Giving USA 2018
Annual Report on Philanthropy

GG+A Webinar
June 14, 2018

Suzanne Hilser-Wiles
Patricia Watson
Grant Forssberg
Jim McKey
Opening Remarks

Suzanne Hilser-Wiles
GG+A President
Overview

Agenda
+ 2017 USA Giving Trends, Patricia Watson
+ Rage Giving, Grant Forssberg
+ Disasters & Giving, Jim McKey
+ Audience Q&A
+ Closing Remarks, Suzanne Hilser-Wiles

Webinar
+ Submit questions in the Q&A widget
+ The slides and video recording will be available on our website at grenzebachglier.com
+ Brief Exit Survey
2017 USA Giving Trends

Patricia Watson
Senior Vice President

Grenzebach Glier and Associates
Record Breaking Results

+ Total Giving in the US has, for the first time, eclipsed $400 Billion.

+ $410 Billion was raised in 2017, representing a 5.2% increase in nominal dollars and 3% adjusted for inflation over 2016.
Record Breaking Results

- Environment/animals: $11.83 (3%)
- To individuals: $7.87 (2%)
- International affairs: $22.97 (6%)
- Arts, culture, and humanities: $19.51 (7%)
- Public-society benefit: $29.59 (9%)
- Health: $38.27 (11%)
- Human services: $50.06 (14%)
- Religion: $127.37 (31%)
- Education: $58.90 (12%)

* Estimate developed jointly by the Foundation Center and Giving USA
Record Breaking Results

Trends in total giving, 1977 - 2017 (in billions of dollars)

- Inflation-adjusted dollars, 2017 = $100
- Current dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Inflation-adjusted</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>142.40</td>
<td>35.21</td>
</tr>
<tr>
<td>1982</td>
<td>150.15</td>
<td>59.11</td>
</tr>
<tr>
<td>1987</td>
<td>177.33</td>
<td>82.20</td>
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<tr>
<td>1992</td>
<td>194.41</td>
<td>111.29</td>
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<tr>
<td>1997</td>
<td>248.09</td>
<td>162.46</td>
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<tr>
<td>2002</td>
<td>317.13</td>
<td>232.72</td>
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<tr>
<td>2007</td>
<td>367.74</td>
<td>311.06</td>
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<tr>
<td>2012</td>
<td>355.10</td>
<td>332.61</td>
</tr>
<tr>
<td>2017</td>
<td>410.02</td>
<td></td>
</tr>
</tbody>
</table>
Who’s Benefiting from Growth?

- Religion: 6.8%
- Education: 11.0%
- Human services: 7.2%
- Foundations: 19.3%
- Health: 11.9%
- Public-society benefit: 10.2%
- Arts, culture, and humanities: 10.8%
- International affairs: -2.9%
- Environment/animals: 11.5%

Percentage change from previous year

*The two-year change is calculated separately and is not the sum of the changes in the two years.*
Who’s Benefiting from Growth?


+ Foundation growth is accounted for largely by a handful of mega-gifts from Ultra-High-Net-Worth individuals.
Who’s Giving?

+ **Individuals** represent 70% of all giving in the United States. Individual giving increased by 5.2% between 2016 and 2017.

+ **Corporate giving** increased 8%, with the second highest cumulative growth rate from 2015-2017.

+ **Foundation giving** increased at a rate of 6% between 2016 and 2017, following a dramatic change in 2015 of 10.2%.
Who’s Giving?

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<thead>
<tr>
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<tbody>
<tr>
<td>Total</td>
<td>3.6%</td>
<td>5.2%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Individuals</td>
<td>2.9%</td>
<td>5.2%</td>
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<td>Foundations</td>
<td>2.3%</td>
<td>6.0%</td>
<td>16.8%</td>
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<tr>
<td>Bequests</td>
<td>4.3%</td>
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You Have to Spend Money to Raise Money

- AFP and Urban Institute: Donor retention rate level at 45.5%. Large organizations saw gains in receipts, small institutions losses.

- Overall giving numbers are driven more by Ultra-High-Net-Worth donors than by participation.

- Sectors with robust major gifts programs reap the rewards.
Tapping into the Growth: Mind Your Investment for the Short, Long-Term

Principal Gifts

Participation did not follow giving increases; suggests that UHNW are the primary source of sector increases

Create a dedicated Principal Gifts program to nurture and cultivate your most impactful donors

Annual Giving

However, do not ignore broad-based strategies that serve to reach your mid and lower pyramid donors

Pay particular attention to acknowledging all donors and communicating to them about the impact of their giving
Case Study: Thinking about Trends in Corporate Giving

Minding Our Impact on the Planet

Southwest operates more than 4,000 daily flights during peak travel season. Even small improvements can add up to a large cumulative impact, so we strive to constantly reduce our environmental footprint however we can. By working to minimize our environmental impact, we can safeguard our ability to protect our planet for both current and future generations.
2017 USA Giving Trends

Patricia Watson
Senior Vice President
Rage Giving

Grant Forssberg
Knowledge Management
2017 – A Banner Year for Civil Society, If Also One for Rage

+ Skepticism towards government institutions creates opportunities for private, voluntary support.
+ The mode of giving can be a more productive line of inquiry than focusing solely on ideological flavor.
+ Poses more fundamental questions of agency, stewardship and impact.
Raging Giving

+ Giving is bullish everywhere.

