

GIVING USA 2012

The Annual Report on Philanthropy
for the Year 2011



G

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USA™

Shared intelligence.
For the greater good.

A public service initiative of The Giving Institute

Researched and written at


The Center on Philanthropy
AT INDIANA UNIVERSITY
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GIVING USA™

2012

The Annual Report on Philanthropy for the Year 2011
57th Annual Issue

Researched and written at



Publisher

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A public service initiative
of The Giving Institute

Front Cover:

Installing electrical power at Sunflower Orphanage with foreign and local volunteers, including orphaned young men, in Huayllabamba, Cusco, Peru. Sunflower Orphanage was funded by Generations Humanitarian, a U.S.-based nonprofit located in Salt Lake City, Utah.

Photographer: Van Evans

Back Cover:

Irvington Charter School students in Indianapolis, Indiana volunteer to paint an urban mural.

Photographer: Cathie Carrigan

Giving USA is a public outreach initiative of Giving USA Foundation™. The Foundation, established in 1985 by what is now The Giving Institute™, endeavors to advance philanthropy through research and education.

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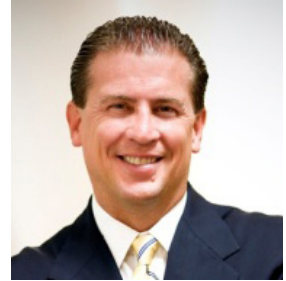
FOREWORD



James D. Yunker, Ed.D.
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Patrick M. Rooney, Ph.D.
Executive Director
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Just a cursory review of headlines on various news sites might lead one to think there are no positive stories to be told in our country. If you dig deeper, however, there is, in fact, good news to share. Total giving grew 4.0 percent in 2011. Entailed in that good news is the fact that individual Americans and our country's foundations and corporations continue to be generous during a time of slow economic growth.

The moderate overall increase in American charitable giving is very encouraging in light of the continued uncertainty of the U.S. economic environment experienced last year. Of particular note, our estimates for *Giving USA* suggest that despite the struggles many individuals faced during the Great Recession and since its official end in the summer of 2009—asset declines, unemployment, foreclosures, and more—their philanthropic spirit continues to be strong.

When you add together what is contributed to philanthropy through American households, bequests, and family founda-

tions, that piece of the total \$298.42 billion estimated giving “pie” for 2011 comes to 88 percent. In 2011, giving by individuals increased 3.9 percent, and giving by bequest rose 12.2 percent.

These increases are encouraging signs of two things: that Americans are feeling better about their personal financial situations, as measured by several economic indices, thus allowing them to continue—and slightly increase—their donation levels; and, that they feel philanthropy remains a core value worthy of support.

While a cautious celebration might seem to be in order because 2011 saw the second year of growth in individual giving, heed must also be paid to the fact that, as this statement is written in June 2012, the American economy remains volatile on many fronts, and that could have an impact on giving going forward.

In addition, while these results show that charitable giving can survive even during the most challenging economic circumstances—especially giving by house-

holds—giving grew only very slightly after adjusting for inflation. In these terms, total giving grew 0.9 percent, while giving by individuals increased 0.8 percent. This suggests that while Americans gave a greater amount in 2011, the value these dollars held for charities was on par with the dollars they received in 2010. This presents a real challenge for charities, many of which continue to provide services and programming at the same level or higher than in the past.

The Great Recession's impact on charitable giving should not be minimized. The average rate of growth in charitable giving in 2010 and 2011 is the second slowest of any two-year period following all recessions since 1971. The exception was the two-year period following the recession of 2001, which followed on the heels of the most significant attack on American soil since 1941.

Nevertheless, our estimates for charitable giving for 2011 reveal that Americans remain committed to the causes that are important to them. Giving by type of recipient organization was up (in current dollars) in eight of the ten types of charities that *Giving USA* analyzes each year. Giving to organizations that were particularly affected in the heart of the recession in 2008 held steady in 2011, including giving to those in the arts, education, and public-society benefit subsectors. Increases in giving to these types of organizations suggest that donors are increasingly willing to support causes beyond those that fulfill immediate needs. This is reflected in the more moderate increase in giving to human services in 2011, at 2.5 percent, compared with the increase of 9.7 percent realized in 2010.

Giving USA Foundation™ and the organization that founded it, The Giving Institute, have been about the work of

documenting America's charitable donations for quite a long time—57 years and counting—so the picture we have been able to paint through exhaustive research over the decades reveals both truisms and surprises. One truism, as outlined above, is the importance of individual giving. Surprises include the fast growth of giving to international affairs over the last decade, thanks to both an explosion in the number of charities serving this arena and an increasing cognizance among Americans about needs beyond our borders.

Giving USA is our nation's longest-running fact book on the state of American philanthropy, and leaders at charities across the country should comb through the report so that the facts within can be used to bolster their case for support. In other words, consider us your partner in reaching your philanthropic goals.

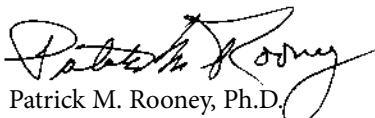
In addition to facts, though, it is important that charities also continue to make clear the needs they are addressing, how donations are being wisely used and accounted for, and the successful outcomes that are being achieved because of those donations.



James D. Yunker, Ed.D.
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1

KEY FINDINGS

Total estimated charitable giving in the United States increased 4.0 percent in 2011 from 2010 to \$298.42 billion in contributions (0.9 percent adjusted for inflation). This increase reflects similar growth in giving by individuals and a strong year for giving by bequest.



Giving by individuals rose an estimated 3.9 percent in 2011 (an increase of 0.8 percent adjusted for inflation) to \$217.79 billion in contributions. The willingness of individuals to give to charity is associated with their financial circumstances. While most individuals continue to give in hard economic times, many will decrease their giving and some will stop giving altogether. Various economic indicators point to the increased confidence that individuals had in their financial future in 2011, providing explanation for the boost in giving by individuals.



Giving by bequest increased an estimated 12.2 percent (an 8.8 percent increase adjusted for inflation) to \$24.41 billion in 2011. The share of giving by bequest from itemizing estates was 85 percent of the total.



Giving by foundations increased 1.8 percent to an estimated \$41.67 billion in 2011, according to figures provided by the Foundation Center. However, adjusted for inflation, giving by foundations declined 1.3 percent in 2011.¹



Giving by corporations is estimated to have held steady in 2011 compared with 2010, totaling \$14.55 billion (a 0.1 percent decline in current dollars, or a decline of 3.1 percent adjusted for inflation). This estimate includes giving by corporations and corporate foundations.



Giving to religion decreased an estimated 1.7 percent from 2010, totaling \$95.88 billion in 2011. Inflation-adjusted giving to the religion subsector is estimated to have declined 4.7 percent from 2010. Reports from various research institutions analyzing giving to religious organizations reveal downward trends in giving, particularly among certain Christian denominations.



Giving to education is estimated to have increased 4.0 percent between 2010 and 2011 to \$38.87 billion in contributions. Adjusted for inflation, giving to educational organizations was flat at a 0.9 percent increase. Contributing to this increase was strong growth in giving to higher educational institutions in the 2010-11 fiscal year.²



Giving to foundations is estimated to have declined by 6.1 percent in 2011 to \$25.83 billion in contributions. Adjusted for inflation, giving to foundations is estimated to have declined by 8.9 percent.



Giving to human services rose an estimated 2.5 percent in 2011 compared with 2010, totaling \$35.39 billion. Adjusted for inflation, giving to human services organizations is estimated to have held flat between 2010 and 2011 (a -0.6 percent change). Nevertheless, inflation-adjusted giving to these organizations is the third-highest amount ever recorded (behind 2008 and 2010).



Giving to health organizations is estimated to have increased 2.7 percent in 2011 from 2010 (-0.4 percent adjusted for inflation), with \$24.75 billion in total contributions. The 2011 Million Dollar List reports an 80 percent increase in the amount of announced million-dollar-and-up gifts given by individuals to the health subsector in 2011 compared with 2010.³



Giving to public-society benefit organizations increased by an estimated 4.0 percent in 2011 to \$21.37 billion from 2010. Adjusted for inflation, giving to public-society benefit organizations held flat at 0.9 percent growth between 2010 and 2011. Free-standing donor-advised funds are included in the estimate for this subsector. The three largest donor-advised fund administrators—Fidelity Charitable Gift Fund, Schwab Charitable Fund, and Vanguard Charitable Endowment Program—realized average growth in received contributions of 77 percent between 2010 and 2011.⁴

4.1%

Giving to arts, culture, and humanities is estimated to have increased 4.1 percent in 2011 from 2010, with \$13.12 billion in total contributions. Adjusted for inflation, giving to the arts, culture, and humanities subsector is estimated to have increased 1.0 percent. Bolstering giving to the arts subsector was an \$800 million cash gift to Crystal Bridges Museum of American Art in Arkansas from the Walton Family Foundation. This was the largest cash donation ever recorded to an art museum in the United States.⁵

7.6%

Giving to international affairs is estimated to be \$22.68 billion in 2011, an increase of 7.6 percent from 2010. Adjusted for inflation, giving to international affairs organizations is estimated to have risen 4.4 percent in 2011 from 2010. Donations to the international affairs subsector amounted to 8 percent of all donations across the subsectors in 2011, three percentage points higher than reported in *Giving USA 2011*.

4.6%

Giving to environmental and animal organizations is estimated to have increased 4.6 percent from 2010 to \$7.81 billion in total contributions. Adjusted for inflation, donations to the environment/animals subsector are estimated to have increased 1.4 percent from 2010. Million-dollar-and-up gifts to support continued clean-up efforts for the 2010 oil spill in the Gulf of Mexico boosted giving to this subsector in 2011.

9.0%

Giving to individuals is estimated to have increased 9.0 percent from 2010 to \$3.75 billion. The bulk of these donations are in-kind gifts of medications to patients in need made through the Patient Assistance Programs (PAPs) of pharmaceutical companies' operating foundations.

Unallocated giving totaled \$8.97 billion in 2011. This amount includes itemized deductions by individuals (and households) carried over from previous years, which is the difference in 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). Unallocated giving also includes gifts to government entities, which do not report charitable contributions at the national level; gifts made to entities in other countries by foundations; and gifts made to new organizations that have not yet been classified. In addition, when a donor forms a charitable trust and takes a deduction, but does not tell the recipient organization, there is an unallocated amount.

- 1 Data were provided directly by the Foundation Center and are available in *Foundation Growth and Giving Estimates: Current Outlook*, 2012 Edition, Foundation Center, May 2012, www.foundationcenter.org.
- 2 “2012 Voluntary Support for Education Survey,” (VSE), Council for Aid to Education, 2012, www.cae.org.
- 3 The 2011 Million Dollar List, accessed March 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more.
- 4 “Fidelity Charitable Reports Record-Breaking Year in Both Grants to Nonprofits and New Charitable Contributions,” Fidelity Charitable Gift Fund, January 24, 2012, www.fidelitycharitable.org; “Schwab Charitable Sees Increased Level of Giving and Granting,” Schwab Charitable Fund, December 14, 2011, www.schwabcharitable.org; “Vanguard Charitable Reports Record Contributions and Rise in Corporate and Private Foundation Participation for Calendar Year 2011,” Vanguard Charitable Endowment Program, January 25, 2012, www.vanguardcharitable.org.
- 5 Same as note 3.

ACKNOWLEDGMENTS

Giving USA: The Annual Report on Philanthropy is the seminal publication reporting on the sources and uses of charitable giving in the United States. For 57 years, fundraisers, non-profit leaders, donors and volunteers, scholars, and other individuals who work in or with the charitable sector have counted on *Giving USA* to provide the most comprehensive charitable giving data available. No other source provides the context for annual giving like *Giving USA*.

Giving USA's long history is the result of its time-tested adherence to using the most rigorous methodologies available for estimating total charitable giving in the U.S. each year. This includes incorporating the most up-to-date data and methodological approaches available within the estimating procedures it uses. This work would not be possible without the valued members of *Giving USA's* Advisory Council on Methodology (ACM), which is constructively chaired by Peter Fissinger.

In addition to the activities of the ACM, the work of *Giving USA* would not be feasible without the beneficial input of the various *Giving USA* committees comprised of individuals from The Giving Institute firms. These committees include Resource Development (RDC), Marketing, and the Editorial Review Board (ERB). I thank Aggie Sweeney, Chair of the RDC, Richard Dunham and Rachel Hutchisson of the Marketing Committee, and Kim Hawkins, Chair of the ERB, for providing helpful and important guidance for successful completion of this year's edition. This includes the launch of a new reports website and a new look for *Giving USA*!

I especially acknowledge James Yunker, Chair of Giving USA Foundation™, and Thomas Mesaros, Chair of The Giving Institute, for their leadership and commitment to the work of *Giving USA* during this past year. In addition, I

thank Geoffrey Brown, Executive Director at The Giving Institute and Giving USA Foundation™, for always being timely and helpful.

Researching, writing, and producing *Giving USA* is truly a team effort. With especial gratitude, I thank the following people for their tireless efforts in producing this year's edition: Amir Hayat and John DeWolf for their statistical expertise; Coco Kou, Liz Farris, Zach Patterson, and Traci Wilmoth for their meticulous editing and proofreading skills; Laura Small for her multifaceted design talents and expeditious assistance with production; Adriene Davis Kalugyer for her steadfast guidance on media and communications; and Van Evans for his help on website development, production, and research. In addition, I give an enthusiastic "Thank You!" to the volunteer authors of this year's chapters, most of whom are graduates of the philanthropic studies and public affairs programs at Indiana University.

In addition, I thank all of my colleagues at the Center on Philanthropy who provided leadership, support, and guidance during my first year as Managing Editor. These individuals include, but are not exclusive to: Patrick Rooney, Executive Director, Una Osili, Director of Research, and Reema Bhakta, Assistant Director of Research.

On a personal note, and most importantly to me, I thank—with much love—my children, Jaden and Maya, for their understanding and patience with my long work days during "*Giving USA* season."

