage collaborative dollars and work together toward change.
- Ensuring the organization's focus is up-to-date and addresses immediate needs in the space. For example, especially for humanitarian and natural disasters, which form a key area in this sector.
- Continuing to solicit online gifts, and making it easy for donors to give online to causes across the world.
- Designing a primary donation page on your website that is user-friendly (with a 1-click transaction process and time-saving optimization for the necessary user inputs)
- Using messaging that connects donors' heart to the cause, has little friction, and sufficiently eases donor anxiety in giving a secure online gift.
- Integrating offline and online communications strategies and campaigns⁵⁹

International affairs organizations represented on top charities list

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁶⁰ Previously *The Philanthropy 400*, *The Chronicle of Philanthropy* has

adapted their methodology this year to include just 100 organizations in a list called *America's Favorite Charities*. The compilation still 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, financial statements, and a questionnaire. New this year, *The Chronicle* restricted organizations to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.⁶¹

The America’s Favorite Charities list for 2018 included 13 international organizations. The top five internationally-focused organizations on the list are included in Table 1.⁶²

Table 1 International affairs organizations among charities with highest revenue in America’s Favorite Charities 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
9	Compassion International ⁶³	Colorado Springs, CO	\$819.42 million	\$819.52 million	+35.4%
24	World Vision ⁶⁴	Federal Way, WA	\$568.70 million	\$731.38 million	-8.9%
35	Samaritan’s Purse ⁶⁵	Boone, NC	\$516.12 million	\$743.92 million	+24.2%
41	Catholic Relief Services ⁶⁶	Baltimore, MD	\$433.91 million	\$435.69 million	+20.2%
44	CARE ⁶⁷	Atlanta, GA	\$397.55 million	\$401.83 million	+7.8%

Data: The Chronicle of Philanthropy, America’s Favorite Charities, 2018, www.philanthropy.com

Report uses newly available IRS data to show previous trends

Global private spending for international food and other humanitarian aid reached an estimated high of \$6.9 billion in 2016, according to the Global Humanitarian Assistance Report 2018, published by Development Initiatives (DI).⁶⁸ Giving from private sources is mainly driven by individuals: from 2012

to 2016, individual gifts accounted for 68 percent of private humanitarian aid.

The report found the Syrian crisis response garnered the most reported private donations in 2017, mainly directed to NGO actors.⁶⁹ Driven by individuals, United Nations Office for the Coordination of Humanitarian Affairs Financial Tasking Service found private donors provided a total of \$136 million to address the Syrian crisis, reducing the total amount by 51 percent from 2016.

Chapter authored by Kinga Zsafia Horvath, Visiting Research Associate at the Indiana University Lilly Family School of Philanthropy.

Good to Know! sections and Practitioner Highlights written by *Giving USA* Editorial Review Board members Bob Guittard, Merrell Milano, and Elaine Jansen.

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 Bob Guittard; Estimates provided by *Giving USA: Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2018, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5,537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- 3 Practitioner Highlight authored by Editorial Review Board member Elaine Jansen, *Global Humanitarian Assistance Report 2018*, Development Initiatives, 2018, <http://devinit.org/wp-content/uploads/2018/06/GHA-Report-2018.pdf>. Note that humanitarian aid is only a portion of the type of contributions tracked in the international affairs subsector, which also includes organizations related to international peace and security, international exchanges, and other activities.
- 4 Practitioner Highlight authored by Editorial Review Board member Merrell Milano; *Facilitating Financial Sustainability*, Foundation Center, 2018 <https://www.issuelab.org/resource/facilitating-financial-sustainability-executive-summary.html>
- 5 This information is in current dollars.
- 6 *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud, 2018, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5,537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- 7 *Luminate Online Benchmark Report 2018*, Blackbaud Institute, 2018, www.blackbaud.com. Data from this report cover the fiscal year July 1, 2015 to June 30, 2018 for a sample of 937 nonprofit organizations that use Luminate Online cloud-based software by Blackbaud Institute.
- 8 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
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16 Giving to Environment and Animals

- Giving to the environment and animals subsector amounted to 3 percent of total giving in 2018.¹
- Contributions to environmental and animal organizations rose 3.6 percent between 2017 and 2018, to \$12.70 billion. Adjusted for inflation, giving to these organizations increased 1.2 percent.
- For the year 2018, contributions to environmental and animal organizations totaled the highest inflation-adjusted value recorded to date.

Practitioner Highlights

- Even with meager 1.2 percent growth, online philanthropy overall is far outpacing online philanthropy in this sector. As a share of total revenue, online giving remains small in all sectors, and especially for environment and animals organizations.²
- Corporations are committing significant resources to environmental causes and making significant changes to the way they do business. The philanthropic motivation behind the gifts may go beyond feelings of corporate responsibility and be motivated by bottom-line financial implications.³
- With bleak forecasts from climate scientists, lack of government action, and the fact that donors are making smaller gifts to environmental causes than other sectors, there may be an opening in the market for fundraisers to tap new or increased demand for resources.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; rather, it is a collection of examples from the field.

Trends in giving to environment and animals in 2018

Several reports issued in late 2018 observed mixed growth in giving to environmental and animal-focused organizations in 2018 and in 2019. 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 2018 on giving to this subsector include:

- According to the 2018 *Blackbaud Charitable Giving Report*, environment reported a 2.9 percent decrease from the previous year. Animal welfare reported a 5.1 percent increase in the same period.

Animal welfare and environmental causes decreased their share of #GivingTuesday contributions. In 2018, animal welfare and environment organizations earned 6 percent of contributions (vs. 12 percent in 2017).⁵ According to the 2018 *Blackbaud Luminate Online Report*, total online revenue for environment and wildlife in 2018 was \$606,983, a nominal increase of 10.0 percent from the previous year. In the same period, online giving to animal welfare organizations totaled

\$681,793 (7.4 percent increase).⁶

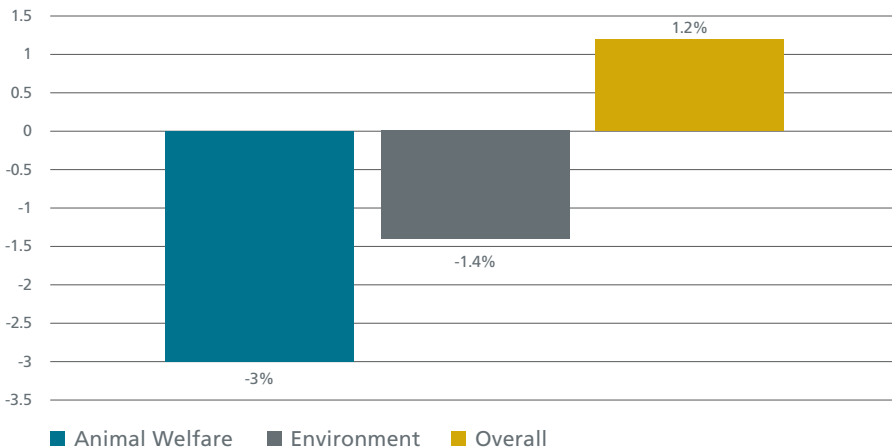
- According to the *Late Summer/Fall 2018 Nonprofit Fundraising Study* from the Nonprofit Research Collaborative, 70 percent of fundraisers in this area reported an increase in charitable revenue from January to June 2018.⁷

To provide additional context for giving to environmental and animal organizations in 2018 and recent years, the following sections provide detail on trends, related campaigns, and news for this subsector.

Online giving to environment and animal organizations decreased in 2018

Figure 1 Percentage of growth for online giving to environmental organizations in 2018

Growth in online giving: Environment and animals

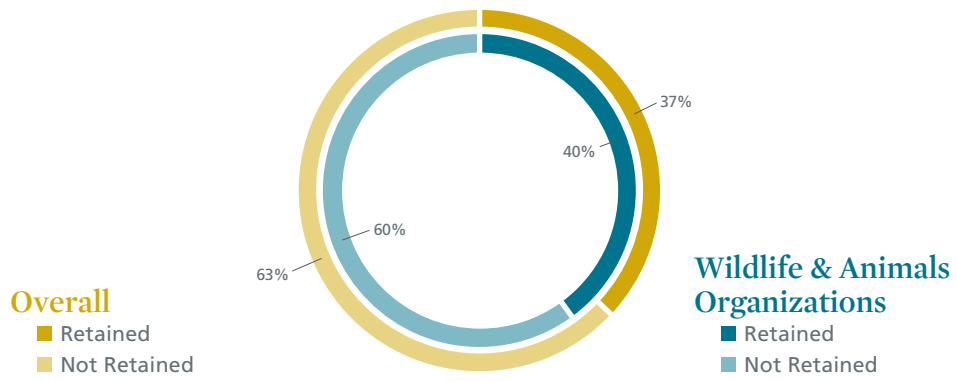


Data: Charitable Giving Report: How Fundraising Performed in 2018, Blackbaud Institute, 2019, www.blackbaud.com

According to Blackbaud Institute’s 2018 Charitable Giving Report, environmental and animal welfare organizations both saw a decrease in online giving in 2018 (3.0 percent decrease in revenue for animals and 1.4 percent decrease in revenue for environment). This is compared to overall growth in online giving of 1.2 percent.⁸

Figure 2 Online donor retention rate for wildlife and animals organizations in 2018

Online donor retention: Wildlife & animals

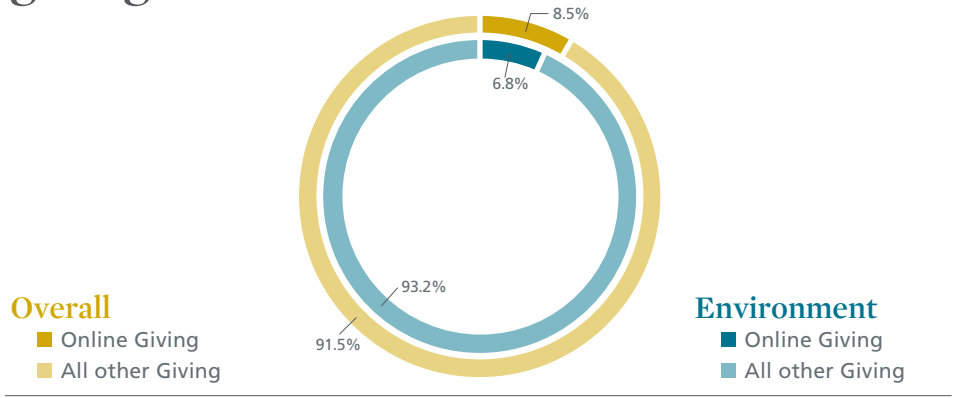


Data: Benchmarks 2019, M+R and NTEN, 2019, www.mrbenchmarks.com

According to the Benchmarks 2019 report by M+R and NTEN, online retention rate for environmental organizations was 40 percent, compared with the 37 percent overall online retention rate.⁹