+ Giving USA: PSB third highest sub-sector growth rate, above the five-year annualized average growth rates—5% over 2016’s growth.

+ Nonprofit Research Council: 2/3 of all respondents saw increases in 2017; 77% percent of civic affairs, rights, social and economic justice receipts were higher or same as 2016.

+ Chronicle of Philanthropy: Philanthropy 400 shows growth in contributions to public-society benefit organizations.
Case Study - ACLU

+ January-August 2017, the ACLU raises 4x compared to 2016.
+ ACLU membership grew 300% to 1.6 million, up from 425,000 at the beginning of the year.
+ $24 Million in online donations in one weekend follow proposed “Muslim Ban.”
+ Estimated one million donors had made online gifts totaling $85 million.
**Case Study - Women’s March and March for Science**

**Women’s March**
- 5 Million attend 637 events
- $2 Million Raised through CrowdRise
- Events sponsored by several non-profits

**March for Science**
- Stemmed from disparate Twitter accounts
- 1 Million attendees in Washington DC. 600 events in 66 other countries
- Science magazine reported the March for Science raised $1 million prior to the event
It’s a Multi-Channel World

I want to do it easily, online (giving growth):

+ Three separate reports note strength of PSB online growth. Blackbaud reports organizations had the third highest growth rate behind environment/arts and culture, increasing their online giving 21%.

+ NRC: Sizes of nonprofit email lists grew 11%, fundraising revenue grew 24%.

+ Blackbaud: Public Affairs Organizations total online revenue up 21.2%. Revenue from first time donors increased 30.6% compared to 2016. Revenue from repeat donors increased 18.5%.

+ M+R and NTEN: In 2017, according to a sample of rights organizations, online revenue up 37%.

+ Centrality of online fundraising to Time’s Up, Women’s March, ACLU.
Donations Have Agency in a Time When Agency is Important

We’re in a time for reactive and impactful giving. Large donors want to influence and change the systems of our world; whether it be genomic medicine or giving pledges, major gifts come from major ideas.

Stepping up where something is missing, be it social issues or government funding.
Takeaway: Acquisition and Retention

+ Cygnus Applied Research and others have demonstrated that Progressive donors are feeling heightened urgency, but the lessons cut across the ideological lens that colors “Rage Giving.”

+ Recognize the complexities within increasing significance of social media advocacy and online channels, both to engagement and giving.

+ Refocus on new donor opportunities

+ Stewardship, stewardship, stewardship

+ **Case:** “ACLU has sought to turn one-time donors into long-term supporters by encouraging monthly giving, conducting follow-up research and meetings with large donors, honing its communications strategy, and providing tools to help supporters engage in advocacy and direct action.”
Rage Giving

Grant Forssberg
Knowledge Management
Disasters & Giving

Jim McKey
Senior Vice President
2017 – The Year of Disasters

+ Hurricane Harvey (Aug) – Houston
+ Hurricane Irma (Aug-Sep) – Florida, Puerto Rico
+ Hurricane Maria (Sep) – Puerto Rico, Virgin Islands
+ Northern CA Wildfires (Oct)
+ Southern CA Wildfires (Dec)
Polling Question

Does corporate giving account for more than 10% of your organization’s gift revenue?

a) Yes

b) No
Giving by Corporations Grew 8.0%

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Giving as Percentage of Pretax Profits

- 0.7% (1977)
- 1.6% (1982, 1987)
- 1.2% (1992)
- 1.1% (1997)
- 1.4% (2002)
- 0.8% (2007, 2012, 2017)

Disasters Drive Corporate Giving

+ Giving USA noted that corporate giving grew 8.0%, a key finding
+ Increase of $405M, but flat as a percentage of pre-tax profits
+ Growth of strategic philanthropy: “Doing well by good”
+ Focus on local and national giving
+ “Companies know they can build good will externally and internally,” says Una Osili, Associate Dean at Indiana University Lilly Family School of Philanthropy
Case Study – Hurricane Harvey

+ CNN reported that corporations gave $157M in direct support, including matching employee gifts
+ Chamber of Commerce reported on August 30 that 69 corporations had given $1 million or more
+ Energy companies responded quickly—Chevron, ConocoPhillips, Citgo
+ Sports teams and leagues—NFL, NBA, MLB, PGA, NASCAR
+ Astros win World Series!
Giving by Sector

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<th>2015 to 2017 cumulative*</th>
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<td>4.5%</td>
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<td>2.0%</td>
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Disasters & Giving

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