Sincerely,

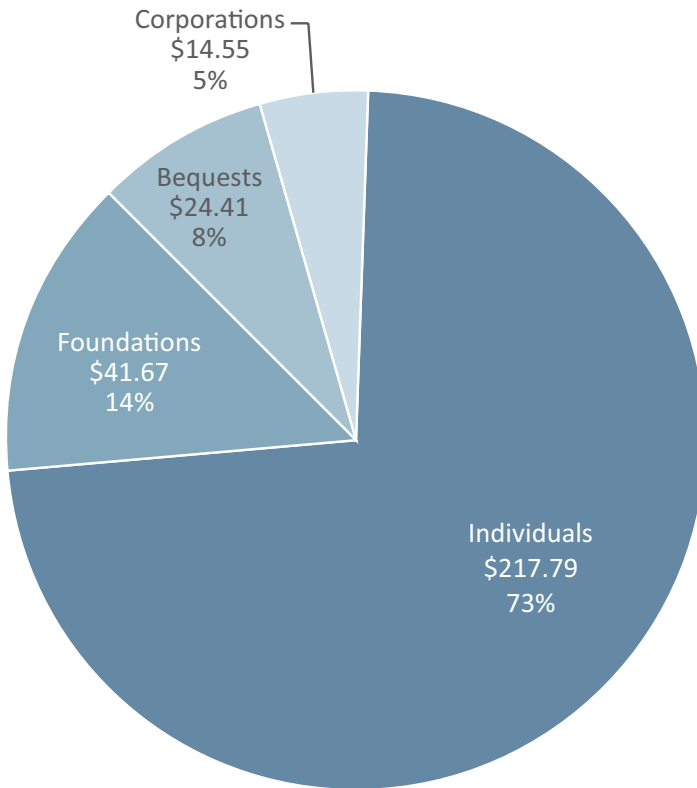


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GIVING USA: THE NUMBERS

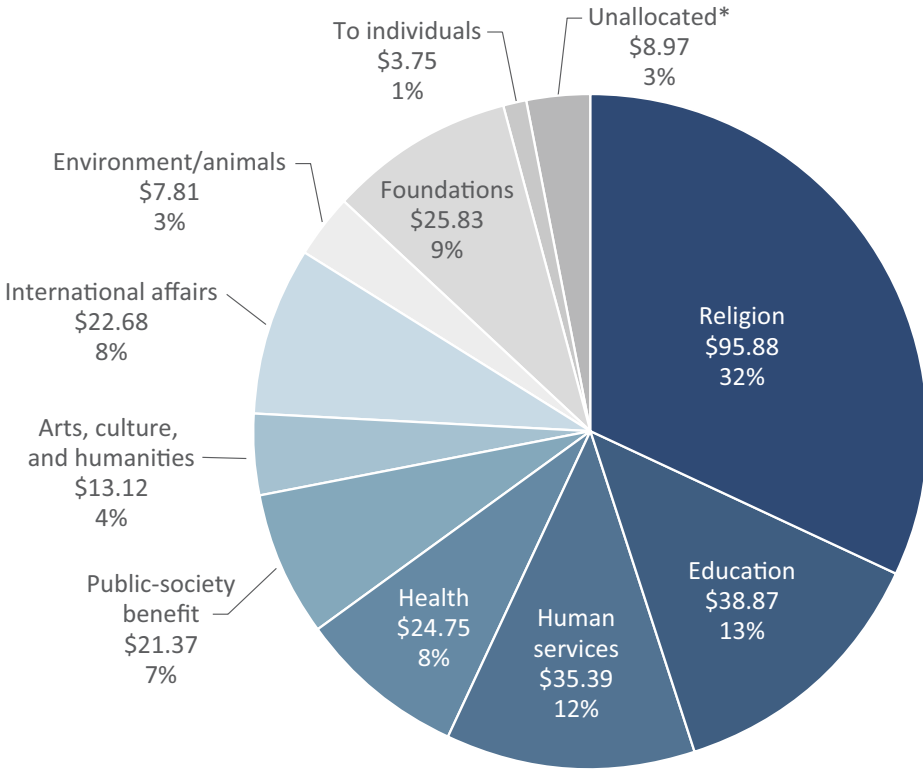
2011 contributions: \$298.42 billion by source of contributions
(in billions of dollars – all figures are rounded)



2011 contributions: \$298.42 billion by source of contributions

- Giving by individuals—which includes estimated amounts for charitable deductions claimed on tax returns filed for 2011 and charitable giving by individuals who did not itemize deductions—comprised 73 percent of all gifts given in 2011. This is the same proportion of giving as in 2010, according to *Giving USA's* revised estimates.¹
- Foundation grantmaking by independent, community, and operating foundations amounted to 14 percent of all gifts given in 2011. This is the same proportion of giving as in 2010, according to *Giving USA's* revised estimates. Grantmaking by family foundations, which is about 59 percent of independent foundation grantmaking, accounted for 7 percent of total giving in 2011.²
- Giving by charitable bequest—which includes an estimate for charitable bequests claimed on estate taxes and an estimate for those estates that do not file with the IRS—accounted for 8 percent of all gifts given in 2011. This is the same proportion of giving as in 2010, according to *Giving USA's* revised estimates.
- Giving by individuals, bequest, and family foundations amounted to 88 percent of total giving in 2011. This figure is one percentage point higher than in 2010, according to *Giving USA's* revised estimates.
- Giving by corporations comprised 5 percent of total giving in 2011. This is the same proportion of giving as in 2010, according to *Giving USA's* revised estimates.

2011 contributions: \$298.42 billion by type of recipient organization (in billions of dollars – all figures are rounded)



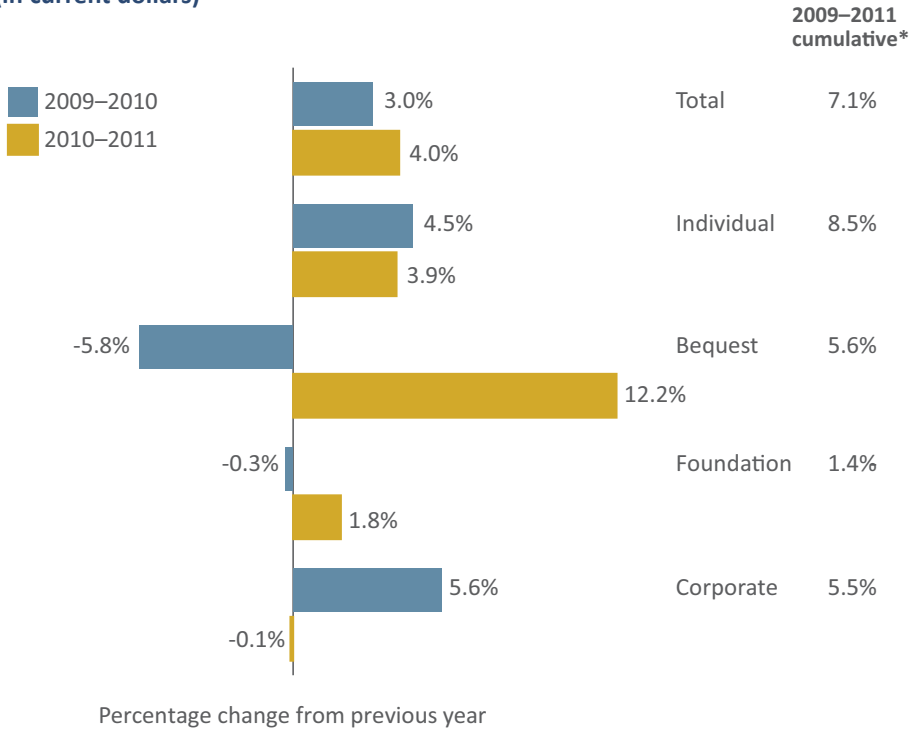
Includes rounding to get to 100%

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

2011 contributions: \$298.42 billion by type of recipient organization

- Every year, the religion subsector receives the largest share of charitable dollars. In 2011, religious organizations received an estimated 32 percent of the total. However, this was a two-percent decline from revised estimates for giving to religion in 2010.³
- The education subsector received the second-largest share of charitable dollars in 2011, with an estimated 13 percent of the total. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.
- The human services subsector received the third-largest proportion of charitable dollars in 2011, with an estimated 12 percent of the total. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.
- Charitable gifts to independent, community, and operating grantmaking foundations accounted for the fourth-largest share of charitable dollars in 2011, with an estimated 9 percent of the total. This is a one-percent drop from 2010, according to *Giving USA's* revised estimates.
- The health subsector was tied with the international affairs subsector for the fifth-largest proportion of charitable dollars received in 2011, at 8 percent each. Health organizations received 9 percent more in charitable gifts than the international affairs subsector. In 2011, the health subsector received the same proportion of gifts as in 2010, but the international affairs subsector saw its proportion rise one percent from 2010, according to *Giving USA's* revised estimates.
- The public-society benefit subsector received the sixth-largest proportion of charitable dollars in 2011, with an estimated 7 percent of the total. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.
- The arts, culture, and humanities subsector received the seventh-largest proportion of charitable dollars in 2011, with an estimated 4 percent of the total. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.
- The environment/animals subsector received the eighth-largest proportion of charitable dollars in 2011, with an estimated 3 percent of the total. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.
- Individuals received an estimated one percent of total charitable dollars in 2011. This is the same proportion of gifts received as in 2010, according to *Giving USA's* revised estimates.

Changes in giving by source 2009–2010 and 2010–2011, and 2009–2011 cumulative (in current dollars)



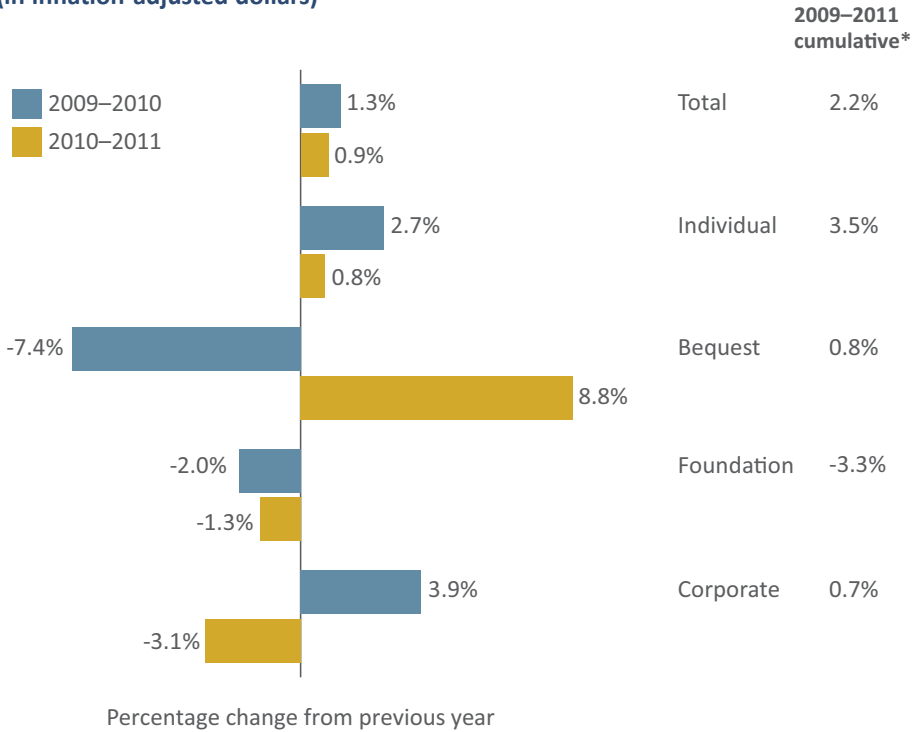
*The two-year change is calculated separately and is not the sum of the changes in the two years.

- Total charitable giving increased in current dollars by an estimated 4.0 percent between 2010 and 2011. Total contributions in 2010 were revised from figures reported in *Giving USA 2011* to show an increase of 3.0 percent from 2009. These changes reflect adjustments based on the receipt of final IRS data on charitable deductions for giving by bequest, individuals, and corporations, reported changes in the economic variables used in the *Giving USA* estimation models, and other factors.⁴
- The two-year estimated total change in charitable giving from 2009 to 2011 in current dollars is 7.1 percent.

Changes in giving by source 2009–2010 and 2010–2011, and 2009–2011 cumulative

- Giving by individuals in 2011 increased by an estimated 3.9 percent from 2010. This increase follows an increase of 4.5 percent between 2009 and 2010. The cumulative change from 2009 to 2011 is 8.5 percent.
- Giving by bequest in 2011 increased by an estimated 12.2 percent from 2010. This increase follows a decrease of 5.8 percent between 2009 and 2010. The cumulative change from 2009 to 2011 is 5.6 percent.
- Grantmaking by independent, community, and operating foundations in 2011 increased by an estimated 1.8 percent from 2010. This increase follows no change in giving between 2009 and 2010 (-0.3 percent). The cumulative change from 2009 to 2011 is 1.4 percent.
- Giving by corporations in 2011 saw no estimated increase or decrease in giving relative to 2010 (-0.1 percent). This follows an increase of 5.6 percent between 2009 and 2010. The cumulative change from 2009 to 2011 is 5.5 percent.

Changes in giving by source 2009–2010 and 2010–2011, and 2009–2011 cumulative (in inflation-adjusted dollars)



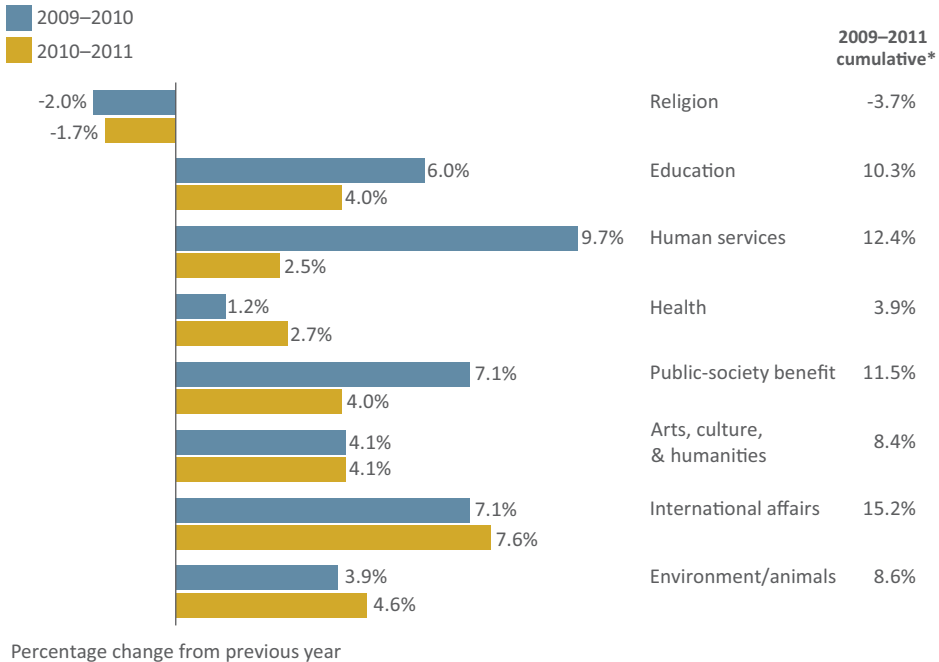
*The two-year change is calculated separately and is not the sum of the changes in the two years.