Figure 3 Dollars given online as percent of overall giving for environmental organizations in 2018

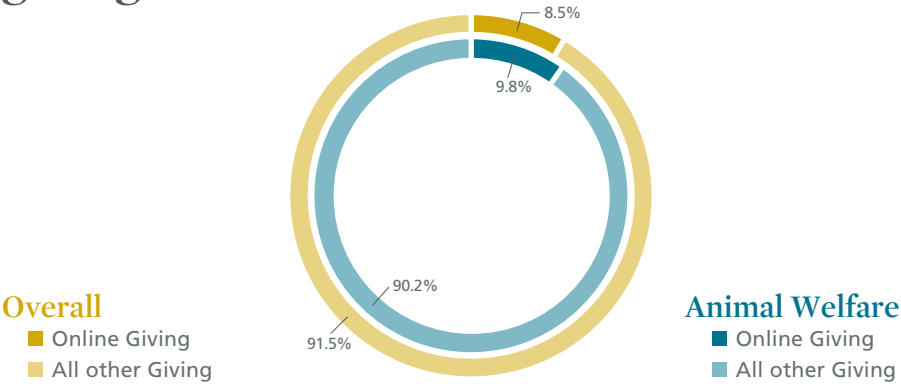
Online giving as a percent of overall giving: Environment



Data: Blackbaud, Charitable Giving Report: How Fundraising Performed in 2018, 2018, www.blackbaud.com

Figure 4 Percentage of dollars given online for animal welfare organizations in 2018

Online giving as a percent of overall giving: Animal welfare

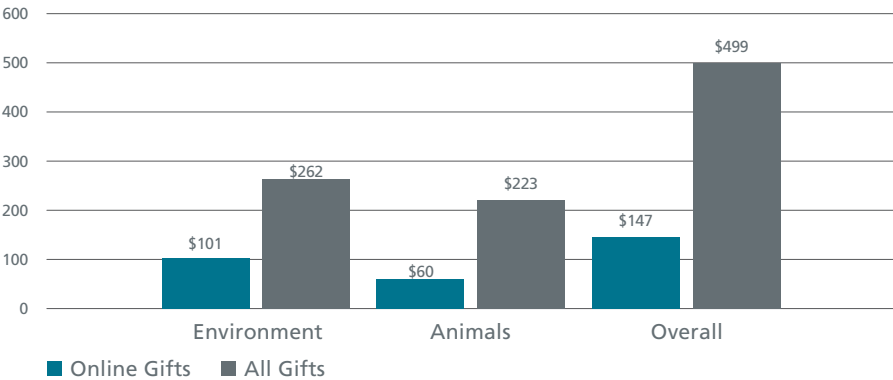


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Animal welfare organizations received a higher share of their revenue (9.8 percent) from online gifts than did the sector overall (8.5 percent of revenue received online), according to Blackbaud Institute's 2018 Charitable Giving Report. Environmental causes, however, received just 6.8 percent of revenue from online gifts.¹⁰

Figure 5 Average gift size for environment and animal charities in 2018 (in dollars)

Mean gifts by source: Environment and animals



Data provided directly by Blackbaud Institute. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>

In spring 2019, Blackbaud Institute reported that among its sample of over 9,000 nonprofits, mean giving for environment and animals was lower than mean giving for the charities overall, whether donations were made online or elsewhere.¹¹ Figure 5 shows these results.

Philanthropic efforts focus on climate policy in 2018

BLOOMBERG PHILANTHROPIES CONTINUE ENGAGEMENT AFTER U.S. WITHDRAWAL FROM PARIS ACCORDS

Bloomberg Philanthropies has taken a leading role in responding to U.S.

climate policy¹². In June 2018, on the anniversary of the U.S. withdrawal from the Paris Agreement, Bloomberg Philanthropies announced a \$70 million pool to help cities meet climate goals.¹³ Earlier in the year, they also contributed \$4.5 million to the UN Climate Change Secretariat. The United Nations Secretariat will utilize the Bloomberg gift to help developing countries around the world encourage climate action and facilitate outreach in their society to meet their Paris commitments, especially in the absence of U.S. government support.¹⁴

APOLITICAL ACTORS COMMENT ON POLICY THROUGH DONATIONS

Environment America Action Fund has donated \$10 million to a political committee called the League of Conservation Voters Victory Fund and its



affiliate LCV 527 Political Engagement Fund to support candidates for public office at the state and national level that promote environmental issues.. This move represents a departure from the traditional non-partisan research-based activities that Environment America has traditionally undertaken. The fund stated in their release that this dramatic change in course is a direct response to environmental protection rollbacks by the Trump administration.¹⁵

ORGANIZATIONS ACROSS SECTORS COMMIT TO CLIMATE GOALS THROUGH SUPPLY CHAIN EFFORTS

The Global Climate Action Summit in September resulted in governmental and corporate actors alike committing to climate goals. Notable commitments came from Levi Strauss & Co., which committed to cut greenhouse emissions by 40 percent in its supply chain and 90 percent in its operations; Lyft, which committed to becoming carbon neutral in 2018; and Bank of America, which offered \$125 billion to finance low-carbon initiatives.¹⁶ Foundations made over \$3 billion in new pledges to reduce global warming's impact during the same conference.¹⁷

The 2018 Progress Assessment on the New York Declaration on Forests found that forest governance "remain[s] too slow to have a measurable impact on reducing deforestation." Though more than 190 organizations (governments,

corporations, NGOs, and indigenous people's groups) have signed onto the New York Declaration on Forests, the world's forests are still decreasing frighteningly quickly, up to 42 percent faster than the previous decade.¹⁸

To address deforestation, the nonprofit organization The Forest Trust has joined forces with Airbus to create a satellite tracking tool for corporations to help spot deforestation in their supply chain. Other corporations like Walmart and Unilever have sought collaboration with local governments to create new legal paradigms to reduce deforestation.¹⁹ Similarly, the Trillion Trees initiative combines forces from WWF, BirdLife International, and the Wildlife Conservation Society to address deforestation by replanting trees worldwide.²⁰

In terms of advocacy, small amounts of money have been put to great effect on the deforestation front. Mighty Earth, a U.S.-based research and advocacy group, utilized a \$350,000 grant (awarded in 2017) to provide research on the effects of deforestation in the chocolate industry. The Mighty Earth research resulted in for-profit companies (including Hershey's and Godiva) committing to changes in their supply chains, including cacao, which results in no deforestation.²¹ These initiatives have seen support from the UN, including through the November 2017 UN Climate Change Conference (COP23) that set in

motion actions to promote transparency by the governments of Cote d'Ivoire and Ghana.²²

Also in the advocacy space, the National Audubon Society received a \$10 million commitment to promote bipartisan solutions to climate change. This gift, from Overlook International Foundation, includes \$3.3 million in matching funds.²³

Freshwater conservation efforts focus on preserving and increasing access to clean drinking water

Conrad N. Hilton Foundation gave the Stanford Woods Institute for the Environment \$1.9 million toward its initiatives for the protection of clean water. Through their "Safe Water Strategy," Stanford Woods Institute works with local governments, the private sector, and civil society groups in low- and middle-income countries to expand access to clean water.²⁴

Delaware River Watershed Initiative (DRWI) will receive a grant of \$42 million over three years from the William Penn Foundation. The DRWI is dedicated to providing clean drinking water to

approximately 15 million people in the northeastern United States. The funding will be split among the organizations that comprise the DRWI, including the Open Space Institute, the National Fish and Wildlife Foundation, and the Academy of Natural Sciences.²⁵

Ocean conservation efforts respond to fishing and climate change

OCEAN CONSERVATIONISTS FOCUS ON PREVENTING OVERFISHING

An international effort at The World Ocean Summit brought together global leaders from public, private, and multilateral organizations to address conservation and sustainable use of all marine resources.²⁶ The summit — which was held in Riviera Maya, Mexico in March 2018 — established common Principles for Investment in Sustainable Fisheries. The goal in establishing these principles is to secure private capital to sustainable fisheries and other entities dedicated to restoring sea health.²⁷

OCEAN GRANTS CONCENTRATE ON RESILIENCE, RESTORATION

The National Fish and Wildlife Foundation and National Oceanic and Atmospheric Administration have partnered to create a \$30 million

National Coastal Resilience Fund for both coastal and lake resilience efforts. In response to extreme weather events in 2017 costing \$306 billion in damages, the fund will restore and protect marshes, mangrove forests, barrier islands, and other natural features that will reduce the impact of weather-related disasters.²⁸

Another large grant from the National Fish and Wildlife Foundation was awarded to the Texas General Land Office. The \$26.5 million grant is intended to restore the coastal dunes. The Texas General Land office will combine this grant with other awards provided in response to the BP Deepwater Horizon spill for \$50 million in total investment in conservation in this area.²⁹

Campaigns to support endangered animals

SUMATRAN RHINO SUBJECT OF BOLD NEW CONSERVATION EFFORT

A new initiative will target the conservation of the Sumatran Rhino, found on the critically endangered species list with only 80 left in the world. Each partnering conservation

organization has pledged \$1 million, and the initiative overall has created a fundraising goal of \$30 million.³⁰

LARGE ZOO CAMPAIGNS HIGHLIGHT IMPORTANCE OF ANIMAL PROTECTION

Large zoo donations constituted a large portion of animal conservation gifts in 2018. Harry and Linda Fath offered \$50 million to expand the Cincinnati Zoo & Botanical Garden.³¹ The Houston Zoo, likewise, received \$50 million from the John P. McGovern Foundation to reformat its layout and expand conservation education efforts.³²

Large organizations in animal welfare fare well in 2018

ASPCA FOCUSES ON DISASTER RESPONSE, EQUINE HEALTH

ASPCA assisted in the care and placement of over 2,500 animals impacted by the California wildfires.³³ The other primary initiative undertaken by ASPCA is the protection of horses, specifically working with law enforcement to prevent cruelty and train horses after they've participated as racehorses. The grants for equine protection this year totaled \$800,000.³⁴



Good to Know!

