What is Emerging in Philanthropy Now?

Summary of Trends to Watch for This Year and Next

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Agenda

• 30,000 Foot View of Total Giving in the U.S. & Historical Influences

• Nuances of Individual Giving

• What’s Happening Now: Current Trends

• What to Watch For: 2020 and Beyond

• Ideas for Your Charity
The 2020 Dogpile

What’s Next??
- Supreme Court
- More Election
- Hurricanes Wildfires Early Storms
- Unemployment Continues for 8.4%
- Masks
- Working from Home
- Recognition of Need for Social Justice
- Recession
- Election
- Shut-down
- Unemployment
- COVID-19
No Historical Relationship between Presidential Election and Total Giving

Total Giving
$ Billions

Data: Giving USA 2020
Strong Historical Relationship between Natural Disasters, and Total Giving -- and oh, Tax Rate Changes, too

Tota Charitable Giving
$ billions

- 2001, Nearly $2B after 9/11
- 2005, > $7 B after tsunami,
- 2012 Hurricane Sandy
- Tax rate

* Susan Buffett and Helen Walton
Strong Historical Relationship between Stock Market and Total Giving

2007, Walton & Buffett estates
2000, Gates Foundation $20B
$203.19
1995-99 Tech Run-Up
$296.09
$449.65
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
Individuals: 68.9%

Foundations -
  Family: 7.7%  
  $34.82

Foundations -
  Other, Community: 9.1%  
  $40.87

Bequests: 9.6%

Corporations: 4.7%  
  $21.09

Data: Giving USA 2020
What Drives Individual Giving?

Time, Talent, Treasure & neTworks

Key Points

• Volunteers give more often and more dollars

• People with more income and more assets give more dollars (not necessarily more often)

• People who want to help will often link you to others who have time or treasure
Early 2020 – to end of March

First Quarter Revenue (As % 2019 Total)

Source: Fundraising Effectiveness Project, https://afpfep.org
Changes in Household Giving in Early 2020

- **COVID Giving**
  - Direct: 32%
  - Indirect: 48%

- **Change in Volunteering Mar-May 2020**
  - IU LFSoP: -25.80%
What is Happening Now?

Lots of people giving but less money to charities

Desire to help is strong

Direct aid and indirect aid – and many families stretched financially

Volunteering is tougher with distancing, virtual programming, etc.

People want to use their networks – Peer to peer; referrals; sharing news, etc.
Blackbaud, Quarter 2

Q2-2020 Change Compared with Q2-2019

- Animal Welfare: -5.9%
- Arts & Culture: -5.9%
- Environment: -13.1%
- Faith: -9.2%
- Healthcare: -3.6%
- Higher Education: -24.1%
- Human Services: 9.3%
- International Affairs: -10.9%
- K-12 Education: -22.9%
- Medical Research: -32.4%
- Public & Society Benefit: -13.8%

Data: [https://institute.blackbaud.com/the-blackbaud-institute-index/](https://institute.blackbaud.com/the-blackbaud-institute-index/)
What are Charities Doing?
Lots – and Much of It is Working Well

• Communication, communication, communication

• Continuing to ask but gently

• Looking seriously at how services delivered and for whom with what resources
What is Happening Now?

45% increased services in response to needs

BUT one-third reduced services due to site constraints, restrictions on groups, etc.

About half Increased media outreach

About half on track or better to meet fundraising budget

APC September 2020 survey,
Carter is a participating sponsor
Requests and Results: To August

- Virtual Event: 84% Doing More, 70% Raising More
- Email: 67% Doing More, 46% Raising More
- Social Media: 63% Doing More, 42% Raising More
- Foundations: 58% Doing More, 51% Raising More

- M.G.: 48% Doing More, 44% Raising More
- Corporate: 39% Doing More, 23% Raising More
- Direct Mail: 37% Doing More, 37% Raising More
- Board Members: 33% Doing More, 28% Raising More
- Campaign: 26% Doing More, 30% Raising More

APC September 2020 survey, Carter is a participating sponsor
Circle – 20+ points than in 2008

APC September 2020 survey, Carter is a participating sponsor
Appeal Plans to Year-End

- Direct Mail: 21%
- Board Requests: 39%
- Social Media: 59%
- Virtual Events: 64%
- Gov't Emergency Relief: 64%
- In-Person Requests: 64%

Philanthropy Support: 51% to 76% will:

- Review Case for Support
- Commission Wealth or Philanthropy Screening
- Improve Stewardship
- Segment Lists
- Generate Additional Giving Options

APC September 2020 survey, Carter is a participating sponsor
Communicate

- Large percentages (two-thirds or more) of surveyed charities looking at social justice and racial equity considerations for board membership, staffing, and program delivery.

- Most organizations studied are
  - Communicating gratitude (80%)
  - Checking in on donors’ well-being
  - Sending updates about services available (71%)
    - Note that 60% or so are able to do some virtual programming

APC September 2020 survey, Carter is a participating sponsor
Looking Ahead

- Watch **the stock market**. Giving rises and falls in tandem but never as high nor as deeply.

  - S&P on August 31 closed at 3,500.01
    - UP 8% from December 31, 2019
    - End of year S&P is most closely tied to giving.

- Stock market **affects HNW giving**, foundation grantmaking, and some corporate giving.

- It is also a **metric for “confidence”** in future income for many.
What can your organization do?

- Stewardship, stewardship, stewardship

- Do not stop asking.
  - Email, Virtual Events, and “In Person” Requests are strong

- Ask more “efficiently”
  - Study what you are doing and what works

- Engage human resources – staff, volunteers, consultants, donors-as-advisors
  - Use “distancing” as a way to create additional volunteer opportunities
Thank you!

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