- Total charitable giving increased in inflation-adjusted dollars by an estimated 0.9 percent between 2010 and 2011. *Giving USA* considers a change in giving less than one percent “flat.”⁵ Total inflation-adjusted contributions in 2010 were revised from figures reported in *Giving USA* 2011 to show an increase of 1.3 percent from 2009. These changes reflect adjustments based on the receipt of final IRS data on charitable deductions for giving by estates, individuals, and corporations, reported changes in the economic variables used in the *Giving USA* estimation models, and other factors.⁶

Changes in giving by source 2009–2010 and 2010–2011, and 2009–2011 cumulative

- The two-year estimated total change in inflation-adjusted charitable giving from 2009 to 2011 is 2.2 percent.
- Inflation-adjusted giving by individuals in 2011 is estimated to have held flat between 2010 and 2011 (an increase of 0.8 percent). This change follows an increase of 2.7 percent between 2009 and 2010. The cumulative change in inflation-adjusted giving by individuals from 2009 to 2011 is 3.5 percent.
- Inflation-adjusted giving by bequest in 2011 increased by an estimated 8.8 percent from 2010. This increase follows a decrease of 7.4 percent between 2009 and 2010. The cumulative change in inflation-adjusted giving by bequest from 2009 to 2011 is 0.8 percent.
- Inflation-adjusted grantmaking by independent, community, and operating foundations in 2011 decreased by an estimated 1.3 percent from 2010. This decrease follows a decline of 2.0 percent between 2009 and 2010. The cumulative change in inflation-adjusted grantmaking by these types of foundations from 2009 to 2011 is a decline of 3.3 percent.
- Inflation-adjusted giving by corporations in 2011 decreased by an estimated 3.1 percent. This follows an increase of 3.9 percent between 2009 and 2010. The cumulative change in inflation-adjusted giving by corporations from 2009 to 2011 is 0.7 percent.

Changes in giving by type of recipient organization 2009–2010 and 2010–2011, and 2009–2011 cumulative (in current dollars)



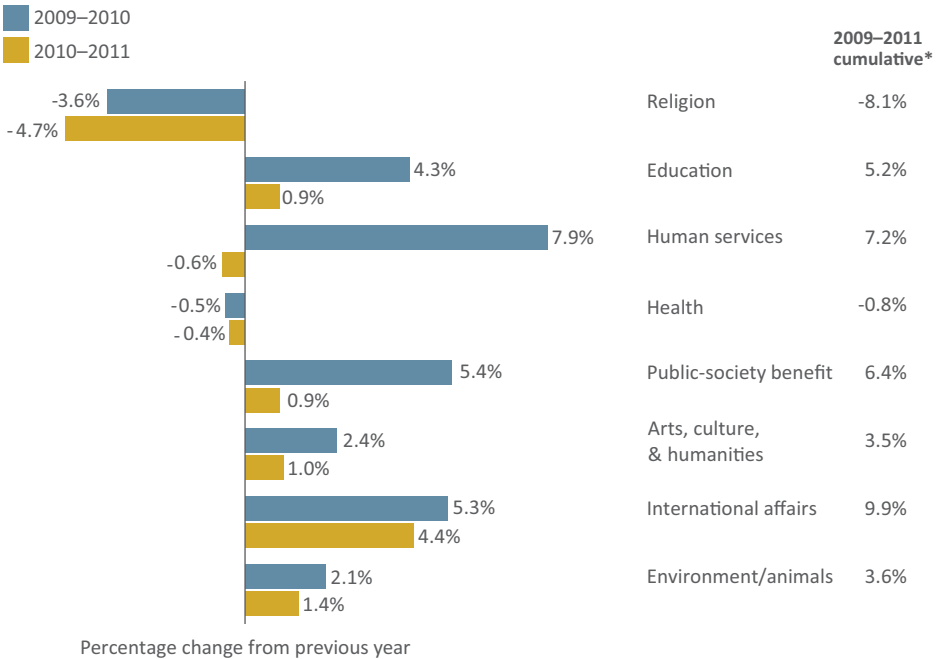
*The two-year change is calculated separately and is not the sum of the changes in the two years.
 Note: Giving to foundations is not included in this graph.

- Total charitable giving increased in current dollars by an estimated 4.0 percent between 2010 and 2011. Total contributions in 2010 were revised from figures reported in *Giving USA 2011* to show an increase of 3.0 percent from 2009. These changes reflect adjustments based on the receipt of final IRS Forms 990 data on charitable contributions made to recipient organizations, reported changes in the economic variables used in the *Giving USA* estimation models, and other factors.⁷
- Giving to the religion subsector decreased 1.7 percent between 2010 and 2011, according to revised *Giving USA* estimates. This change is compared with a decline of 2.0 percent between 2009 and 2010. The estimated two-year change in charitable giving to religion-related organizations between 2009 and 2011 is a decline of 3.7 percent—the only cumulative drop in giving seen across the subsectors for these two years.

Changes in giving by type of recipient organization 2009–2010 and 2010–2011, and 2009–2011 cumulative

- Giving to the education subsector increased an estimated 4.0 percent from 2010 to 2011. This follows an increase of 6.0 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to educational organizations between 2009 and 2011 is an increase of 10.3 percent.
- Giving to the human services subsector increased an estimated 2.5 percent from 2010 to 2011. This follows an increase of 9.7 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to human services organizations between 2009 and 2011 is an increase of 12.4 percent—the second-largest increase across the subsectors.
- Giving to the health subsector increased an estimated 2.7 percent from 2010 to 2011. This follows an increase of 1.2 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to health organizations between 2009 and 2011 is an increase of 3.9 percent—the smallest positive change across the subsectors.
- Giving to the public-society benefit subsector increased an estimated 4.0 percent from 2010 to 2011. This follows an increase of 7.1 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to public-society benefit organizations between 2009 and 2011 is an increase of 11.5 percent.
- Giving to the arts, culture, and humanities subsector increased an estimated 4.1 percent from 2010 to 2011, as well as from 2009 to 2010. The estimated two-year change in charitable contributions made to arts organizations between 2009 and 2011 is an increase of 8.4 percent.
- Giving to the international affairs subsector increased an estimated 7.6 percent from 2010 to 2011. This follows an increase of 7.1 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to international affairs organizations between 2009 and 2011 is an increase of 15.2 percent—the largest increase across the subsectors.
- Giving to the environment/animals subsector increased an estimated 4.6 percent from 2010 to 2011. This follows an increase of 3.9 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to environmental and animal organizations between 2009 and 2011 is an increase of 8.6 percent.

Changes in giving by type of recipient organization 2009–2010 and 2010–2011, and 2009–2011 cumulative (in inflation-adjusted dollars)



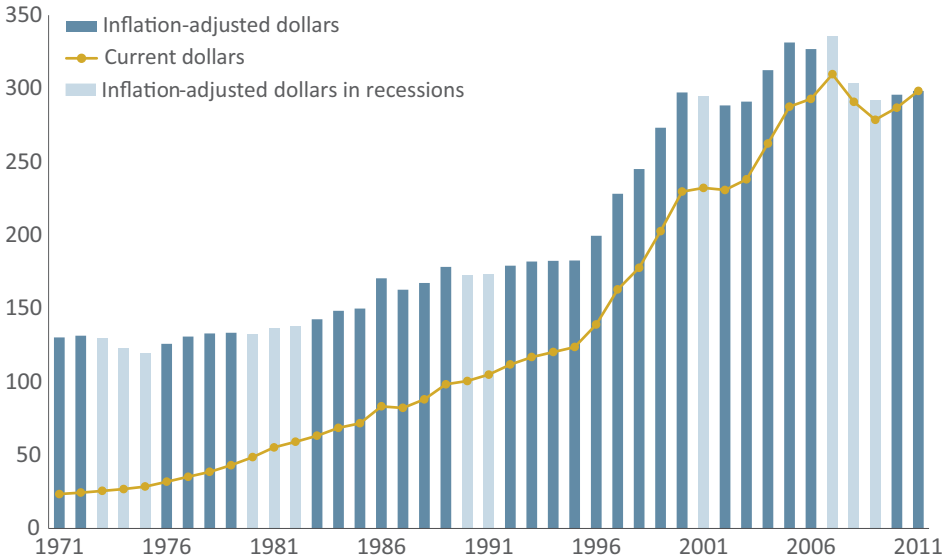
*The two-year change is calculated separately and is not the sum of the changes in the two years.
 Note: Giving to foundations is not included in this graph.

- Total charitable giving increased in inflation-adjusted dollars by an estimated 0.9 percent between 2010 and 2011. Total inflation-adjusted contributions in 2010 were revised from figures reported in *Giving USA 2011* to show an increase of 1.3 percent from 2009.⁸ These changes reflect adjustments based on the receipt of final IRS Forms 990 data on charitable contributions made to recipient organizations, reported changes in the economic variables used in the *Giving USA* estimation models, and other factors.⁹
- Inflation-adjusted giving to the religion subsector decreased 4.7 percent between 2010 and 2011, according to revised *Giving USA* estimates. This change is compared with a decline of 3.6 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable giving to religion-related organizations between 2009 and 2011 is a decline of 8.1 percent—the only cumulative drop in giving seen across the subsectors for these two years.

Changes in giving by type of recipient organization 2009–2010 and 2010–2011, and 2009–2011 cumulative

- Inflation-adjusted giving to the education subsector held flat from 2010 to 2011 at an increase of 0.9 percent. This follows an increase of 4.3 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable contributions made to educational organizations between 2009 and 2011 is an increase of 5.2 percent.
- Inflation-adjusted giving to the human services subsector was flat between 2010 and 2011 at a decline of 0.6 percent. This follows an increase of 7.9 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable contributions made to human services organizations between 2009 and 2011 is an increase of 7.2 percent—the second-largest increase across the subsectors.
- Inflation-adjusted giving to the health subsector held flat from 2010 to 2011 and from 2009 to 2010, at a decline of 0.4 percent and 0.5 percent, respectively. The estimated two-year change in inflation-adjusted charitable contributions made to health organizations between 2009 and 2011 was flat at a decline of 0.8 percent.
- Inflation-adjusted giving to the public-society benefit subsector was flat between 2010 and 2011 at an increase of 0.9 percent. This follows an increase of 5.4 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable contributions made to public-society benefit organizations between 2009 and 2011 is an increase of 6.4 percent.
- Inflation-adjusted giving to the arts, culture, and humanities subsector increased an estimated 1.0 percent from 2010 to 2011. This follows an increase of 2.4 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable contributions made to arts organizations between 2009 and 2011 is an increase of 3.5 percent.
- Inflation-adjusted giving to the international affairs subsector increased an estimated 4.4 percent from 2010 to 2011. This follows an increase of 5.3 percent between 2009 and 2010. The estimated two-year change in inflation-adjusted charitable contributions made to international affairs organizations between 2009 and 2011 is an increase of 9.9 percent—the largest increase across the subsectors.
- Inflation-adjusted giving to the environment/animals subsector increased an estimated 1.4 percent from 2010 to 2011. This follows an increase of 2.1 percent between 2009 and 2010. The estimated two-year change in charitable contributions made to environmental and animal organizations between 2009 and 2011 is an increase of 3.6 percent.

Total giving: 1971–2011 (in billions of dollars)



- Revised *Giving USA* estimates show that total charitable giving has increased in current dollars in every year since 1971, with the exception of three: 1987, 2008, and 2009. The average rate of change in total giving in current dollars since 1971 is 6.8 percent. Total giving has not reached that rate of change since 2005, when total giving rose 9.6 percent from 2004.
- In 2011, inflation-adjusted total giving is considered to be flat at a 0.9 percent increase. Since 1971, there were eight other instances when the year-to-year change in total giving was flat. These flat changes typically fell on or close to recessionary years.¹⁰
- Adjusted for inflation, total giving has declined nine times since 1971. These declines typically fell on or close to recessionary years. The average inflation-adjusted rate of change in total giving since 1971 is 2.3 percent. Total inflation-adjusted giving has not reached that rate of change since 2007, when total giving rose 2.8 percent from 2006.
- Since 1971, the *average* inflation-adjusted rate of change in total giving in the two years following each recession was 2.4 percent. For the years 2010 and 2011, the average inflation-adjusted rate of change in total giving was 1.1 percent, which is on the lower end of the rates of change for these years (-0.07 percent between 2002 and 2003, to 4.7 percent between 1976 and 1977).
- Between 2009 and 2011, the *total* two-year inflation-adjusted change in giving was 2.2 percent, which is on the lower end of total rates of change for the two year periods following each recession since 1971 (-1.4 percent from 2001 to 2003, to 9.5 percent from 1975 to 1977).

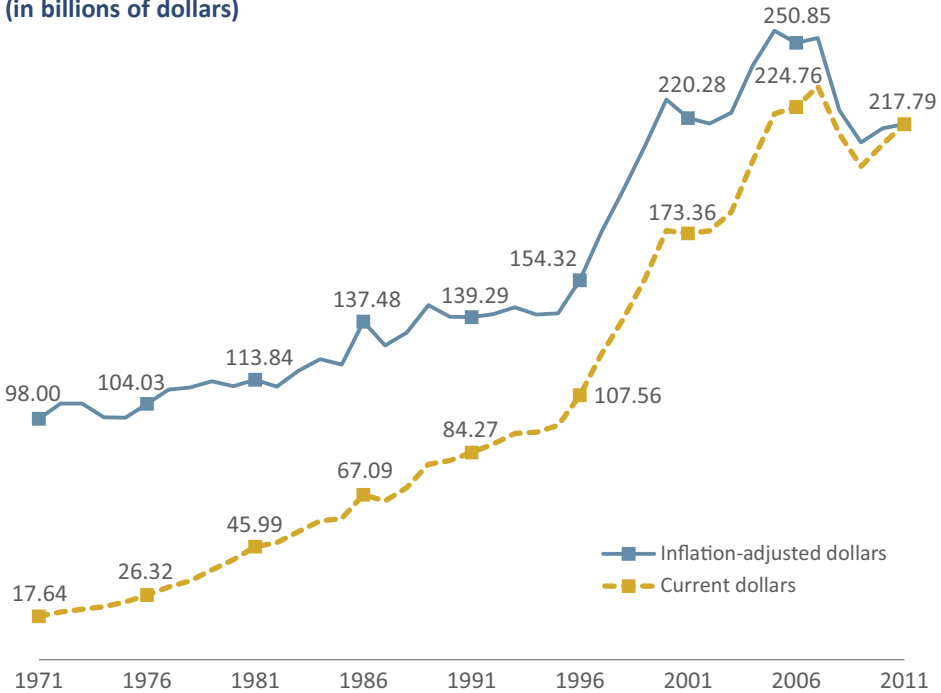


Edy, a boy who lives at the Sunflower Orphanage in Huayllabamba, in Cusco, Peru, tries out a pogo stick donated by students from The State University of New York (SUNY). Sunflower Orphanage was funded by Generations Humanitarian, a U.S.-based nonprofit located in Salt Lake City, Utah.