With 70 percent of fundraisers in this area reporting an increase in charitable revenue in the first half of 2018, now might be good time for environmental organizations to ramp up fundraising efforts.³⁵ Here are some strategies to help you succeed:

- The growth isn't coming in online giving; that went down for both animals and environment.³⁶ This is the time for fundraisers in this sector to get away from their desks and engage with people, to tap into rising concerns as the government takes a step back from environmental protection while private individuals and companies seem to be stepping up their game.
- Keep a presence online but invest in local efforts that engage people - the old "think globally, act locally" adage still applies.
- Bleak predictions continue to come from scientists about the impacts of climate change.³⁷ Use this to emphasize the urgency of acting/giving now.
- Corporations are stepping up for environmental protection, there's reason to believe individuals might as well.³⁸ Invest in acquisition, bringing new voices to the table - look for opportunities to collaborate and cross-pollinate. Connect beyond the usual suspects.

Innovative funding approaches draw large levels of support

GREEN BONDS AND IMPACT INVESTING CONTINUE TO GAIN TRACTION

Crowdfunding has become a tool for funding environmental projects and research globally since 2013, but more recently crowdfunding has been used creatively as a tool for promoting environmentalism.³⁹ Kickstarter recently asked organizations seeking funding through their site to commit to sustainability goals from the inception of their projects. With a track record of \$4.1 billion in startup capital invested in 157,000 projects, Kickstarter's commitment to environmental sustainability can push entrepreneurial endeavors to commit to similar environmental goals.⁴⁰

ConservationTools.org from the Pennsylvania Land Trust Association provides resources on how to get started with crowdfunding for land trusts. They detail crowdfunding campaigns ranging from \$20,000 to \$250,000.⁴¹

What distinguishes a green bond from a more traditional bond is that green bond funds are designated for environmental projects and come with tax incentives.⁴² The McKnight Foundation has invested

\$187 million in environmentally-minded investments, including green businesses, carbon-efficiency funds, and even a venture capital firm that seeks to improve the environmental impact of traditional industries.⁴³ Similarly, Bank of America invested \$2.25 billion through the largest green bond in history.⁴⁴ All bonds are investments lent to corporate and governmental entities for a fixed period with a fixed interest rate.

BILLION-DOLLAR EFFORT ADDRESSES GLOBAL CRISIS

The Wyss Foundation donated \$1 billion to create the Wyss Campaign for Nature, which will carry out conservation projects in partnership with the National Geographic Society and the Nature Conservancy, as well as an Argentinean group called *Fundación Flora y Fauna*.⁴⁵ Two of the three partners are U.S.-based, but the project will promote locally prioritized projects around the world with the intention of conserving 30 percent of land and oceans before 2030.⁴⁶

The Hewlett Foundation, the MacArthur Foundation, and other foundations and corporate sponsors have supported the Great Plains Institute in their efforts to promote carbon capture and storage. The controversial practice attempts to extract carbon from the air and store it in a way that prevents the carbon from contaminating the broader environment. Questions exist to date on carbon capture's efficacy



and cost-effectiveness.⁴⁷ The Hewlett Foundation's newest climate initiative strategy began in 2018 and represents a renewal of a five-year commitment to carbon initiatives.⁴⁸ In 2016, their commitment helped catalyze \$30 million from other foundations to kickstart their combined climate strategic solar projects in India. To reach their long-term goals, the Hewlett Foundation reinforced their climate strategy, which includes promoting innovation, cross-sector collaboration, reduction in fossil fuel use, and carbon capture.

CLIMATE JUSTICE A GROWING AREA

Climate justice is a conceptual framework that addresses human rights and development collectively and attempts to make sure that the impacts of climate change are felt equally across all populations. According to activists in the climate justice space, the dichotomy between rich and poor in terms of resources means that more vulnerable communities may not have opportunities to recover from climate-related crises. The climate justice approach focuses on the disparity in those resources and

focuses on human impacts of climate change.⁴⁹

The Climate Justice Resilience Fund administers grants designed to address the impacts of climate change felt unequally by communities with fewer resources.⁵⁰

The Seattle Foundation has counted climate justice among their new strategic priorities, especially focusing on their Climate Justice Impact Strategy. Through this work, they will address the unequal effects of climate change on vulnerable communities.⁵¹

The Meyer Memorial Trust has identified principles based on equity, especially surrounding indigenous populations, since 2016. They made 55 grants in late 2018 to benefit tribal endeavors for a total of \$5.32 million. A \$250,000 grant, one of the largest, will be directed to Portland Harbor in the lower Willamette River.⁵²

INTERMEDIARIES PLAY INCREASINGLY CRITICAL ROLE IN MATCHING DONORS AND CAUSES

Donors and grantees for environmental causes have often had a hard time finding each other. Especially true in the area of climate justice and grassroots activism, donors may need help finding the right cause to support. Because of this disjoint, intermediaries play an especially important role in helping make these connections. If a large funder can disperse a lump sum to a grantee like the Climate and Clean Energy Equity Fund, the fund itself can identify and disperse the money to smaller, more grassroots-level grantees.⁵³

One such organization, the Climate Justice Resilience Fund, which was founded in 2016 by the Oak Foundation, has expanded with help from the Kendeda Fund. The Kendeda Fund pledged \$900,000 over the next three years, adding to the Climate Justice Resilience Fund's \$20 million endowment. The fund administers grants to address the "disproportionate impacts (of climate change) on marginalized communities."⁵⁴

Other notable conveners and intermediaries in this arena include:

- Building Equity and Alignment for Impact (BEA)⁵⁵
- New England Grassroots Environmental Fund⁵⁶
- The Overbrook Foundation⁵⁷

Investments made in parks, ecotourism, and leisure

PARKS PHILANTHROPY FOCUSES ON DOWNTOWN REVITALIZATION, ECO-LEISURE, AND GREENING

The Ralph C. Wilson Jr. Foundation pledged \$200 million for public spaces that promote sustainability. The project will be focused on parks and trails in Southeast Michigan and Western New York.⁵⁸

Intending to accelerate the completion of an 800-mile system of regional trails, the William Penn Foundation awarded \$10.6 million to build multi-use trails in Pennsylvania and New Jersey.⁵⁹

The Charles Stewart Mott Foundation will transform the former Buick City automotive plant in Flint, Michigan into an eco-friendly packaging plant that will include trails for biking and walking to surrounding neighborhoods. The 140-acre property is expected to create 300 jobs that earn \$15 hourly, and have positive environmental contributions through the installation of solar panels.⁶⁰

Rich and Nancy Kinder with the Kinder Foundation have gifted \$70 million to Memorial Park Conservancy Fund in Houston, TX. The gift will improve park

infrastructure and contribute to greater park flood resilience.⁶¹

Atlanta, GA city officials announced a \$100 million expansion and update of Piedmont Park, located outside of the downtown area to be part of the BeltLine project, an interconnected series of trails and parks throughout the city. Eighty percent of the funding for the project will be supplied by private philanthropy. A \$2 million gift from an anonymous donor has already been received.⁶²

Virginia, will use the donation to promote sustainable fishing and restore mangroves in Guyana.⁶⁴

World Resources Institute will use a \$2.3 million grant from the IKEA Foundation to provide cleaner energy options to individuals in India and East Africa.⁶⁵

U.S. organizations increasingly implement sustainable international development efforts

FOUNDATIONS SUPPORT ENVIRONMENTAL AGENCIES WORKING ABROAD

Many environmental agencies headquartered in the U.S. conduct a bulk of their work abroad. Many of these agencies received large grants from foundations linked to corporations this year. The Exxon Mobile Foundation contributed \$10 million to Conservation International.⁶³ Conservation International, a capacity-building organization headquartered in Arlington

Research on conservation and environment assesses policy and fundraising strategies to increase environmental philanthropy

PRIVATE INDIVIDUALS AND FOUNDATIONS FOCUS ON CONSERVATION, LAND TRUSTS GROW

A new report from 2018 by Matthew Nisbet (Northeastern University) on foundations' involvement in conservation in the years since cap-and-trade found that foundations are increasingly invested in shaping public policy. A secondary finding suggests that supportive local governments are interested in implementing efforts to reduce emissions. Some philanthropies

have tackled public opinion campaigns aimed at making climate-related actions more palatable in regions where the topic is more controversial; other philanthropies have specifically targeted strong partnerships with state and local governments that have already bought into the idea. Still, a sizable portion of funding continues to be dedicated to renewable energy and high-efficiency endeavors directly.⁶⁶

Another 2018 grounded theory study by Jennifer Gooden (Oxford University) and Richard Grenyer (Oxford University) focuses on privately conserved areas, which are swaths of land purchased by private individuals and preserved. The study shows that undertaking a private conservation project provides a sense of autonomy through allowing an individual to have control over their own project and a sense of

emotional connection through personal gratification. Therefore, policies that foster a sense of autonomy in landowners but simultaneously maximize the effectiveness of the conservation efforts may increase the uptake of private conservation.⁶⁷

Another study by Rachel Fovargue (University of Tennessee), Maria Fisher (The Nature Conservancy), Jamal Harris (The Nature Conservancy), and Paul R. Armsworth (University of Tennessee) utilized fundraising data to assess the trends in conservation philanthropy. Their model suggests that individuals with higher levels of education are more likely to make gifts. Their findings also indicate that doubling fundraising revenues would require a fivefold increase in efforts.⁶⁸

NEW REPORT SHOWS TIES BETWEEN CORPORATE DONATIONS AND MISINFORMATION

A natural language processing study from 2018 by Justin Farrell (Yale University) suggests that private philanthropy is increasingly involved with the promotion of misleading and false information about climate change. The extent to which an individual philanthropic organization promotes this kind of misinformation seems to be correlated with the funding sources of the organization. If a foundation has corporate donors in the fossil fuel industry, the foundation is also more



likely to promote climate-change-denying ideas. The study points out that donor-advised funds and other opaque funding sources may complicate this dilemma; by allowing donors to direct funding to specific causes while shielding donor identities, political influence may be obscured. The study suggests future research should specifically tackle the impact of new funding sources.⁶⁹

Animal cruelty and nature conservation appear in top charity rankings

The Chronicle of Philanthropy annually compiles a list of the top revenue earners among cause-driven nonprofits.⁷⁰ Previously called the *Philanthropy 400*, *The Chronicle of Philanthropy* has adapted their methodology this year to include just 100 organizations in a list called

America’s Favorite Charities. The compilation still 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, financial statements, and a questionnaire. New this year, *The Chronicle* restricted organizations to nonprofit organizations that seek contributions from the public, meaning that private foundations, government agencies, and standalone donor-advised funds are not included.

