

Through the Roof! Trends in Philanthropy for 2008

Giving USA Publishes Report for 2008

By Joanne Fritz, About.com

Each year Giving USA reports on the trends in U.S. philanthropy for the prior year. The information is critical to nonprofits for their future planning.

In addition, Campbell and Company, a consulting firm, produces a report about Giving USA that interprets the data and provides suggestions for actions on the part of nonprofits.

We have tried to capture the highlights of both reports, but *Giving USA 2008* can be purchased at [Giving USA 2008](#), and the Campbell report, *Giving USA 2008, Key Findings*, can be accessed at [CampbellCompany.com](#).

New High in Philanthropy Set

For the first time charitable giving in 2007 broke through the \$300 billion mark, with a total of \$306.39 billion contributed by individuals, foundations, and corporations.

Individuals continue to contribute the lion's share of all donor dollars - more than \$229 billion for 74.8% of all donations. Adding to the individual total is another \$23 billion in bequests, bringing the total of individual giving in 2007 to \$252 billion plus or **82.3%** of the total.

Corporations accounted for more than \$15.6 billion (5.1%); and Foundations for \$38.5 billion (12.6%). Corporate giving does not include sponsorships. Historically, corporate giving has remained relatively stable since 1967 with increases per year in the 3.1 to 3.5%.

Overall, giving was up in 2007 by 3.9%, with all categories showing increases. Noteworthy is that bequests, after a steep decline in 2006, rose 6.9%; and foundation giving was up 10.3%.

Transfer of Wealth Beginning?

We have long talked about the huge transfer of wealth coming from the "Great Generation" and that may be happening. Bequests from 1967-1990 only rose 0.8%; while between 1991 and 2005, they rose 5.9%.

The growth in foundation giving may also attest to the growing pace of wealth transfer. Foundations (these are independent, community, and operating foundations, not corporate foundations) have increased in number, as well as in giving. The rate of growth in foundation giving increased less than one percent per year from 1967-1990 but 9.5% from 1991 to 2005.

Religion Still Largest Recipient of Funds

Religious organizations continue to receive the biggest share of donations accounting for 33.4% of the total giving. Here is the breakdown:

Religion, \$102.32 billion, 33.4%
Education, \$43.32 billion, 12.1%

Human services, \$29.64 billion, 9.7%
Health, \$23.15 billion, 7.6%
Public-Society benefit (United Way etc), \$22.65 billion, 7.4%
Arts, culture and humanities, \$13.67 billion, 4.5%
International affairs, \$13.22 billion, 4.3%
Environment and animals, \$6.96 billion, 2.3%
Foundations, \$27.73 billion, 9.1%
Unallocated giving, \$23.67, 7.7%

All sectors showed increases but the largest increase was in the area of International Affairs, which saw an increase of 16.1%. Researchers point out that this is a huge interest of young donors and organizations that address global needs are capturing a disproportionate number of this group.

Human Services showed a much needed increase of 8.4%. This sector declined from 1967 to 1990 but has had a growth rate of 8% per year since 1991. Sept 11 boosted the 2001 giving in this area, as did the natural disasters of 2005. Researchers say that this sector is one of the first to report increasing needs and slower growth in contributions when the national economy slows.

NPOs Continue to Proliferate

The number of 501(c)(3) organizations stands at an all-time high of 1,126,367. As recently as 1998, the number of these organizations stood at 733,790. The [Urban Institute](#) reports that the total number of nonprofits grew to over 1.4 million in 1998; and that the sector accounts for 5 percent of GDP, 8.1% of our economy's wages, and 9.7% of jobs.

The increasing numbers of nonprofits means that the philanthropic pie is cut into increasingly smaller portions as these groups vie for funds.

Turning Data Into Action

Campbell and Company consultants offer the following advice to nonprofits:

Use greatest technology available in broad-based fundraising to understand donor motivation.

Adapt to provide targeted outreach based on donor behavior and interests.

Leverage personal interaction toward those who demonstrate interest and capacity.

Effectively involve CEO and board with higher level donors.

Donors give for their reasons; don't forget.