Pictured: Ciara Morse, a student at SUNY Oneonta

Photographer: Van Evans

Giving by individuals, 1971–2011 (in billions of dollars)

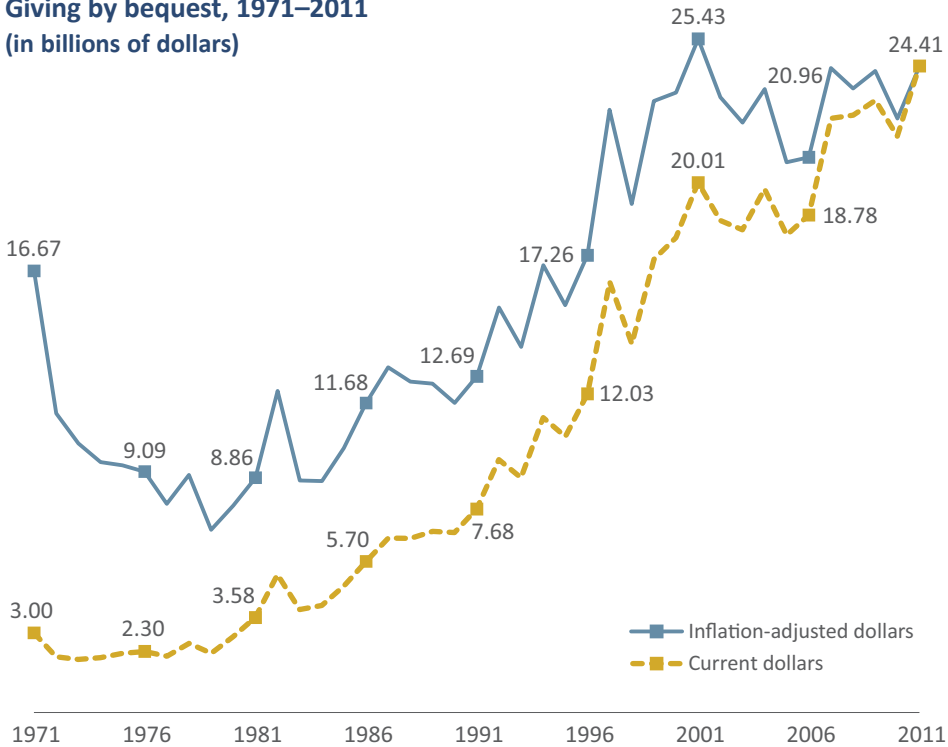


- Charitable giving by individuals is estimated to be \$217.79 billion in 2011, an increase of 3.9 percent from the revised estimate of \$209.64 billion for 2010 (in current dollars).
- Giving by individuals is closely linked with income and wealth, and the willingness of individuals to give to charity is also associated with financial security. While most individuals continue to give in hard economic times, many will decrease their giving and some will stop giving altogether. Various economic indicators point to the increased confidence that individuals had in their financial future in 2011, providing context for the increase in giving by individuals.
 - Consumer confidence rose 3.6 percent from the end of 2010 through the end of the 2011. This is compared with a zero percent change in consumer confidence over the same time period between 2009 and 2010.¹¹
 - The unemployment rate fell 9.6 percent between year-end 2010 and year-end 2011. This is compared with a 5.1 percent decline between the same period 2009 to 2010, and an increase of 35.6 percent from 2008 to 2009.¹²

Giving by individuals, 1971–2011

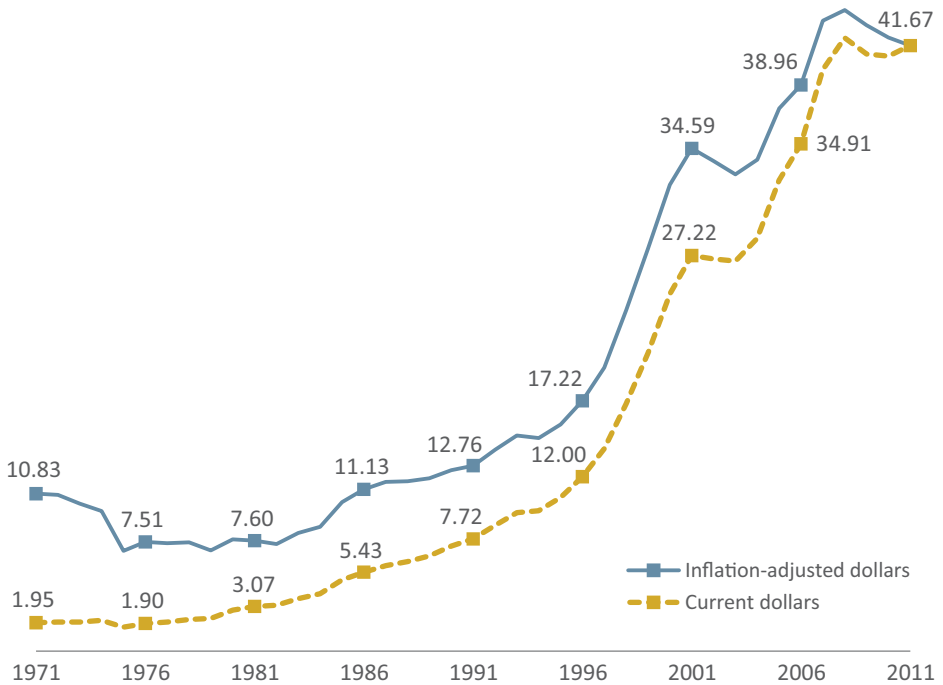
- In addition, when individuals experience financial security, they are more likely to support charities. Personal consumption expenditures rose 4.7 percent in 2011 from 2010. This is compared with an increase of 3.9 percent from 2009 to 2010 and a decline of 1.7 percent from 2008 to 2009.¹³
- The total estimated amount for charitable giving by individuals in 2011 includes an estimate for itemized charitable contributions and an estimate for non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.¹⁴
- Inflation-adjusted giving by individuals is estimated to be flat between 2010 and 2011, at an increase of 0.8 percent. Over the last four decades (1971–2011), average annual inflation-adjusted giving by individuals has grown at a slower rate than the average annual rate of inflation, at 2.2 percent and 4.4 percent, respectively.
- Giving by individuals, bequest, and family foundations is estimated to be \$261.70 billion in 2011, or 88 percent of total giving.

Giving by bequest, 1971–2011 (in billions of dollars)



- Giving by bequest increased an estimated 12.2 percent in 2011 from 2010, to \$24.41 billion (in current dollars).
- Adjusted for inflation, giving by bequest increased 8.8 percent in 2011 compared with 2010. Over the last four decades (1971–2011), average annual inflation-adjusted giving by bequest has grown at a slower rate than the average annual rate of inflation, at 2.9 percent and 4.4 percent, respectively.
- *Giving USA* includes an estimate for charitable bequests claimed on estate taxes and an estimate for those estates that do not file with the IRS.¹⁵
- The share of bequest giving by itemizing estates amounted to \$20.68 billion in 2011, or 85 percent of the total bequest estimate. This amount includes two “mega-bequests” totaling \$2.63 billion.
- The estimate for giving by bequest for approximately 97,000 non-filing estates is \$3.73 billion in 2011. The average bequest amount for these estates is \$32,734, which is \$5,880 higher than the 2010 estimated average.
- It is estimated that about half of all bequests are given to foundations. The balance is divided among all other types of charities. Assuming this pattern continues to hold true, an estimated \$12.21 billion was bequeathed to charities other than foundations in 2011.

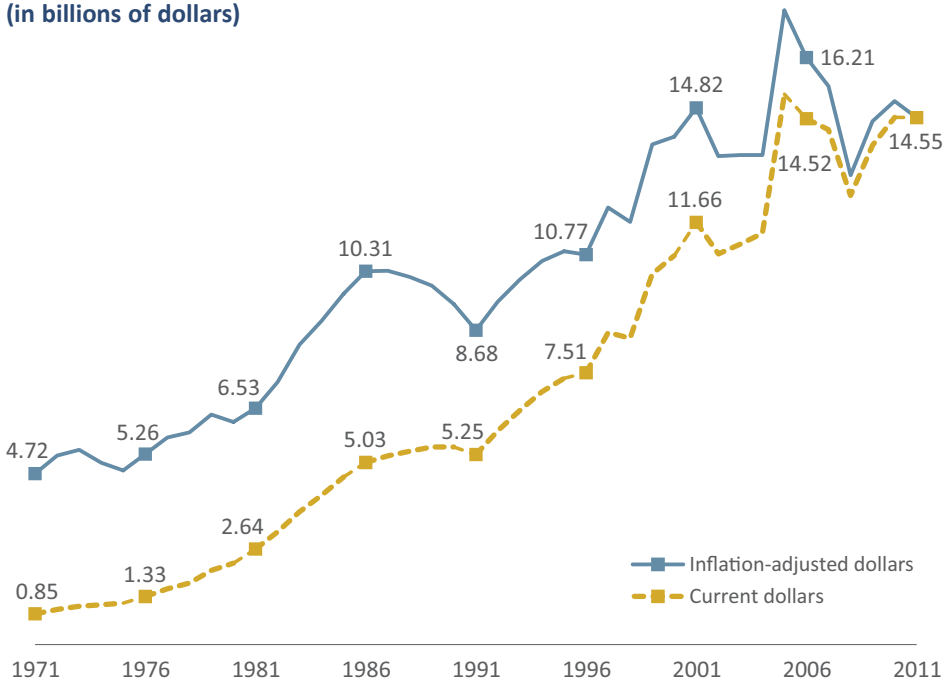
Giving by foundations, 1971–2011 (in billions of dollars)



Source: Foundation Center. Excludes giving by corporate foundations, which is in giving by corporations estimate.

- Grantmaking by independent, community, and operating foundations increased 1.8 percent from 2010 to an estimated \$41.67 billion in 2011, according to figures provided by the Foundation Center.¹⁶
- Giving by operating foundations realized growth of 2.4 percent in 2011, while giving by independent foundations rose 1.9 percent. Giving by community foundations was flat between 2010 and 2011 at a 0.1 percent decline.
- On average, each year, giving by family foundations is estimated to be about 59 percent of giving by independent foundations.¹⁷ For 2011, this amount is \$19.5 billion, or 47 percent of total giving by all foundations included in this estimate.
- Adjusted for inflation, giving by foundations declined 1.3 percent in 2011. Over the last four decades (1971–2011), average annual inflation-adjusted giving by foundations has grown at a slower rate than the average annual rate of inflation, at 3.7 percent and 4.4 percent, respectively.

Giving by corporations, 1971–2011 (in billions of dollars)

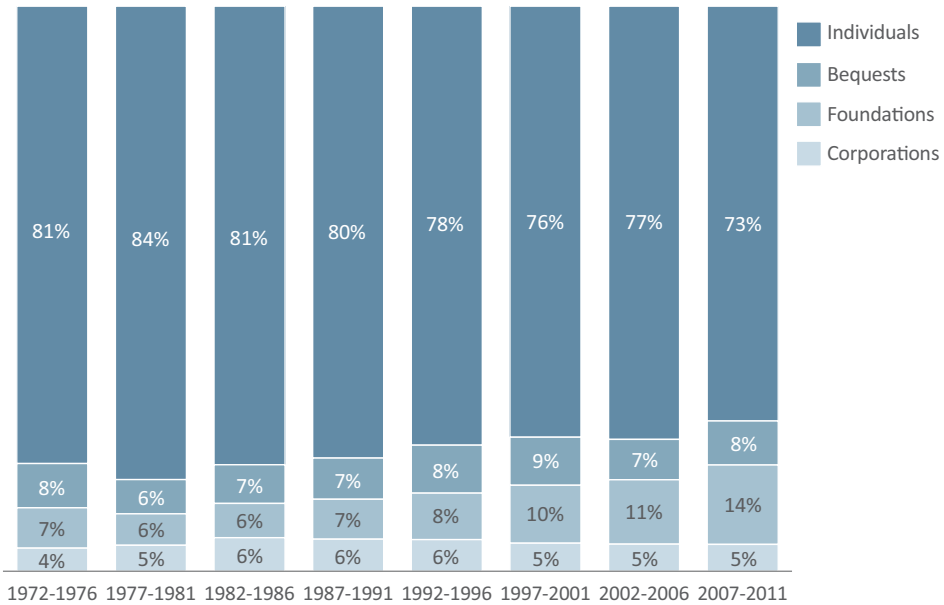


- Giving by corporations is estimated to have held steady in 2011 compared with 2010, totaling \$14.55 billion (a 0.1 percent decline). Corporate giving includes gifts of cash and in-kind gifts made through corporate giving programs, as well as grants and gifts made by corporate foundations.
- Adjusted for inflation, giving by corporations is estimated to have declined 3.1 percent in 2011. Over the last four decades (1971–2011), average annual inflation-adjusted giving by corporations has increased at a slower rate than the average annual rate of inflation, at 3.1 percent and 4.4 percent, respectively.
- Corporate foundation grantmaking is estimated to have grown 6 percent in 2011, with \$5.2 billion in contributions. However, for the 2011 *Giving USA* estimate, \$5.15 billion was subtracted from the amount for corporations' gifts to their own foundations.¹⁸