America’s Favorite Charities for 2018 included two environmental and animal welfare organizations.⁷¹ The top environmental and animal welfare organizations on the list are included in table 1.

Table 1
Environment and animals organizations among charities with highest revenue in 2018

Ranking	Name	Location	Cash Contributions	Private Contributions	% change (year over year)
21	Nature Conservancy ⁷²	Arlington, VA	\$582.50 million	\$665.41 million	+3.9%
88	American Society for Prevention of Cruelty to Animals ⁷³	New York, NY	\$219.98 million	\$219.98 million	+9.3%

Data: Chronicle of Philanthropy, America’s Favorite Charities, 2018, www.philanthropy.com

Chapter authored by Rebecca TeKolste, Visiting Research Associate for Giving USA at the Indiana University Lilly Family School of Philanthropy.


Good to Know! sections and Practitioner Highlights written by Giving USA Editorial Review Board members Jessica Browning and Kate Harris.

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 Kate Harris; *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- 3 Practitioner Highlight authored by Editorial Review Board Member Jessica Browning, Mindy Lubber, "Global Climate Action Summit: Company Leadership on the Journey Toward Exponential Transformation," *Forbes*, September 21, 2018, <https://www.forbes.com/sites/mindylubber/2018/09/21/global-climate-action-summit-company-leadership-on-the-journey-toward-exponential-transformation/#1a64cf7340af>
- 4 Practitioner Highlight authored by Editorial Review Board Member Kate Harris; Benchmarks 2019, M+R and NTEN, 2019, www.mrbenchmarks.com. Note that this study uses a convenience sample of 135 organizations with online revenue totaling over \$376 million and that the organizations types reported in this study do not necessarily match those used in Giving USA.
- 5 *Charitable Giving Report: How Fundraising Performed in 2018*, Blackbaud Institute, 2019, www.blackbaud.com This information reflects data on total charitable giving reported by 9,029 organizations across the nonprofit sector, representing total charitable revenue of \$31.98 billion in 2018. Online giving data are reported by 5537 nonprofits with charitable support amounting to \$2.76 billion in 2018.
- 6 Luminate Online Benchmark Report 2018, Blackbaud, 2019, www.blackbaud.com. Data from this report cover the fiscal year July 1, 2015 to June 30, 2018 for a sample of 937 nonprofit organizations that use Luminate Online cloud-based software by Blackbaud.
- 7 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 September 2018, the NRC surveyed U.S. and Canadian nonprofits to assess fundraising trends for January through June 2018. 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 *Summer/Fall 2018 Nonprofit Fundraising Survey* report from the Nonprofit Research Collaborative, September 2018, www.npresearch.org. A convenience sample of 753 respondents, 79 of them Canadian, constitutes the survey results.
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- 10 Same as note 5.
- 11 This information was provided to Giving USA directly from Blackbaud Institute in April 2019. This data comes from a sample of 9,029 nonprofits who use Blackbaud Institute services. For more research featuring the Blackbaud Institute Index, visit <https://institute.blackbaud.com/the-blackbaud-institute-index/>
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17 Data Tables for Charts in the Numbers

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 by source, 1978-2018

(in billions of current dollars)

Year	Total	Percent change	Corporation	Percent change	Foundations	Percent change	Bequests	Percent change	Individuals	Percent change
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	357.60	7.5	18.26	15.1	54.91	10.1	32.18	32.1	252.25	4.0
2015	375.90	5.1	18.29	0.2	57.29	4.3	35.63	10.7	264.69	4.9
2016	396.52	5.5	19.40	6.0	63.12	10.2	34.62	-2.8	279.38	5.5
2017	424.74	7.1	19.02	-2.0	70.73	12.0	39.69	14.7	295.30	5.7
2018	427.71	0.7	20.05	5.4	75.86	7.3	39.71	0.0	292.09	-1.1

Notes: All figures are rounded. Data on giving by foundations provided by Candid (formerly 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 2018.

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Giving by source, 1978-2018

(in billions of inflation-adjusted dollars)

Year	Total	Percent change	Corporation	Percent change	Foundations	Percent change	Bequests	Percent change	Individuals	Percent change
1978	148.47	1.8	6.54	2.6	8.35	0.8	10.01	13.9	123.56	0.9
1979	149.16	0.5	7.09	8.4	7.75	-7.2	7.72	-22.9	126.60	2.5
1980	148.18	-0.7	6.86	-3.3	8.56	10.5	8.71	12.9	124.05	-2.0
1981	152.67	3.0	7.29	6.3	8.48	-1.0	9.89	13.5	127.01	2.4
1982	153.81	0.8	8.09	11.0	8.22	-3.0	13.56	37.1	123.94	-2.4
1983	159.36	3.6	9.25	14.3	9.08	10.4	9.78	-27.8	131.25	5.9
1984	165.77	4.0	9.98	7.9	9.55	5.2	9.77	-0.2	136.48	4.0
1985	167.36	1.0	10.81	8.3	11.44	19.8	11.14	14.0	133.97	-1.8
1986	190.72	14.0	11.52	6.6	12.44	8.8	13.06	17.3	153.70	14.7
1987	181.66	-4.8	11.51	-0.1	12.99	4.5	14.54	11.4	142.61	-7.2
1988	186.94	2.9	11.34	-1.5	13.06	0.5	13.95	-4.1	148.59	4.2
1989	199.12	6.5	11.06	-2.5	13.27	1.6	13.86	-0.7	160.93	8.3
1990	189.26	-4.9	10.49	-5.1	13.90	4.7	13.05	-5.8	151.83	-5.7
1991	189.13	-0.1	9.68	-7.8	14.23	2.4	14.16	8.5	151.06	-0.5
1992	199.16	5.3	10.58	9.3	15.46	8.6	17.07	20.6	156.05	3.3
1993	202.65	1.8	11.25	6.3	16.57	7.1	15.40	-9.8	159.43	2.2
1994	203.38	0.4	11.82	5.1	16.36	-1.2	18.86	22.4	156.33	-1.9
1995	202.85	-0.3	12.11	2.4	17.40	6.3	17.15	-9.0	156.18	-0.1
1996	222.35	9.6	12.02	-0.7	19.21	10.4	19.26	12.3	171.86	10.0
1997	254.15	14.3	13.48	12.2	21.78	13.4	25.42	32.0	193.47	12.6
1998	271.98	7.0	13.03	-3.4	26.20	20.3	20.66	-18.7	212.09	9.6
1999	306.30	12.6	15.42	18.3	30.92	18.0	26.86	30.0	233.10	9.9
2000	334.90	9.3	15.66	1.6	35.84	15.9	29.53	9.9	253.86	8.9
2001	329.14	-1.7	16.54	5.6	38.60	7.7	28.58	-3.2	245.42	-3.3
2002	324.88	-1.3	15.06	-8.9	37.66	-2.4	29.54	3.4	242.61	-1.1
2003	324.12	-0.2	15.10	0.2	36.64	-2.7	24.68	-16.5	247.71	2.1
2004	346.00	6.7	15.10	0.0	37.77	3.1	24.63	-0.2	268.49	8.4
2005	376.01	8.7	19.54	29.4	41.67	10.3	30.86	25.3	283.93	5.8
2006	368.82	-1.9	18.09	-7.5	43.48	4.3	27.28	-11.6	279.97	-1.4
2007	376.72	2.1	17.22	-4.8	48.44	11.4	28.81	5.6	282.24	0.8
2008	349.43	-7.2	14.46	-16.0	49.23	1.6	36.44	26.5	249.31	-11.7
2009	321.62	-8.0	16.14	11.6	48.09	-2.3	22.38	-38.6	235.00	-5.7
2010	331.84	3.2	18.22	12.9	47.16	-1.9	26.95	20.4	239.52	1.9
2011	333.23	0.4	17.39	-4.5	48.93	3.8	28.11	4.3	238.79	-0.3
2012	363.77	9.2	18.83	8.3	50.72	3.7	26.94	-4.2	267.28	11.9
2013	358.43	-1.5	17.10	-9.2	53.76	6.0	26.25	-2.6	261.32	-2.2
2014	379.31	5.8	19.37	13.3	58.25	8.3	34.13	30.0	267.56	2.4
2015	398.24	5.0	19.38	0.0	60.69	4.2	37.74	10.6	280.43	4.8
2016	414.86	4.2	20.29	4.7	66.04	8.8	36.22	-4.0	292.30	4.2
2017	435.11	4.9	19.48	-4.0	72.45	9.7	40.66	12.3	302.51	3.5
2018	427.71	-1.7	20.05	2.9	75.86	4.7	39.71	-2.3	292.09	-3.4

Notes: All figures are rounded. Data on giving by foundations provided by Candid (formerly 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 2018. Inflation adjustment calculated using the Consumer Price Index calculator available at www.bls.gov, 2018 = \$100.

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Contributions received by type of organization, 1978-2018 (in billions of current dollars)

Year	Total	Percent change	Religion	Percent change	Educ- ation	Percent change	Human services	Percent change	Health	Percent change	Public- society benefit	Percent change
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	1.4	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	10.0	26.18	1.2	22.88	7.2
2013	332.53	0.0	110.42	4.4	44.48	-5.1	41.13	0.0	32.26	23.2	24.27	6.1
2014	357.60	7.5	115.95	5.0	49.35	11.0	43.56	5.9	33.17	2.8	25.71	5.9
2015	375.90	5.1	119.21	2.8	53.09	7.6	46.71	7.2	34.22	3.2	26.85	4.4
2016	396.52	5.5	123.81	3.9	53.67	1.1	48.69	4.2	37.73	10.2	30.55	13.8
2017	424.74	7.1	126.47	2.1	59.50	10.9	51.71	6.2	40.74	8.0	32.41	6.1
2018	427.71	0.7	124.52	-1.5	58.72	-1.3	51.54	-0.3	40.78	0.1	31.21	-3.7

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 2018. 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.

Contributions received by type of organization, 1978-2018 (in billions of current dollars)

Year	Arts, culture, humanities	Percent change	International affairs	Percent change	Environ- ment/ani- mals	Percent change	Gifts to foundations	Percent change	Gifts to individuals	Unallo- cated
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	-6.51
2015	17.62	10.8	23.68	16.7	10.61	11.0	38.46	-12.2	6.85	-1.40
2016	17.13	-2.8	21.75	-8.2	11.19	5.5	39.72	3.3	9.93	2.35
2017	19.43	13.4	20.88	-4.0	12.25	9.5	54.00	36.0	9.30	-1.95
2018	19.49	0.3	22.88	9.6	12.70	3.6	50.29	-6.9	9.06	6.53

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 2018. 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.

Contributions received by type of organization, 1978-2018 (in billions of inflation-adjusted dollars)

Year	Total	Percent change	Religion	Percent change	Educ- ation	Percent change	Human services	Percent change	Health	Percent change	Public- society benefit	Percent change
1978	148.47	1.8	70.64	0.4	16.63	3.2	16.24	-4.4	15.78	-3.1	5.77	8.0
1979	149.16	0.5	69.79	-1.2	16.26	-2.2	14.91	-8.2	14.81	-6.2	6.30	9.1
1980	148.18	-0.7	67.74	-2.9	15.45	-5.0	13.56	-9.1	13.65	-7.8	6.95	10.3
1981	152.67	3.0	69.18	2.1	16.38	6.0	12.68	-6.5	12.79	-6.3	5.88	-15.3
1982	153.81	0.8	73.02	5.5	12.85	-21.5	7.49	-40.9	7.96	-37.7	8.35	42.0
1983	159.36	3.6	80.27	9.9	13.44	4.5	7.66	2.3	8.72	9.6	9.50	13.8
1984	165.77	4.0	85.93	7.0	15.40	14.6	8.07	5.3	9.35	7.2	11.31	19.0
1985	167.36	1.0	89.20	3.8	15.76	2.3	8.59	6.4	10.72	14.5	9.55	-15.6
1986	190.72	14.0	95.49	7.0	19.38	23.0	8.64	0.5	10.01	-6.6	17.55	83.8
1987	181.66	-4.8	96.16	0.7	17.86	-7.9	8.82	2.1	10.41	4.0	10.74	-38.8
1988	186.94	2.9	95.87	-0.3	18.66	4.5	9.45	7.2	11.87	14.0	11.04	2.8
1989	199.12	6.5	96.76	0.9	22.91	22.7	13.21	39.8	13.00	9.6	12.19	10.4
1990	189.26	-4.9	95.69	-1.1	22.74	-0.8	12.86	-2.6	14.89	14.5	12.61	3.4
1991	189.13	-0.1	92.19	-3.7	22.31	-1.9	13.83	7.6	14.07	-5.5	12.41	-1.6
1992	199.16	5.3	91.18	-1.1	23.64	6.0	16.36	18.3	15.25	8.4	12.80	3.1
1993	202.65	1.8	91.94	0.8	24.96	5.6	16.81	2.8	15.28	0.2	14.38	12.3
1994	203.38	0.4	95.60	4.0	23.87	-4.4	16.38	-2.5	15.21	-0.4	13.74	-4.4
1995	202.85	-0.3	95.69	0.1	27.14	13.7	17.58	7.3	29.53	94.1	14.44	5.1
1996	222.35	9.6	99.10	3.6	28.72	5.8	19.16	9.0	29.38	-0.5	15.05	4.3
1997	254.15	14.3	101.20	2.1	34.42	19.8	22.45	17.1	21.31	-27.5	17.57	16.7
1998	271.98	7.0	105.14	3.9	36.94	7.3	25.14	12.0	19.67	-7.7	19.27	9.7
1999	306.30	12.6	107.41	2.2	40.14	8.7	26.47	5.3	20.47	4.1	20.47	6.2
2000	334.90	9.3	112.21	4.5	42.01	4.7	30.32	14.5	22.31	9.0	21.87	6.8
2001	329.14	-1.7	113.27	0.9	39.81	-5.2	34.43	13.6	23.27	4.3	23.48	7.4
2002	324.88	-1.3	115.84	2.3	38.04	-4.4	31.70	-7.9	21.92	-5.8	19.85	-15.5
2003	324.12	-0.2	114.83	-0.9	40.39	6.2	32.06	1.1	24.27	10.7	21.79	9.7
2004	346.00	6.7	116.34	1.3	42.09	4.2	34.70	8.2	25.34	4.4	23.48	7.8
2005	376.01	8.7	116.83	0.4	44.99	6.9	39.02	12.5	26.14	3.2	26.69	13.7
2006	368.82	-1.9	117.87	0.9	49.91	10.9	38.29	-1.9	30.17	15.4	28.85	8.1
2007	376.72	2.1	118.43	0.5	51.70	3.6	38.09	-0.5	30.62	1.5	24.21	-16.1
2008	349.43	-7.2	114.55	-3.3	41.86	-19.0	41.33	8.5	28.15	-8.0	20.94	-13.5
2009	321.62	-8.0	116.53	1.7	40.92	-2.2	42.08	1.8	30.53	8.4	20.26	-3.2
2010	331.84	3.2	112.32	-3.6	48.62	18.8	42.35	0.7	31.88	4.4	22.12	9.2
2011	333.23	0.4	113.62	1.2	47.91	-1.5	41.75	-1.4	28.87	-9.4	23.83	7.7
2012	363.78	9.2	115.68	1.8	51.24	6.9	44.99	7.8	28.63	-0.8	25.02	5.0
2013	358.44	-1.5	119.02	2.9	47.94	-6.4	44.34	-1.5	34.77	21.4	26.16	4.5
2014	379.31	5.8	122.99	3.3	52.34	9.2	46.20	4.2	35.19	1.2	27.27	4.2
2015	398.24	5.0	126.30	2.7	56.24	7.5	49.49	7.1	36.25	3.0	28.44	4.3
2016	414.86	4.2	129.53	2.6	56.15	-0.2	50.94	2.9	39.47	8.9	31.97	12.4
2017	435.11	4.9	129.56	0.0	60.95	8.6	52.97	4.0	41.73	5.7	33.20	3.9
2018	427.71	-1.7	124.52	-3.9	58.72	-3.7	51.54	-2.7	40.78	-2.3	31.21	-6.0

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 2018. 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, 2018 = 100.

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Contributions received by type of organization, 1978-2018 (in billions of inflation-adjusted dollars)

Year	Arts, culture, humanities	Percent change	International affairs	Percent change	Environment/ animals	Percent change	Gifts to foundations	Percent change	Gifts to individuals	Unallocated
1978	7.20	-5.6					6.20			10.01
1979	6.85	-4.8					7.65	23.4		12.59
1980	6.46	-5.7					6.03	-21.1		18.34
1981	6.30	-2.5					6.60	9.4		22.87
1982	2.52	-59.9					10.41	57.7		26.78
1983	3.55	40.8					6.83	-34.4		25.36
1984	4.09	14.9					8.12	18.9		19.10
1985	4.41	8.0					11.04	36.0		13.96
1986	5.73	29.8					11.36	2.9		17.39
1987	5.75	0.3	3.20		1.86		11.40	0.4		15.47
1988	6.39	11.2	3.10	-3.3	2.00	7.5	8.34	-26.8		20.21
1989	6.93	8.4	3.32	7.2	2.19	9.6	8.93	7.0		19.67
1990	7.09	2.4	3.96	19.2	2.48	13.3	7.36	-17.6		9.59
1991	7.04	-0.7	2.99	-24.6	2.75	10.8	8.22	11.7		13.33
1992	7.44	5.7	3.79	27.0	2.85	3.6	8.97	9.0		16.89
1993	7.41	-0.5	3.37	-11.1	3.11	9.4	10.88	21.4		14.51
1994	7.79	5.2	4.18	24.1	3.37	8.3	10.72	-1.5		12.50
1995	8.72	11.9	4.33	3.6	3.67	9.0	13.94	30.0		-12.19
1996	9.57	9.8	4.79	10.5	4.16	13.3	20.22	45.0		-7.80
1997	11.23	17.3	4.91	2.6	4.55	9.4	21.84	8.0		14.67
1998	12.48	11.1	6.33	28.9	5.84	28.2	30.69	40.5		10.49
1999	13.27	6.3	8.08	27.6	6.81	16.7	43.36	41.3		19.82
2000	15.40	16.1	9.16	13.3	7.10	4.2	36.04	-16.9		38.48
2001	13.80	-10.4	9.47	3.4	7.52	5.8	36.41	1.0		27.68
2002	13.86	0.5	11.13	17.4	6.51	-13.4	26.75	-26.5		39.28
2003	15.17	9.4	12.89	15.8	6.80	4.5	29.52	10.3		26.42
2004	14.93	-1.6	15.32	18.9	7.68	13.0	27.02	-8.5	2.31	36.80
2005	15.98	7.1	16.34	6.7	8.32	8.3	31.45	16.4	4.00	46.24
2006	17.34	8.5	16.83	3.0	9.21	10.6	33.76	7.3	4.77	21.82
2007	18.07	4.2	19.11	13.6	9.75	5.9	45.62	35.1	4.08	17.04
2008	14.33	-20.7	23.99	25.5	8.99	-7.8	35.15	-23.0	4.20	15.93
2009	14.74	2.8	19.18	-20.0	8.57	-4.7	37.91	7.9	4.92	-14.01
2010	15.41	4.6	16.00	-16.6	9.13	6.6	30.02	-20.8	5.62	-1.63
2011	14.31	-7.1	16.95	5.9	9.11	-0.2	33.71	12.3	6.81	-3.65
2012	15.19	6.1	17.51	3.3	9.76	7.1	43.89	30.2	6.39	5.47
2013	15.78	3.9	20.92	19.5	9.23	-5.4	44.01	0.3	7.78	-11.51
2014	16.87	6.9	21.53	2.9	10.14	9.9	46.45	5.5	7.24	-6.90
2015	18.66	10.6	25.09	16.5	11.24	10.9	40.75	-12.3	7.26	-1.49
2016	17.92	-4.0	22.76	-9.3	11.71	4.2	41.56	2.0	10.39	2.46
2017	19.91	11.1	21.39	-6.0	12.55	7.2	55.32	33.1	9.53	-2.00
2018	19.49	-2.1	22.88	7.0	12.70	1.2	50.29	-9.1	9.06	6.53

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 2018. 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, 2018 = 100.