Giving by corporations, 1971–2011

- Giving by corporations is directly linked with companies' profits and the economic environment in which corporations operate. In 2011, the Gross Domestic Product (GDP) increased 3.91 percent year over year compared with 2010. This is compared with an increase of 4.21 percent between 2009 and 2010. More noteworthy is the change in corporate pre-tax profits between 2010 and 2011—a modest increase of 4.2 percent. This is compared with an increase of 25 percent between 2009 and 2010.¹⁹
- The Committee Encouraging Corporate Philanthropy (CECP) reported that among respondents to its 2012 Corporate Giving Standard survey, 57 percent of 166 leading global companies reported higher total giving in 2011 than in 2010. A small set of companies that gave a combined total of \$1.2 billion more in 2011 than in 2010—predominately in the form of product donations—can be attributed to this increase. If this subset of companies were removed from CECP's analysis, aggregate giving by the remaining companies would have been flat between 2010 and 2011.²⁰

Giving by source: Percentage of the total in five-year spans, 1972–2011 (in inflation-adjusted dollars)

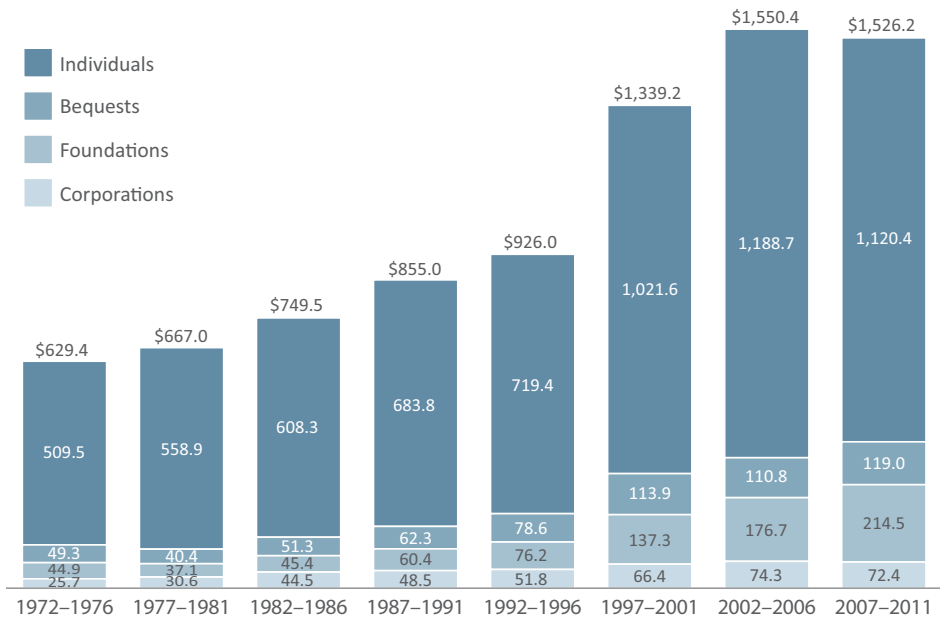


- When divided by the share of inflation-adjusted giving by source, total giving by corporations and bequests have remained consistent over the last four decades. Giving by corporations has comprised between 4 percent and 6 percent of the total over this period, while giving by bequest has comprised between 6 percent and 9 percent of the total.
- The share of inflation-adjusted giving by foundations has been on the rise since the mid-1980s, jumping 7 percentage points between the five-year period ending in 1991 and the five-year period ending in 2011.
- The share of inflation-adjusted giving by individuals has declined between the five-year period ending in 2006 and the five-year period ending in 2011, dropping from 77 percent of the total to 73 percent of the total. Since the five-year period ending in 1981, the share of giving by individuals has dropped 11 percentage points.
- Grantmaking by family foundations has been on the rise for years. Between 2004 and 2009, inflation-adjusted giving by family foundations increased 63 percent.²¹ In this way, grants from family foundations may also be considered a form of giving by individuals, and the decline of the share of giving by individuals may be due, in part, to the rise of giving by family foundations. Many wealthy donors choose to establish family foundations rather than give gifts directly during their lifetime or via bequest upon their death.



Residents partner with Keep Indianapolis Beautiful in Indianapolis, Indiana for neighborhood tree planting.
Photographer: Cathie Carrigan

Total giving by source in five-year spans, 1972–2011 (in billions of inflation-adjusted dollars)

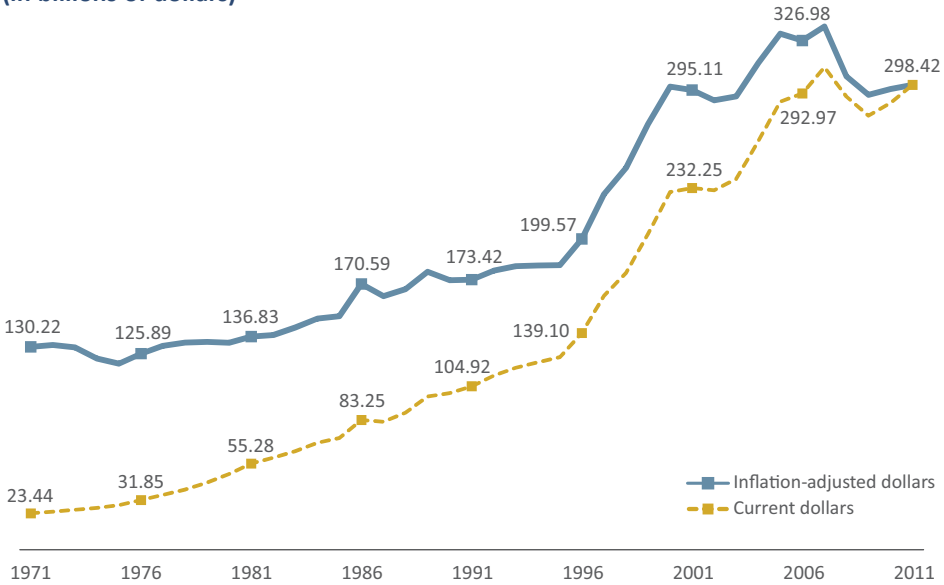


- Total inflation-adjusted giving increased slowly from the five-year period ending in 1976 through the five-year period ending in 1996, with an average rate of change between each five-year period of 10.2 percent. However, giving rose sharply between the five-year periods beginning in 1992 and 1997, with a positive change of 44.6 percent, and again between the periods beginning 1997 and 2002, with a positive change of 15.8 percent.
- Despite the earlier increases in inflation-adjusted total giving, contributions began to level off between the five-year periods beginning in 2002 and 2007, with a decline of 1.6 percent.
- Inflation-adjusted giving by individuals saw the largest period of growth between the five-year periods beginning in 1992 and 1997, with a 42 percent increase. Giving by individuals realized the largest decline in giving between the five-year periods beginning in 2002 and 2007, with a 5.8 percent decline in giving.
- Inflation-adjusted giving by bequest saw the largest period of growth between the five-year periods beginning in 1992 and 1997, with a 44.9 percent increase. Giving by bequest realized the largest decline in giving between the five-year periods beginning in 1972 and 1977, with an 18 percent decline in giving.

Total giving by source in five-year spans, 1972–2011

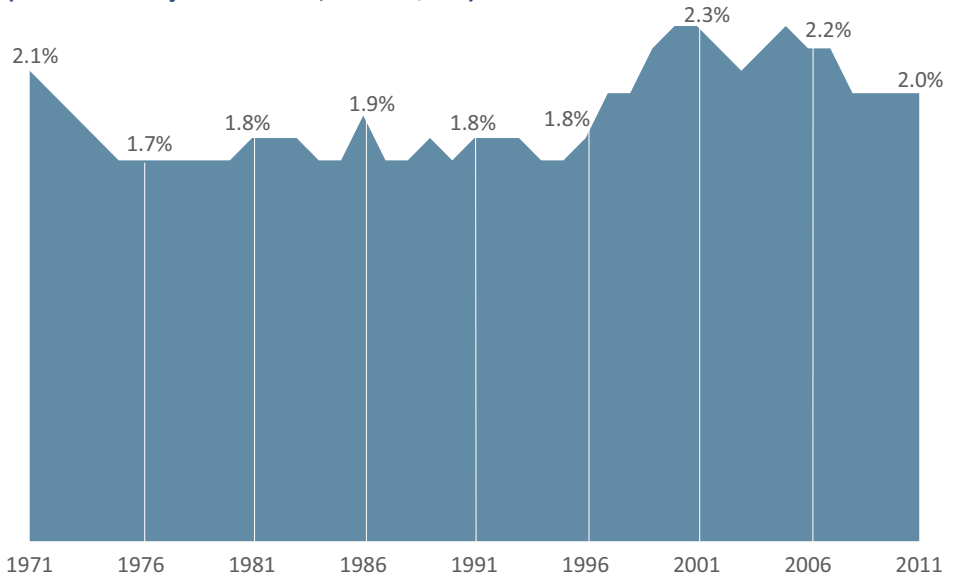
- Inflation-adjusted giving by foundations saw the largest period of growth between the five-year periods beginning in 1992 and 1997, with an 80.3 percent increase. Giving by foundations realized the largest decline in giving between the five-year periods beginning in 1972 and 1977, with a 17.4 percent decline in giving.
- Inflation-adjusted giving by corporations saw the largest period of growth between the five-year periods beginning in 1977 and 1982, with a 45.3 percent increase. Giving by corporations realized the largest decline in giving between the five-year periods beginning in 2002 and 2007, with a 2.5 percent decline in giving.

Trends in total giving: 1971–2011 (in billions of dollars)



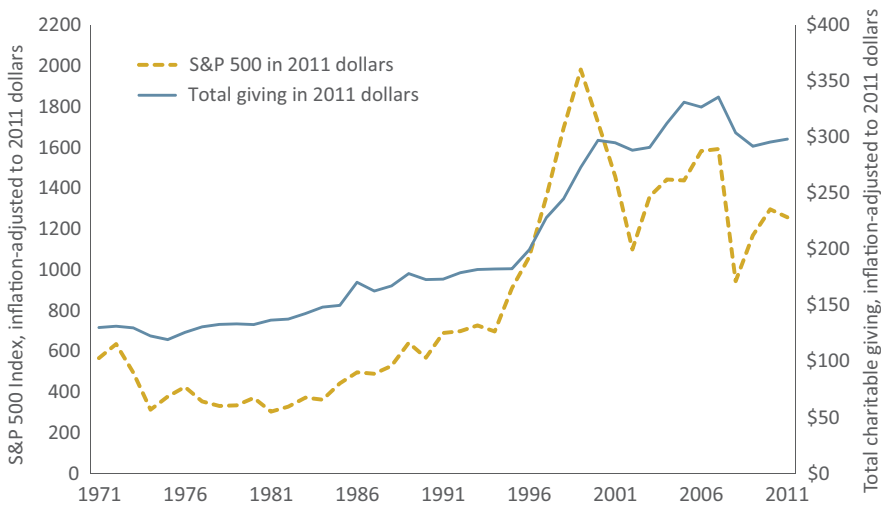
- Total charitable giving reached an estimated \$298.42 billion in 2011, increasing by \$11.51 billion, in current dollars, from the revised current-dollar estimate of \$286.91 billion in 2010. The average year-to-year change in giving by amount between 1971 and 2011 is an increase of \$6.87 billion (in current dollars), making the current-dollar change in total giving between 2010 and 2011 higher than average.
- Because \$100.00 in 2011 was worth \$97.00 in 2010, the inflation-adjusted rise in the amount of giving between 2010 and 2011 is less, at \$2.64 billion. The average year-to-year inflation-adjusted change in giving by amount between 1971 and 2011 is an increase of \$4.21 billion, making the inflation-adjusted dollar change in total giving between 2010 and 2011 lower than average.
- Since 1972, total giving in current dollars grew the most in the 10-year period between 1982 and 1991, with 145.7 percent growth. The slowest 10-year period of growth for total current-dollar giving was between 2002 and 2011, at 71.7 percent.
- Since 1972, total charitable giving, in inflation-adjusted dollars, grew the most in the 10-year period between 1992 and 2001, at 41.2 percent. The slowest 10-year period of growth for total inflation-adjusted giving was between 1972 and 1981, at 16.4 percent.

Total giving as a percentage of Gross Domestic Product, 1971–2011 (in inflation-adjusted dollars, 2011 = \$100)



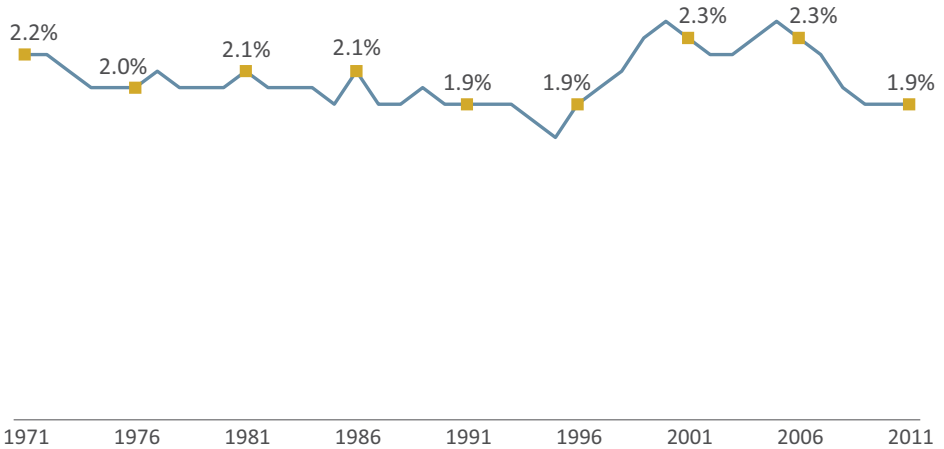
- Several economic factors influence how much donors give to charity. Gross Domestic Product (GDP) is one of those economic factors and is defined as the market value of all goods and services produced within a country's borders within a specific period of time. It is one of the most important factors considered in measuring the status of a nation's economic health.²²
- Inflation-adjusted GDP increased 0.8 percent from calendar year 2010 to calendar year 2011. This rate of change is compared with inflation-adjusted growth in total giving of 0.9 percent. Total giving as a percentage of GDP in 2011 was 2.0 percent.²³
- Between 2009 and 2010, inflation-adjusted GDP increased 2.5 percent. This rate of change is compared with inflation-adjusted growth in total giving of 1.3 percent between those years. Total giving as a percentage of GDP in 2010 was 2.0 percent.
- From 1956 through 1972, total charitable giving was consistently at or above 2.0 percent of GDP. However, this percentage fell beginning in the period between 1972 and 1996, but rose again beginning in 1997. Total giving as a percentage of GDP has been at or above 2.0 percent since that year.