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Total giving as a percentage of gross domestic product (GDP), 1978-2018 (in billions of inflation-adjusted dollars)

Year	Total giving inflation adjusted to 2018 dollars	GDP inflation adjusted to 2018 dollars	Giving/GDP percentage
1978	148.47	9,052	1.6
1979	149.16	9,090	1.6
1980	148.18	8,706	1.7
1981	152.67	8,857	1.7
1982	153.81	8,701	1.8
1983	159.36	9,162	1.7
1984	165.77	9,760	1.7
1985	167.36	10,129	1.7
1986	190.72	10,492	1.8
1987	181.66	10,730	1.7
1988	186.94	11,119	1.7
1989	199.12	11,428	1.7
1990	189.26	11,460	1.7
1991	189.13	11,354	1.7
1992	199.16	11,669	1.7
1993	202.65	11,922	1.7
1994	203.38	12,345	1.6
1995	202.85	12,589	1.6
1996	222.35	12,925	1.7
1997	254.15	13,419	1.9
1998	271.98	13,961	1.9
1999	306.30	14,518	2.1
2000	334.90	14,950	2.2
2001	329.14	15,007	2.2
2002	324.88	15,267	2.1
2003	324.12	15,641	2.1
2004	346.00	16,237	2.1
2005	376.01	16,763	2.2
2006	368.82	17,208	2.1
2007	376.72	17,502	2.2
2008	349.43	17,160	2.0
2009	321.62	16,912	1.9
2010	331.84	17,264	1.9
2011	333.23	17,351	1.9
2012	363.77	17,715	2.1
2013	358.43	18,093	2.0
2014	379.31	18,585	2.0
2015	398.24	19,302	2.1
2016	414.86	19,572	2.1
2017	435.11	19,961	2.2
2018	427.71	20,494	2.1

Notes: Disposable personal income data from "Personal Income and Its Disposition," Table 2.1, Bureau of Economic Analysis, retrieved April 2019 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 2018.

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Giving as a percentage of disposable personal income, 1978-2018 (in billions of current dollars)

Year	Individual Giving (in billions of current dollars)	Disposable Income (in billions of current dollars)	Individual Giving/ Disposable Income (%)
1978	32.10	1,634	2.0
1979	36.59	1,814	2.0
1980	40.71	2,024	2.0
1981	45.99	2,259	2.0
1982	47.63	2,437	2.0
1983	52.06	2,628	2.0
1984	56.46	2,915	1.9
1985	57.39	3,107	1.8
1986	67.09	3,295	2.0
1987	64.53	3,472	1.9
1988	69.98	3,778	1.9
1989	79.45	4,058	2.0
1990	79.00	4,319	1.8
1991	81.93	4,496	1.8
1992	87.20	4,808	1.8
1993	91.72	5,009	1.8
1994	92.28	5,254	1.8
1995	94.78	5,543	1.7
1996	107.35	5,841	1.8
1997	123.67	6,161	2.0
1998	137.68	6,574	2.1
1999	154.63	6,890	2.2
2000	174.09	7,416	2.3
2001	173.06	7,767	2.2
2002	173.79	8,107	2.1
2003	181.47	8,484	2.1
2004	201.96	8,986	2.2
2005	220.82	9,386	2.4
2006	224.76	10,025	2.2
2007	233.05	10,516	2.2
2008	213.76	10,935	2.0
2009	200.78	10,907	1.8
2010	207.99	11,314	1.8
2011	213.91	11,874	1.8
2012	244.38	12,501	2.0
2013	242.43	12,505	1.9
2014	252.25	13,206	1.9
2015	264.69	13,784	1.9
2016	279.38	14,171	2.0
2017	295.30	14,796	2.0
2018	292.09	15,532	1.9

Notes: Disposable personal income data from "Personal Income and Its Disposition," Table 2.1, Bureau of Economic Analysis, retrieved April 2019 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 2018.

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Corporate giving as a percentage of pre-tax corporate profits, 1978-2018 (in billions of current dollars)

Year	Corporate Giving	Corporate Pre-tax Profits	Corporate giving as percentage of pre-tax profits
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	\$689	1.7%
2002	\$10.79	\$789	1.4%
2003	\$11.06	\$970	1.1%
2004	\$11.36	\$1,258	0.9%
2005	\$15.20	\$1,665	0.9%
2006	\$14.52	\$1,844	0.8%
2007	\$14.22	\$1,752	0.8%
2008	\$12.40	\$1,379	0.9%
2009	\$13.79	\$1,467	0.9%
2010	\$15.82	\$1,834	0.9%
2011	\$15.58	\$1,818	0.9%
2012	\$17.22	\$2,156	0.8%
2013	\$15.86	\$2,152	0.7%
2014	\$18.26	\$2,263	0.8%
2015	\$18.29	\$2,134	0.9%
2016	\$19.40	\$2,130	0.9%
2017	\$19.02	\$2,182	0.9%
2018	\$20.05	\$2,178	0.9%

Notes: Corporate pre-tax profits data from "Corporate Profits Before Tax by Industry," Table 6.17D, Bureau of Economic Analysis, retrieved April 2019 from http://www.bea.gov/table/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 2018.

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Brief Summary of Methods Used

Overview of methodology for 2018 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 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 Lilly Family School of Philanthropy's Philanthropy Panel

Study (PPS), Council for Advancement and Support of Education (CASE), the Evangelical Council for Financial Accountability (ECFA), U.S. Census Bureau, and others. Estimates for giving by foundations are provided by Candid (formerly known as 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 2018, *Giving USA* added estimates for mega-gifts from individual donors or couples (there were no mega-bequests in 2018). The threshold amount for mega-gifts of all types was \$250 million. See the “Giving by individuals” section of this summary for more information about these gifts.

THE IMPACT OF THE TAX CUTS AND JOBS ACT ON METHODOLOGY IN 2018

The United States Congress passed the Tax Cuts and Jobs Act (TCJA) in December 2017, significantly altering federal tax policy.¹ The TCJA was a complex piece of legislation, and while some of the changes that resulted from the TCJA are already included in our various models, such as the change in corporate tax rate, some of the

changes required special adjustments to our methodology. It should be noted that the adjustments to *Giving USA*’s methodology for 2018 are not intended to calculate the full impact of the TCJA on charitable giving—*Giving USA* will need to collect data for several additional years to better understand the full impact. Rather, the adjustments to methodology are meant to address the effects of the TCJA that are expected to have the largest impact on charitable giving and that are not currently captured in our econometric models.

Most notably, the law increased the standard deduction from \$6,350 in 2017 to \$12,000 in 2018 for individuals and from \$12,700 in 2017 to \$24,000 in 2018 for couples, with annual increases for inflation.² This change is expected to result in a large drop in the number of individuals and households who itemized deductions on their tax returns. More than 45 million households itemized deductions in 2016.³ Numerous studies suggest that number may have dropped to approximately 16 to 20 million households in 2018.⁴ The change in itemization status is important because academic studies and historical tax data demonstrate that donors respond to incentives, including the ability to itemize charitable deductions.⁵ The substantial number of households whose itemization status changed—that is, households that itemized deductions

in years previous to 2018 but took the standard deduction in 2018—lost an incentive for charitable giving, which is expected to have a negative effect on giving by individuals.

On the sources side, the change in the number of households that itemize required an adjustment to the individual giving estimate. On the uses side, the shift in the number of households that itemize required adjustments to be made on a subsector by subsector basis, since each category of recipient organization may receive different amounts from individuals versus the amounts they receive from the other sources of giving. These adjustments are outlined more fully in the sections titled, **“Estimating giving by individuals in 2018,”** and **“TCJA Adjustment for giving in 2018 for the subsectors (except giving to foundations and individuals).”**

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 after the tax filing year.

The established 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, for example, 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 0.1 percent (or 2.1 percent in absolute terms).

By comparison, *Giving USA* analyzed IRS data on itemized giving by individuals for the last ten years available. For the years 2010–2016, the average percentage difference between the IRS' initial and final estimates for individual giving is 10.4 percent (and also 10.4 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 2018 and prior years, beginning with the sources of giving and followed by the recipients of giving by subsector.⁶

Estimating giving by individuals through 2017

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 Lilly Family School of Philanthropy's 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 2016 (PPS 2017).

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. In 2018, giving to disasters did not reach levels that would require adjustments to our model.

In addition, in some years, particular individuals make very large gifts, called “mega-gifts,” to charitable organizations. Giving USA 2019 includes a conservative estimate of \$4.837 billion for gifts of this magnitude that were likely paid by individuals in 2018. These mega-gifts are added to the individual giving estimate amount for 2018, because *Giving USA*’s estimation model cannot otherwise capture these very large gifts. Table 1 lists these gifts.

Table 1 Mega-gifts included in the Giving USA estimate for giving by individuals in 2018

Donor(s)	Source of Wealth	Recipient	Recipient Category	Amount in Billions
Jeff and MacKenzie Bezos	Technology	Day One Fund	Foundations	\$2.00
Michael Bloomberg	Media	Various	Foundations	\$1.8
Pierre and Pam Omidyar	Technology	Omidyar Network	Foundations	\$0.392
Stephen Schwarzman	Finance	MIT	Education	\$0.350
Steve and Connie Ballmer	Technology	Donor-advised fund	PSB	\$0.295
				\$4.837 billion

Source: Maria Di Mento, “Philanthropy 50,” *The Chronicle of Philanthropy*, February 12, 2019, https://www.philanthropy.com/interactives/philanthropy-50#id=de-tails_378_2018; personal correspondence with Maria Di Mento

ESTIMATING GIVING BY INDIVIDUALS IN 2018

The Tax Cuts and Jobs Act (TCJA) went into effect in January 2018, and included some key changes, including a decrease in the number of individuals and households that itemize deductions, including charitable giving, and a decrease in the top marginal tax rate

from 39.6 to 37 percent, that are expected to have an impact on giving by individuals.⁷ To address these changes, Giving USA used a separate, alternative individual giving model that had been developed and tested by the Lilly Family School of Philanthropy separately. This alternative individual giving model made it possible to include some of the

effects of the anticipated changes from the TCJA, such as the change in the number of itemizers and top marginal tax rate. All prior years retain the same methodology as previous reports as detailed in the section titled, “Estimating giving by individuals through 2017.”

Table 2 outlines the calculations used to arrive at the giving by individuals estimate for 2017 and 2018. The estimate for giving in 2017 includes changes to the 2016 estimate using the traditional equation for estimating giving by individuals: adding the change in giving by itemizers, which was calculated using the traditional model, and adding the change in giving by non-

itemizers, which was calculated using the PPS data.

As Table 2 shows, the estimate for giving in 2018 begins with the new estimate for 2017 and adds the dollar amount of change in giving in 2018 as calculated by the alternative model for giving by individuals, as well as the calculation for mega-gifts. Note that the estimated change of -\$8.05 billion is the year over year change in giving as estimated by a model accounting for certain specific factors of TCJA. Giving USA does not provide an estimate of the total effect TCJA had on individual giving here or elsewhere.

Table 2 Estimates for giving by individuals, 2016–2018(in billions of dollars)*

2016	
2016 itemized contributions (using IRS final data for itemized contributions in 2016)	233.87
Estimate for giving by non-itemizers (using PPS, 2016)	+45.51
Total estimated individual giving	279.38
2017	
2016 itemized contributions (using IRS final data for itemized contributions in 2016)	233.87
Estimated change in itemized giving for 2017 over 2016 (using preliminary IRS data for itemized contributions in 2017)	+14.06
Estimate for giving by non-itemizers (using PPS, 2016)	+47.37
Total estimated individual giving	295.30
2018	
2017 individual giving (using estimate above)	295.30
Estimated change in individual giving for 2018 over 2017 (using modified model adjusted for TCJA)	-8.05
Estimate for mega-gifts paid in 2018	+4.837
Total estimated individual giving	292.09

*Figures are rounded and may not exactly equal the total

ESTIMATING GIVING BY BEQUEST

The method for estimating contributions by bequest in 2018 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 Advancement and Support of Education (CASE) through the Voluntary Support of Education

survey (VSE) about bequests received at institutions of higher education. CASE 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.

Due to the Tax Cuts and Jobs Act (TCJA), beginning in 2018 the filing limit for estates was increased, to approximately \$10 million (for individuals) instead of \$5 million.⁸ In the long run, this will have an impact on giving by bequest, but we do not believe the estates being filed in 2018 have yet to fully adjust to this change. Due to this, our methodology for 2018 remains the same as prior years, but moving forward the methodology will need to be adjusted.

Table 3 Estimates for giving by bequest, 2018 (in billions of dollars)

Council for Advancement and Support of Education (CASE) findings, bequest receipts, higher educational institutions, 2017–2018	3.49
CASE result divided by 0.1630 (five-year average, 2013–2017) to yield base estimate of all giving by estates with assets of \$5 million or more	21.44
Total estimated giving by estates with assets of \$5 million or more	21.44
Total estimate for giving by estates with assets between \$1 million and \$5 million	+8.36
Total estimate for giving by estates with assets below \$1 million	+9.91
Total estimated giving by bequest	39.71

*Figures are rounded and may not exactly equal the total. The italicized figure is not added into the total.

Giving USA incorporated CASE data by generating a ratio using historical amounts contributed by estates to higher education for the years 2013 to 2017, as provided by CASE, to final

IRS tax data on filed charitable bequest deductions for the same years. For 2018, CASE reported to *Giving USA* that institutions of higher education received \$3.49 billion from estates. *Giving USA*

took this CASE amount and divided by 0.1630 (the ratio) to get \$21.44 billion (rounded).

Added to the total figure resulting from the CASE estimate (\$21.44 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,⁹ *Giving USA* now creates an estimate for wealthy non-filers for every year post-2011 in which IRS bequest information is available, as well as for

the estimation year based on the filing estate estimate. For the year 2018, this amount is \$8.36 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 \$9.91 billion in charitable bequests in 2017. Added together, estates with assets below \$5 million made an estimated \$18.27 billion in charitable bequests in 2018.

Estimating giving by foundations

Giving by foundations data for 2018 are provided to Giving USA by Candid (formerly Foundation Center) for giving by independent, community, and operating foundations.¹⁰ Candid

also provides estimates for giving by corporate foundations. This component is moved from Candid's estimate for giving by all types of foundations and calculated in the *Giving USA* estimate for giving by corporations. Visit www.candid.org for more information about the Candid's estimates for giving by foundations in 2018 and prior years.

Estimating giving by corporations

The estimate for giving by corporations in 2018 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 2018, *Giving USA*:

- Uses an econometric model developed by Chin, Brown, and Rooney in 2004.¹¹ 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, 2016–2017, and 2017–2018, 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.

As it was for 2016 and 2017, the 2018 estimate for giving by corporations involves 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.

Candid (formerly Foundation Center) estimates corporate foundation grantmaking to be \$6.88 billion in 2018. From that amount, *Giving USA* subtracted \$5.76 billion for the estimated amount that corporations gave to their own foundations in 2018.

Table 5 illustrates components of the estimate for giving by corporations for 2014, 2015, 2016, 2017, and 2018.

Table 4 Estimates for giving by corporations, 2014–2018(in billions of dollars)

2014	
2014 itemized deductions for charitable contributions (IRS)	17.76
Less gifts to foundations in 2014 (Candid*)	-4.64
Plus corporate foundation grants made (Candid*)	+5.15
Estimated total	18.26

Table 5 Estimates for giving by corporations, 2014–2018 (in billions of dollars) - continued

2015	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving, 2015	+0.04
Sub-total before adjustments for foundations	17.80
Less gifts to foundations in 2015 (Candid*)	-5.01
Plus corporate foundation grants made (Candid*)	+5.51
Estimated total	18.29
2016	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving, 2015	+0.04
Estimated change in corporate giving, 2016	+0.75
Sub-total before adjustments for foundations	18.55
Less gifts to foundations in 2016	-4.98
Plus corporate foundation grants made (Candid*)	+5.82
Estimated total	19.40
2017	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving in 2015	+0.04
Estimated change in corporate giving in 2016	+0.75
Estimated change in corporate giving in 2017	+0.89
Sub-total before adjustments for foundations	19.44
Less gifts to foundations in 2017	-7.29
Plus corporate foundation grants made (Candid*)	+6.46
Plus corporate disaster giving	+0.41
Estimated total	19.02
2018	
2014 itemized deductions for charitable contributions (IRS)	17.76
Estimated change in corporate giving in 2015	+0.04
Estimated change in corporate giving in 2016	+0.75
Estimated change in corporate giving in 2017	+0.89
Estimated change in corporate giving in 2018	-0.51
Sub-total before adjustments for foundations	18.93
Less gifts to foundations in 2017^	-5.76
Plus corporate foundation grants made (Candid*)	+6.88
Estimated total	20.05

Data sources are in parentheses.

*Updated figures provided by Candid (formerly Foundation Center) in April 2019.

^ 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.

TCJA Adjustment for giving in 2018 for the subsectors (except giving to foundations and individuals)

The effect of the drop in itemizers from the Tax Cuts and Jobs Act (TCJA) is expected to be different for each subsector (in other words, giving to religion may experience a different effect than giving to international affairs

organizations, for example). In order to adjust for the drop in itemizers on the Uses side, *Giving USA* used the Lilly Family School of Philanthropy's Philanthropy Panel Study (PPS) data set to determine how each subsector would be impacted. Using PPS data on both itemizers and subsector giving, an econometric model was designed to derive an estimate on a per-subsector basis of the average decrease in household giving for the households most likely to lose itemization status. This average was then aggregated up by the number of households expected to lose itemization status due to TCJA and applied to each of the 2018 uses estimates (except giving to foundations and to individuals, which are not separately tracked in the PPS data). The estimate for giving to the uses subsectors in 2018 otherwise followed the methodology outlined in the section titled "Estimating giving to other 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;¹² 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).¹³

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 2017 fiscal year data from the ECFA. For the year 2017, *Giving USA* estimates that giving to religion amounted to \$126.47 billion, an increase of 2.1 percent over 2016 (in current dollars).¹⁴

METHODOLOGY FOR ESTIMATING GIVING TO RELIGION IN 2018

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: 2015 to 2017. Using the inflation-adjusted growth rate, we estimated an initial change in inflation-adjusted dollars for 2018.

This figure is applied as the rate of change for inflation-adjusted dollar giving to religion between 2017 and

2018. To this result is applied the adjustment value to more fully account for TCJA (please see the section titled, "The impact of the Tax Cuts and Jobs Act on methodology in 2018").

Estimating giving to foundations

Historically, *Giving USA's* estimate relied solely on final data from Candid (formerly Foundation Center) on giving to foundations. While *Giving USA* continues to use Candid 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 foundations estimates for the years 2013 to 2017, including a breakdown of Candid's original estimates and Giving USA's adjustments.

Table 6 Calculations for giving to foundations, 2013-2017 (in billions of dollars) - continued

	Candid (formerly Foundation Center) data for giving to foundations	Estimated pharmaceutical gifts	Verified Warren Buffett gifts to the Bill & Melinda Gates Foundation	Final Calculation
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
2017	65.71	-9.30 [^]	-2.40	54.00

[^] Based on verified IRS Forms 990 contributions paid out to individuals via 13 top patient assistance programs for 2013-2016. 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 2018

Giving USA estimates that giving to foundations totaled \$50.29 billion in 2018. Because Candid (formerly Foundation Center) data for giving to foundations in 2018 will not be available until 2020, *Giving USA* created the 2018 estimate by incorporating the following steps:

- Calculating an estimate for giving to all foundations in 2018 by averaging the last three years of data provided by Candid. This amount equals \$57.76 billion;
- Calculating an estimate for giving by pharmaceutical companies' operating foundations to patient assistance programs that are then passed on to individuals. For 2018, this amount equals \$9.06 billion, which was then subtracted from the estimated \$57.76 billion given to foundations

as noted above. (This \$9.06 billion is used as *Giving USA's* estimate for giving to individuals in 2018.);

- Subtracting the verified amount of contributions made by Warren Buffett to the Bill & Melinda Gates Foundation, which totaled \$2.6 billion in 2018;
- Adding \$4.192 billion in mega gifts made to foundations in 2018.

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 in 2018, *Giving USA* shifted from using the IRS Statistics of Income (SOI) dataset to using final 2016 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 2016, 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 year 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 2017 and 2018 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 2017, *Giving USA* added \$0.6 billion to the estimate for giving to health.¹⁵ 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.¹⁶ The subsector breakdown of this \$1.02 billion in disaster giving is as follows:

- \$886.29 million to human services;
- \$63.86 million to public-society benefit;
- \$56.19 million to international affairs;
- \$7.48 million to environment/animals;
- \$2.2 million to education; and
- \$1 million to health.