Total charitable giving graphed with the Standard & Poor's 500 Index, 1971–2011



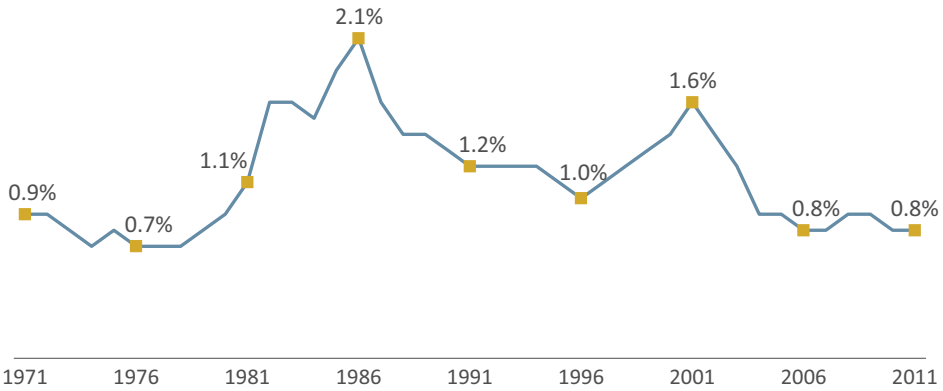
- Research has found a statistically significant correlation between changes in total giving and values on the Standard & Poor's 500 Index (S&P 500). Because stock market values are an indicator of financial and economic security, individuals are more likely to give when the stock market is up.
- High-net-worth households, in particular, are responsive to changes in the stock market in terms of their charitable behavior. These households usually hold at least a portion of their assets in stocks.²⁴
- The S&P 500 declined 3 percent in inflation-adjusted dollars (or inflation-adjusted dollars) between 2010 and 2011. This is compared with an increase of 10.9 percent between 2009 and 2010, and growth of 23.8 percent between 2008 and 2009.²⁵ The S&P 500 witnessed much larger increases and declines from year to year than total giving, and the direction of change for total giving usually lags the S&P 500 by one to two years.
- Between 1971 and 1996, total giving was consistently higher than the S&P 500. This changed around 1997, when the S&P 500 rose sharply until 1999, after which it dropped precipitously through 2002. Increases in total giving lagged behind the S&P 500 during the index's rise and leveled off during the index's fall. Notably, despite the sharp declines in the S&P 500 between 1999 and 2002 (a drop of 44.5 percent), total giving either stayed level or dropped only slightly. When the S&P 500 fell 40.7 percent between 2007 and 2008, total giving dropped only 9.5 percent.

Individual giving as a percentage of disposable personal income, 1971–2011 (in current dollars)



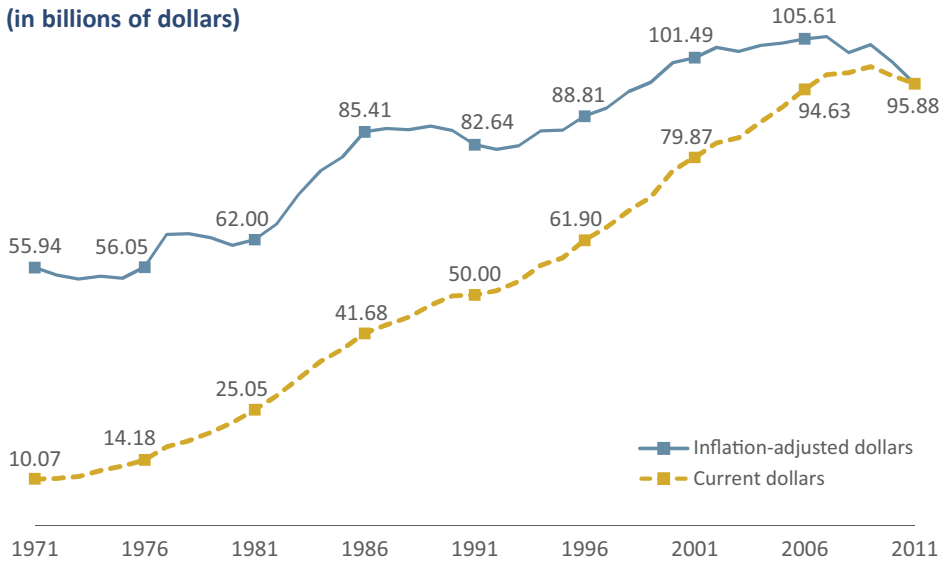
- Disposable personal income is tied to (total) personal income—a key determinant in how much an individual or household gives. The amount that an individual gives is largely contingent on his or her income. However, for many individuals, how much they give depends on their spendable income (that is, disposable income, which is not tied to current expenses). In 2011, the increase in disposable personal income (in inflation-adjusted dollars) from 2010 was lower compared with the previous year, while the increase in personal income remained at the same level as the previous year.
 - In 2011, disposable personal income rose 3.8 percent from 2010, or 0.7 percent in inflation-adjusted dollars. This is compared with a 3.6 percent increase between 2009 and 2010, or 1.9 percent in inflation-adjusted dollars. In 2011, personal income grew 5.1 percent from 2010, or 2.0 percent in inflation-adjusted dollars. This is compared with an increase of 3.7 percent between 2009 and 2010, or 2.0 percent in inflation-adjusted dollars.²⁶
- Individual giving as a percentage of disposable personal income (in current dollars) remained at 1.9 percent in 2011, the same as in 2009 and 2010. This figure is a decline from the high of 2.4 percent realized in 2005 and remains below the 2.0 percent threshold seen between 1971–1984 and 1997–2008.

Corporate giving as a percentage of corporate pre-tax profits, 1971–2011 (in inflation-adjusted dollars, 2011 = \$100)



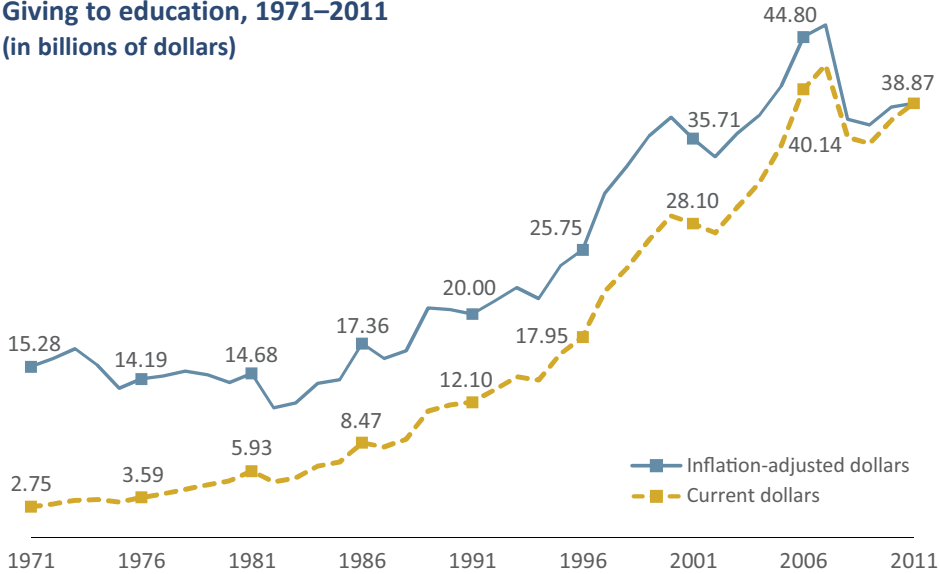
- Giving by corporations, which includes grants from corporate foundations, is estimated to be 0.77 percent of corporate pre-tax profits for 2011. This represents a decline of 0.03 percentage points from 2010 and is the lowest figure recorded since 1979 when it was 0.75 percent.²⁷
- Giving as a percentage of corporate pre-tax profits was at its highest point in 1986, when it was 2.05 percent, which was the only year this figure rose above 2.0 percent.
- The 1980s and 1990s were the most significant decades for corporate giving. Between 1981 and 2003, corporate giving as a percentage of corporate pre-tax profits stayed above 1.0 percent. However, beginning in 2004, this figure dropped to 0.92 percent and has stayed at or below 1.0 percent since.

Giving to religion, 1971–2011 (in billions of dollars)



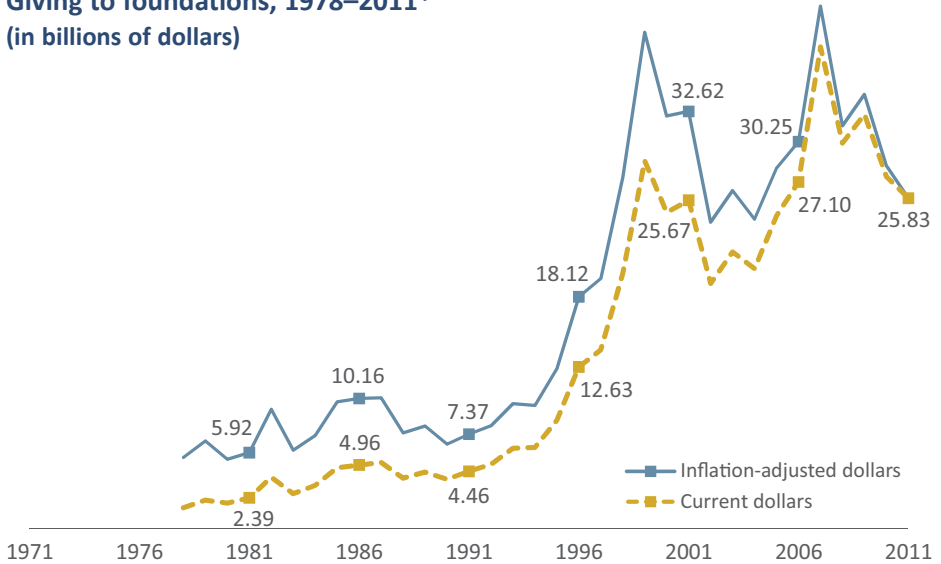
- Giving to religion decreased an estimated 1.7 percent from 2010, totaling \$95.88 billion in 2011. The religion subsector is one of only two subsectors that realized a decline in giving in 2011.
- Inflation-adjusted giving to the religion subsector is estimated to have declined 4.7 percent from 2010.
- Every year the religion subsector receives the largest share of total giving. In 2011, this share was 32 percent, three percentage points less than reported in *Giving USA 2011* about giving in 2010.
- Reports from various research institutions analyzing giving to religious organizations reveal downward trends in giving, particularly among certain Christian denominations. As revised *Giving USA* estimates reveal, giving to these organizations during the recent recession years was flat, but it has been declining since. These studies point to the changing economic environment, demographic factors, and declining church membership and attendance as contributing to the decline.²⁸
- Over the last four decades (1971–2011), inflation-adjusted giving to the religion subsector has increased at a slower rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 1.5 percent.

Giving to education, 1971–2011 (in billions of dollars)



- Charitable giving to educational organizations is estimated to have increased 4.0 percent between 2010 and 2011 to \$38.87 billion in total contributions.
- Adjusted for inflation, giving to educational organizations was flat in 2011, with a 0.9 percent increase.
- Higher education institutions are the recipients of a significant portion of education subsector dollars each year. These institutions often operate on a fiscal year. According to the Council for Aid to Education's (CAE) annual survey released in 2012, giving to 1,009 reporting higher educational institutions in 2011 increased 8.2 percent (in current dollars) from 2010, totaling \$30.3 billion. This total was close to the historical high reported in 2008.²⁹
- The growth that *Giving USA* estimates for giving to education correlates with the 2012 Council for Advancement and Support of Education Fundraising Index (CFI), which annually asks fundraisers for schools, colleges, and universities to report year-to-year changes in giving to their institutions. Senior-level fundraising professionals at more than 2,100 member institutions across the United States estimated an average 4.4 percent increase in giving from 2010 to 2011 (based on the calendar year).³⁰
- Over the last four decades (1971–2011), inflation-adjusted giving to the education subsector has increased at a slower rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 2.8 percent.

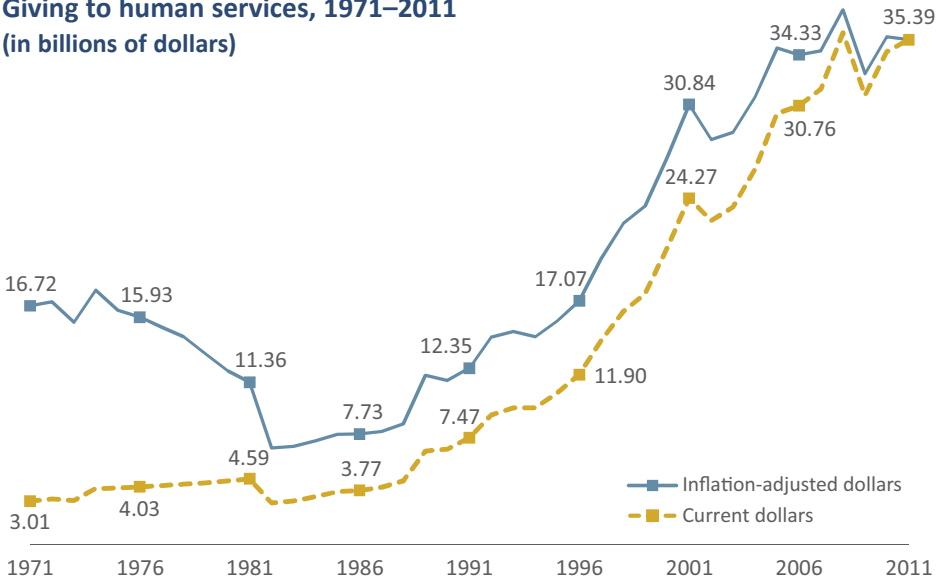
Giving to foundations, 1978–2011* (in billions of dollars)



*Gifts to foundations began to be reported in 1978.

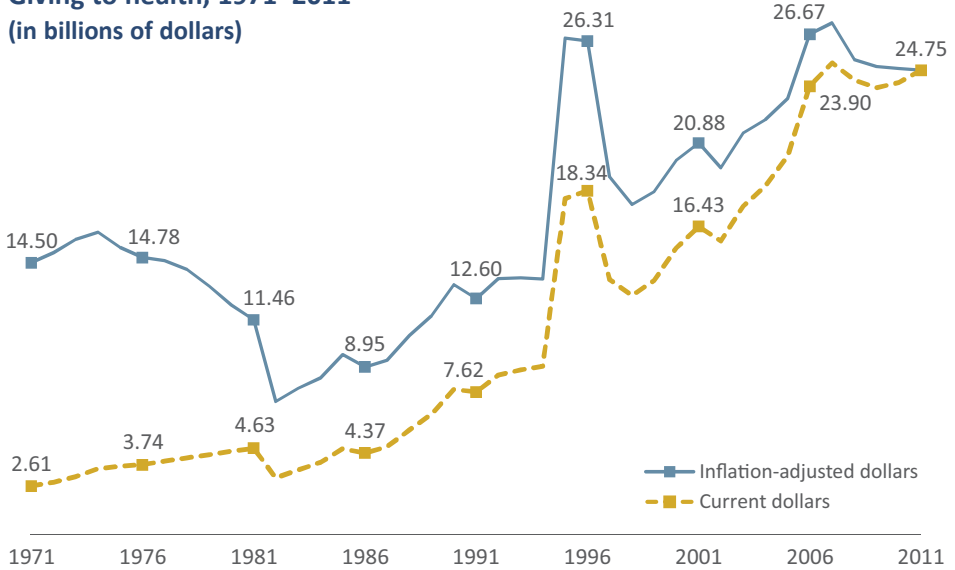
- Giving to foundations is estimated to have declined by 6.1 percent in 2011 to \$25.83 billion in contributions. Adjusted for inflation, giving to foundations is estimated to have declined by 8.9 percent. Foundations as recipient organizations comprise one of only two subsectors that realized a decline in giving in 2011.
- The estimate for giving to foundations includes gifts made to independent, community, and operating foundations.
- *Giving USA* does not count giving from corporations to their operating foundations since these gifts are transferred directly to individuals or nonprofit organizations. In 2011, *Giving USA* accounted for \$3.75 billion estimated to have been transferred by pharmaceutical corporations to their operating foundations. The majority of these gifts are later paid directly to individuals in the form of in-kind donations of medications through Patient Assistance Programs (PAPs).
- Over the last 33 years (1979–2011), inflation-adjusted giving to foundations has increased at a faster rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 7.2 percent.

Giving to human services, 1971–2011 (in billions of dollars)



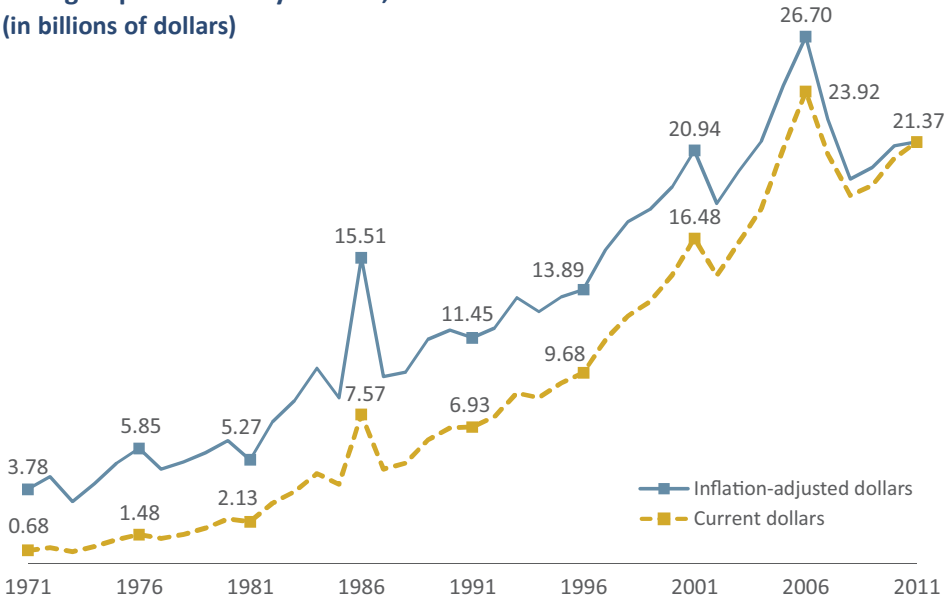
- Contributions to human services organizations rose an estimated 2.5 percent in 2011 from 2010, totaling \$35.39 billion.
- Adjusted for inflation, giving to human services organizations is estimated to have held flat between 2010 and 2011 (a -0.6 percent change).
- Growth in giving to human services organizations was more subdued in 2011 compared with revised estimates for 2010, in part, due to the declines seen after giving to support Haiti relief efforts in early 2010. Nevertheless, inflation-adjusted giving to human services organizations in 2011 was the third-highest amount ever recorded (behind 2008 and 2010). This is good news for organizations that provide support services to people who have been affected by the recent recession.
- It is estimated that organizations in the human services subsector received 12 percent of all contributions in 2011, 3 percentage points higher than reported in *Giving USA 2011*.
- Over the last four decades (1971–2011), inflation-adjusted giving to the human services subsector has increased at a slower rate than the average annual rate of inflation (4.4 percent), with average annual growth of 2.6 percent.

Giving to health, 1971–2011 (in billions of dollars)



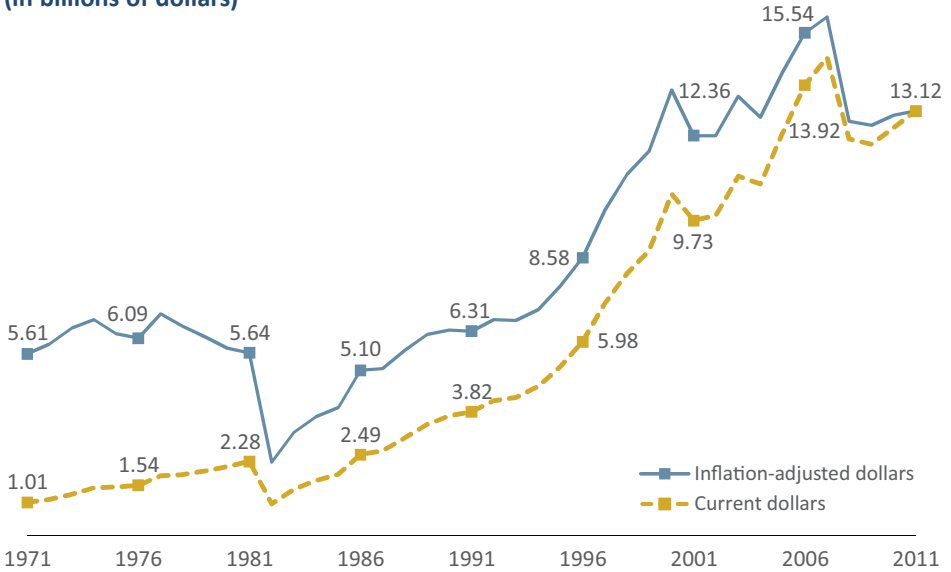
- Giving to health organizations is estimated to have increased 2.7 percent in 2011 from 2010 (-0.4 percent adjusted for inflation), with \$24.75 billion in total contributions.
- The Center on Philanthropy at Indiana University's 2011 Million Dollar List reports an 80 percent increase in the amount of announced million-dollar-and-up gifts given by individuals to the health subsector in 2011 compared with 2010. The majority of the gifts went to support health research, especially for cancer and heart disease, while a third went to support services and capital expenses at hospitals.³¹
- Over the last four decades (1971–2011), inflation-adjusted giving to the health subsector has grown at a slower rate than the average annual rate of inflation (4.4 percent), with average annual increase of 2.7 percent.

Giving to public-society benefit, 1971–2011 (in billions of dollars)



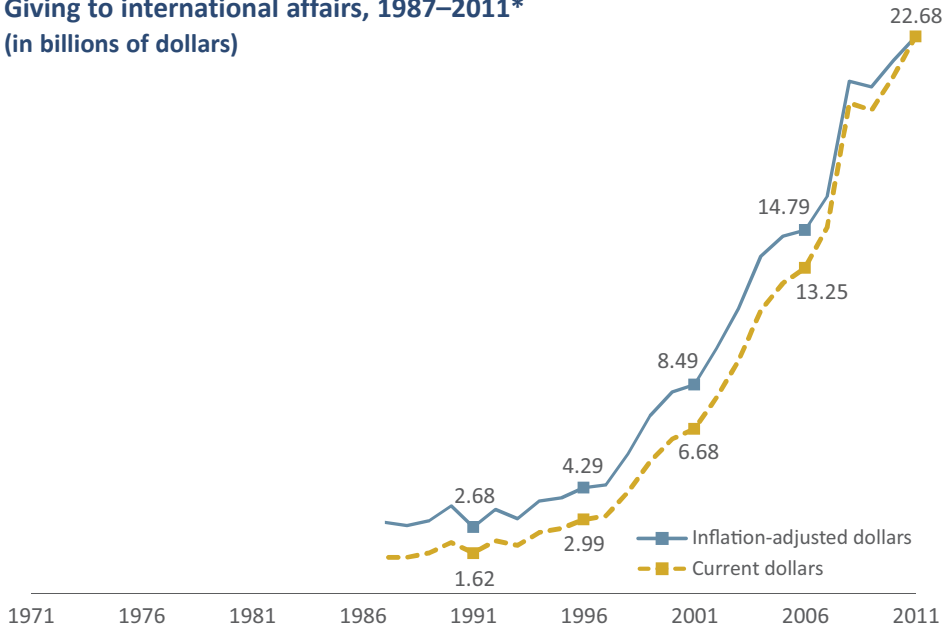
- Contributions to the public-society benefit subsector increased by an estimated 4.0 percent in 2011 to \$21.37 billion from 2010.
- Adjusted for inflation, giving to public-society benefit organizations held flat at 0.9 percent growth between 2010 and 2011.
- While foundations are included in the public-society benefit subsector according to the National Center for Charitable Statistics (NCCS) and the IRS, *Giving USA* tabulates giving to foundations separately.
- Free-standing donor-advised funds are included in the estimate for this subsector. The three largest donor-advised fund administrators—Fidelity Charitable Gift Fund, Schwab Charitable Fund, and Vanguard Charitable Endowment Program—realized average growth in received contributions of 77 percent between 2010 and 2011.³²
- Over the last four decades (1971–2011), inflation-adjusted giving to the public-society benefit subsector has increased at a faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 7.0 percent.

Giving to arts, culture, and humanities, 1971–2011 (in billions of dollars)



- Charitable giving to arts, culture, and humanities organizations is estimated to have increased 4.1 percent in 2011 from 2010, with \$13.12 billion in total contributions.
- Adjusted for inflation, giving to the arts, culture, and humanities subsector is estimated to have increased 1.0 percent.
- According to the 2011 Million Dollar List, there were 58 announced gifts of \$1 million or more to the arts, culture, and humanities subsector from individuals in 2011, totaling \$712 million.³³
- Over the last four decades (1971–2011), inflation-adjusted giving to the arts, culture, and humanities subsector has increased at a slightly faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 4.6 percent.

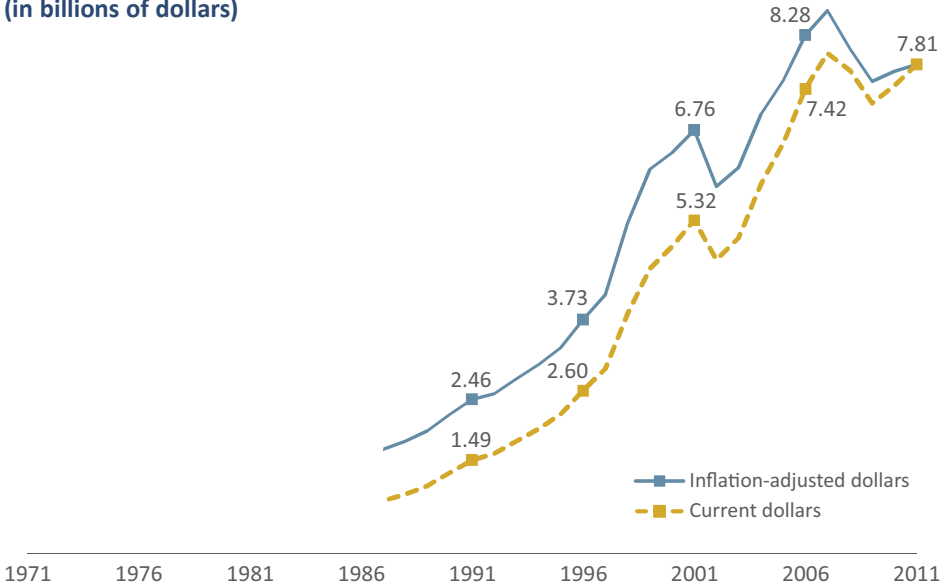
Giving to international affairs, 1987–2011* (in billions of dollars)



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

- Charitable giving to international aid, development, and relief organizations (international affairs subsector) is estimated to be \$22.68 billion in 2011, an increase of 7.6 percent from 2010.
- Adjusted for inflation, giving to international affairs organizations is estimated to have risen 4.4 percent in 2011 from 2010.
- Donations to the international affairs subsector amounted to 8 percent of all donations across the subsectors in 2011, three percentage points higher than reported in *Giving USA 2011*.
- Since 1987, inflation-adjusted giving to the international subsector has grown at a much faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 9.4 percent. This growth is predominately due to the growth in the number of international organizations, especially in recent years. The Urban Institute's 2011 "The Nonprofit Sector in Brief" reported an increase of 79.6 percent in the number of international organizations between 1999 and 2009 and growth in total revenue of 154.4 percent in the same time period, making international affairs the fastest growing subsector.³⁴

Giving to environment/animals, 1987–2011* (in billions of dollars)

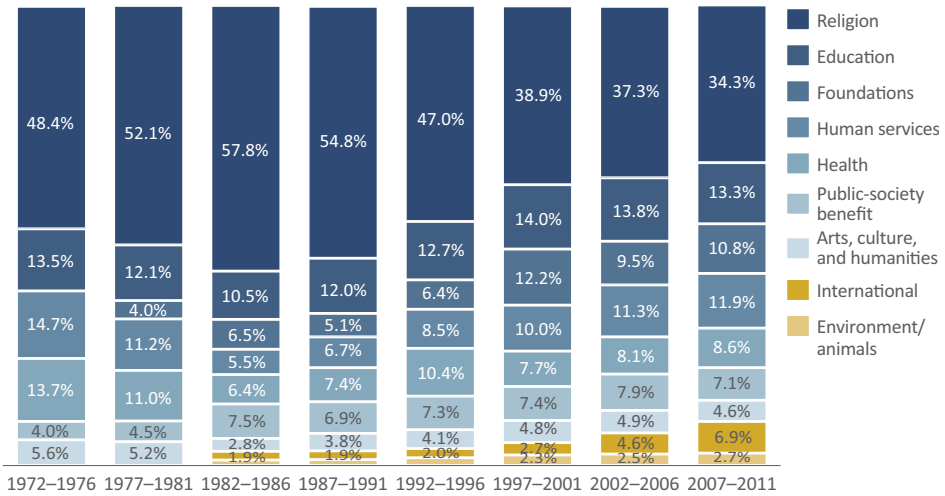


*Giving to the environment/animals subsector began to be tracked separately in 1987.