For the 2018 estimates for the recipient subsectors, *Giving USA* applied an adjustment value to more fully account for TCJA (please see the section titled, **“The impact of the Tax Cuts and Jobs Act on methodology in 2018”**).

For inquiries about the methodology for this year’s Giving USA, please contact Anna Pruitt (anpruitt@iupui.edu), Managing Editor of Giving USA, and Jon Bergdoll (jjbergdo@iupui.edu), Statistician at the Indiana University Lilly Family School of Philanthropy.

ENDNOTES

- 1 "H.R.1, An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018," Congress.gov, retrieved March 2018, <https://www.congress.gov/bill/115th-congress/house-bill/1>
- 2 Same as note 1.
- 3 "Section 2: Individual Income Tax Returns, 2016," Internal Revenue Service Statistics of Income Division, 2018, <https://www.irs.gov/pub/irs-soi/16inttaxreturns.pdf>
- 4 Alex Brill and Derrick Choe, "Charitable giving and the Tax Cuts and Jobs Act," *American Enterprise Institute*, June 18, 2018, <http://www.aei.org/publication/charitable-giving-and-the-tax-cuts-and-jobs-act/>; *The Budget and Economic Outlook: 2019 to 2029*, Congressional Budget Office, January 28, 2019, <https://www.cbo.gov/publication/54918>; Richard Rubin, "Charities Brace for Tax-Driven Dip in Year-End Giving," *The Wall Street Journal*, November 27, 2018, <https://www.wsj.com/articles/charities-brace-for-tax-driven-dip-in-year-end-giving-1543333451>; Staff of the Joint Committee on Taxation, *Overview of the Federal Tax System as in Effect for 2018*, February 7, 2018, <https://www.jct.gov/publications.html?func=startdown&id=5060>; Staff of the Joint Committee on Taxation, *Tables Related to the Federal Tax System as in Effect 2017 through 2026*, Joint Committee on Taxation, April 23, 2018, <https://www.jct.gov/publications.html?id=5091&func=startdown>; William G. Gale, Hilary Gelfond, Aaron Krupkin, Mark J. Mazur, Eric Toder, *Effects of the Tax Cuts and Jobs Act: A Preliminary Analysis*, Tax Policy Center, June 13, 2018, <https://www.taxpolicycenter.org/publications/effects-tax-cuts-and-jobs-act-preliminary-analysis/full>; Howard Gleckman, "21 Million Taxpayers Will Stop Taking the Charitable Deduction Under The TCJA," Tax Policy Center, January 8, 2018, <https://www.taxpolicycenter.org/taxvox/21-million-taxpayers-will-stop-taking-charitable-deduction-under-tcja>; "Impact on the Number of Itemizers of H.R.1, The Tax Cuts and Jobs Act (TCJA), By Expanded Cash Income Percentile," Tax Policy Center, 2018, <https://www.taxpolicycenter.org/model-estimates/impact-itemized-deductions-tax-cuts-and-jobs-act-jan-2018/118-0002-impact-number>
- 5 Charles Clotfelter, *Federal Tax Policy and Charitable Giving*, University of Chicago Press, 1985; Charles Clotfelter, "The Impact of Tax Reform on Charitable Giving: A 1989 Perspective," National Bureau of Economic Research Working Papers, 3273, <https://ideas.repec.org/p/nbr/nberwo/3273.html>; John Peloza and Piers Steel, "The price elasticities of charitable contributions: a meta-analysis," *Journal of Public Policy & Marketing*, 2005, 24(2), 260-272; Gerald E. Auten, Holger Sieg, and Charles T. Clotfelter, "Charitable Giving, income, and taxes: An analysis of panel data," *The American Economic Review*, 2002, 92(1), 371-382; Richard Steinberg, "Taxes and giving: New findings," *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 1990, 1(2), 61-79; Christoper Duquette, "Is charitable giving by nonitemizers responsive to tax incentives? New evidence," *National Tax Journal*, 1999, 195-206; Nicholas Duquette, "Do tax incentives affect charitable contributions? Evidence from public charities' reported revenues," *Journal of public economics*, 2016, 137, 51-69.
- 6 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
- 7 Same as note 1.
- 8 Same as note 1.
- 9 David Joulfaian, "Estate Taxes and Charitable Bequests by the Wealthy," Working Paper 7663, National Bureau of Economic Research, April 2000, www.nber.org
- 10 Data on giving by and to foundations are available in Candid's website at www.candid.org
- 11 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
- 12 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.
- 13 Data about Evangelical Council for Financial Accountability (ECFA) members' charitable receipts obtained directly from ECFA in April 2019. *Giving USA* only uses religious organizations in its dataset that can be categorized as "X" according to the NTEE coding system.
- 14 Same as note 13.
- 15 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>
- 16 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.



19 Glossary

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 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 2019 edition is \$250 million and only includes gifts that were likely paid in 2018.

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	A
Education	B
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, S, T, U, V, W,
Religion	X
Mutual/membership benefit*	Y
Unknown, unclassified	Z

*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 bequests, 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 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.



20 Sources of Philanthropic Information

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

www.allianceonline.org

American Alliance of Museums

www.aam-us.org

The American Council on Education

www.acenet.edu

Americans for the Arts

www.americansforthearts.org

Arabella Advisors

www.arabellaadvisors.com

Association for Healthcare Philanthropy

www.ahp.org

Association for Research on Nonprofit Organizations and Voluntary Action

www.arnova.org

Association of Art Museum Directors

www.aamd.org

Association of Fundraising Professionals

www.afpnet.org

Association of Professional Researchers for Advancement

www.aprahome.org

Barna Group

www.barna.org

BBB Wise Giving Alliance 3033

www.give.org

Blackbaud

To locate Blackbaud research:

www.blackbaud.com/nonprofit-resources

BoardSource

www.boardsource.org

Bureau of Economic Analysis

www.bea.gov

Candid (formerly Foundation Center and GuideStar)

www.candid.org

CECP

www.cecp.co

Center for Community Change

www.communitychange.org

Center for Disaster Philanthropy

www.disasterphilanthropy.org

Center on Nonprofits and Philanthropy

www.urban.org/policy-centers/center-nonprofits-and-philanthropy

Charities Aid Foundation

www.cafonline.org

CharityChannel LLC

www.charitychannel.com

The Chronicle of Philanthropy

www.philanthropy.com

CIVICUS World Alliance

www.civicus.org

The Columbus Foundation

www.columbusfoundation.org

The Communications Network

www.comnetwork.org

Cone Communications

www.conecomm.com

The Conference Board

www.conference-board.org

The Conference Board Europe

<https://www.conference-board.org/regions/europe/>

The Conference Board of Canada

www.conferenceboard.ca

**Corporation for National
& Community Service**

www.nationalservice.gov

Corporation for Public Broadcasting

www.cpb.org

**Council for Advancement and
Support of Education (CASE)**

To locate CASE publications: http://www.case.org/Publications_and_Products.html

Council for Aid to Education

www.cae.org

Council on Foundations

www.cof.org

CQ Roll Call

www.cq.com

Dance/USA

www.danceusa.org

DMA Nonprofit Federation

www.nonprofitfederation.org

Engage for Good

(formerly Cause Marketing Forum)

www.causemarketingforum.com

European Foundation Centre

www.efc.be

**Evangelical Council for
Financial Accountability**

www.ecfa.org

Forbes Insights

www.forbes.com/forbesinsights

Foundation Source

www.foundationsource.com

The Fund Raising School

www.philanthropy.iupui.edu

The Giving Institute

www.givinginstitute.org

Grenzebach Glier and Associates

www.grenzebachglier.com

HUD Exchange

www.hudexchange.info

Independent Sector

www.independentsector.org

**Indiana University Lilly Family
School of Philanthropy**

www.philanthropy.iupui.edu

**Intergovernmental Panel on
Climate Change**

www.ipcc.ch

Internal Revenue Service

www.irs.gov

**The International Center for
Not-for-Profit Law**

www.icnl.org

**International Society for Third-
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Tax Foundation

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Patrick M. Rooney, PhD

*Executive Associate Dean for Academic
Affairs and Research*

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International Programs*

Acknowledgments

Elizabeth Giardina

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Giving USA volunteer authors

(cited at the end of each chapter)

Anna Pruitt, PhD

Managing Editor, Giving USA

Adriene L. Davis Kalugyer

Manager of Public Affairs

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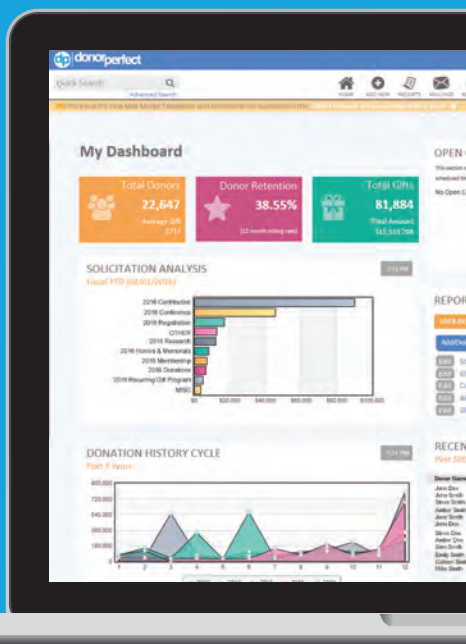
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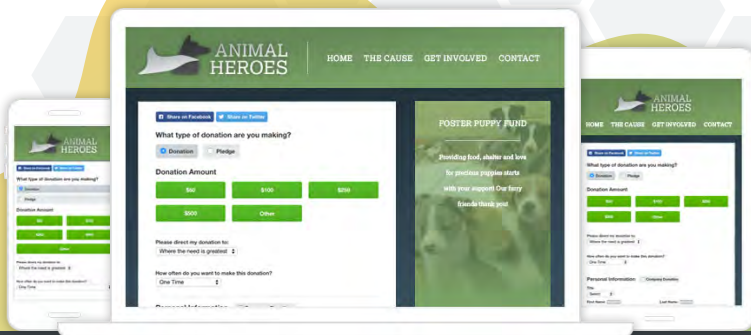
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