- Giving to environmental and animal organizations in 2011 is estimated to have increased 4.6 percent from 2010 to \$7.81 billion in total contributions.
- Adjusted for inflation, donations to the environment/animals subsector are estimated to have increased 1.4 percent from 2010.
- According to the Center of Philanthropy's 2011 Million Dollar List, there were 13 announced gifts of \$1 million or more to the environment/animals subsector made by individuals in 2011, totaling \$59.4 million. This represents an increase of 360 percent over 2010, largely due to continued cleanup efforts following the early 2010 oil spill in the Gulf of Mexico.³⁵
- Since 1987, inflation-adjusted giving to the environment/animals subsector has grown at a faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 6.3 percent.

Giving by type of recipient: Percentage of the total in five-year spans, 1972–2011*

(adjusted for inflation, does not include “unallocated”)



1972–1976 1977–1981 1982–1986 1987–1991 1992–1996 1997–2001 2002–2006 2007–2011

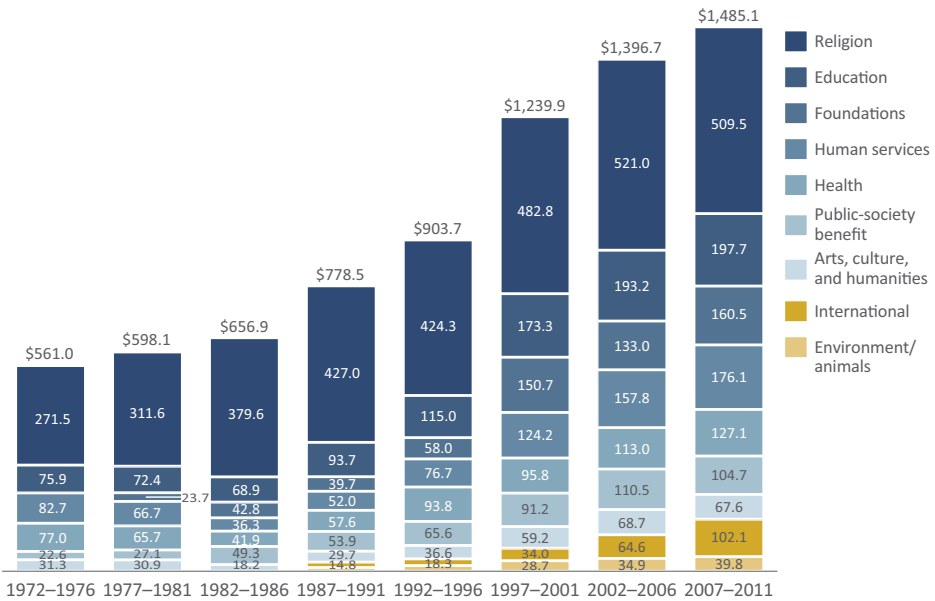
*Charitable giving to foundations began to be tracked in 1978, and the environment/animals and international affairs subsectors began to be tracked in 1987.

- Giving to the international affairs subsector has risen steadily since tracking of donations to these organizations began in 1987. In the five-year period beginning in 2007, the share of giving to international affairs organizations grew to 6.9 percent, a 50 percent increase from the five-year period beginning in 2002. This is a significant development considering that international organizations comprised just 2 percent of *all* charities in 2009.³⁶
- Giving to foundations saw the second-largest increase of donations received between the five-year periods beginning in 2002 and 2007, with 13.7 percent growth. This was followed by giving to environmental and animal organizations, which realized 8 percent growth.
- Charitable giving to religious organizations has been decreasing as a share of total giving since the 1982–1986 period, when it reached 57.8 percent of the total. In the last five-year period, 2007–2011, total religious giving comprised 34.3 percent of the total, an 8 percent decrease since the five-year period beginning in 2002.
- While giving to the public-society benefit subsector appears steady year to year, these organizations realized a large drop between the five-year periods beginning in 2002 and 2007—a 10.1 percent decline.

Giving by type of recipient: Percentage of the total in five-year spans, 1972–2011

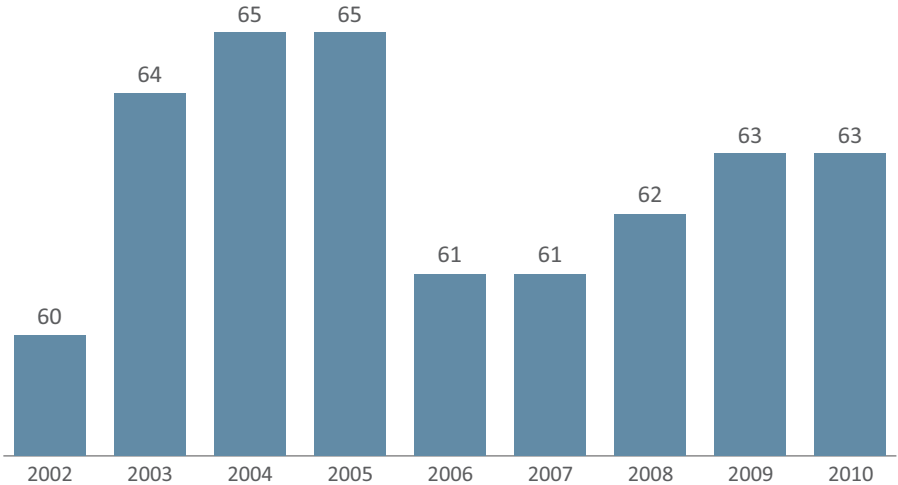
- Giving to human services organizations has been on the rise since the five-year period beginning in 1987, with an average rate of increase of 16.9 percent for the share of giving in each five-year period.
- Since its peak in the five-year period beginning in 1992 and a sharp decline of 26.5 percent in the five-year period beginning in 1997, giving to the health subsector has been steadily on the rise, claiming 8.6 percent of the total in the five-year period beginning in 2007.

Total giving by type of recipient organization in five-year spans, 1972–2011 (in billions of inflation-adjusted dollars, does not include “unallocated”)



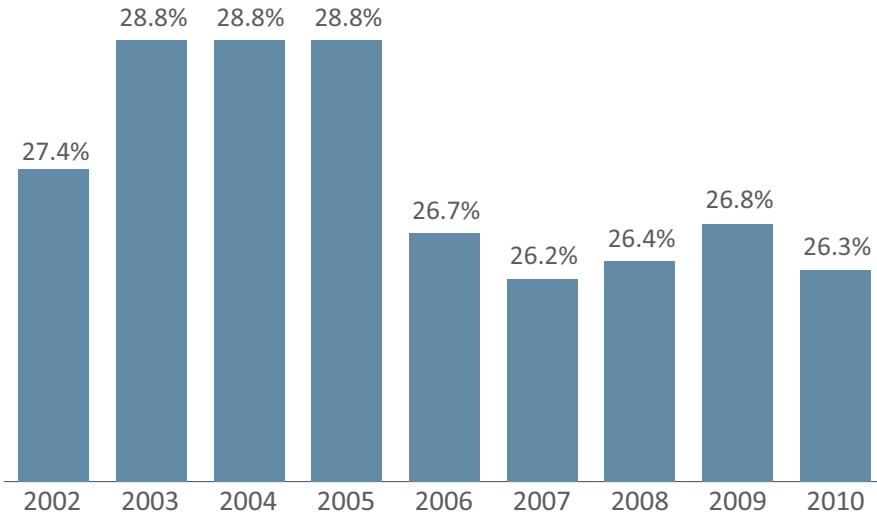
- After adjusting for inflation, giving to almost every type of charitable organization in the 2007–2011 period exceeded the amount given in the prior five-year period. The exceptions are giving to religious organizations (a 2.2 percent decline), public-society benefit organizations (a 5.2 percent decline), and arts organizations (a 1.6 percent decline).
- During the five-year periods beginning in 2002 and 2007, the international affairs subsector saw the largest increase in inflation-adjusted dollars received, at 58 percent.
- Giving to educational organizations has slowed considerably since its peak in the 1997–2001 period. Total inflation-adjusted giving in the five-year periods beginning in 2002 and 2007 rose only 11.5 percent and 2.3 percent, respectively, from the previous five-year periods.
- While giving to health has been on the rise since the five-year period beginning in 1987, giving to this subsector has slowed since its peak increase in the five-year period beginning in 1992, when contributed dollars rose 62.8 percent from the previous period.
- Giving to the environment/animals subsector has also realized slower growth since its peak in the five-year period beginning in 1997, when it saw an increase in received contributions of 86.4 percent from the previous five-year period. In the five-year periods beginning in 2002 and 2007, giving to the environment/animals subsector grew 21.6 percent and 14.0 percent, respectively.

Number of volunteers in millions of people, 2002–2010



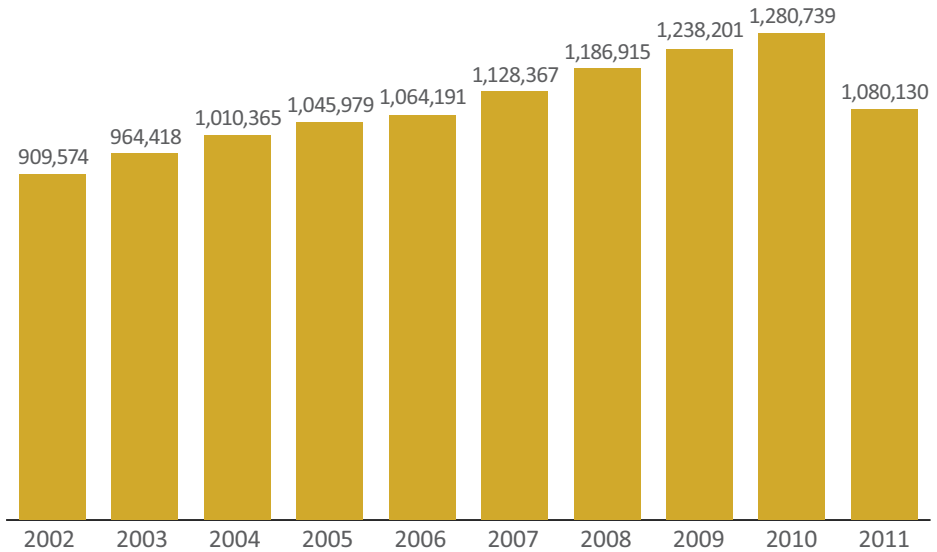
- The Corporation for National and Community Service estimates that 62.8 million adults volunteered in the United States in 2010. This is a decrease of 0.9 percent from the 63.4 million who volunteered in 2009. However, this is an increase of 1.6 percent from 2008. Volunteer data are based on responses drawn from a supplement to the Census Bureau's Current Population Survey of about 100,000 adults (age 16 and over), or 60,000 households.³⁷
- For 2010, the Independent Sector estimates that one hour of volunteer time is worth \$21.79.³⁸ In 2010, U.S. adults contributed 8.1 billion hours of their time.³⁹ Thus, the total amount of volunteer time given in 2010 amounts to about \$173 billion.
- The value of a volunteer hour is based, in part, on the average hourly wage of non-managerial nonprofit employees. This figure rises slightly each year. The value of a volunteer hour has risen 18 percent since 2005, 64 percent since 1995, and 123 percent since 1985.⁴⁰
- Between the years 2008 and 2010, the majority of volunteers contributed their time to religious organizations (35 percent). This was followed by volunteering at educational organizations (27 percent) and social service organizations (14 percent).⁴¹

Volunteer rate, 2002–2010



- According to the Corporation for National and Community Service’s (CNCS) 2011 “Volunteering in America” report, the number of Americans volunteering as a share of the population was 26.3 percent in 2010, a decline from 26.8 percent in 2009. In total, these volunteers contributed about 8.1 billion hours in 2010 to help their communities and society.⁴²
- The number of hours contributed by U.S. volunteers remained approximately the same between 2009 and 2010, leading to the conclusion that fewer volunteers gave more hours in 2010. Indeed, CNCS indicates that the median number of hours volunteered increased from 50 hours in 2009 to 52 hours in 2011.⁴³
- The rate of volunteering by those in the Generation X age group rose 5 percent between 2009 and 2010. In 2010, these volunteers contributed 2.3 billion hours of service. Since 1989, people in the Generation X age bracket have “more than doubled their volunteer rate,” according to the 2011 “Volunteering in America” report. In 1989, this rate was 12.3 percent, but rose to 29.2 percent in 2010.

The number of 501(c)(3) organizations, 2002–2011



- Most tax-exempt nonprofit organizations with gross receipts of at least \$5,000 are required to register with the IRS (Form 1023) by the close of the 15th month after establishment, or within 90 days of the end of the year in which it exceeds this threshold. Most religion-related organizations, such as churches, synagogues, and mosques, are not required to file for tax-exempt status, although many choose to do so.⁴⁴
- The Internal Revenue Service annually reports the number of charitable organizations registered under Section 501(c)(3) of the Internal Revenue Code. In 2011, the number of charitable organizations dropped considerably from 2010—from 1.28 million to 1.08 million—a decline of 15.6 percent. The Pension Protection Act of 2006 set the requirement for all nonprofit organizations (excluding religious organizations), regardless of size, to file tax returns beginning in 2007. In September 2011, over 200,000 charitable organizations lost their tax-exempt status for failure to file legally required documents for three consecutive years. Most of these organizations were likely small and defunct.⁴⁵

1. To provide the most accurate estimates for charitable giving, as new data become available *Giving USA* revises its estimates for total giving 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. This is according to analysis by *Giving USA* of independent and family foundation grantmaking between 2004–2009, based on reports issued by Foundation Center at www.foundationcenter.org. The proportion of giving by family foundations to independent foundations between 2004 and 2009 ranges from 56 percent to 62 percent.
3. Same as note 1.
4. Same as note 1.
5. *Giving USA* uses the Consumer Price Index (CPI) to calculate rates of inflation at <http://www.bls.gov/data/#calculators>. Figures published in *Giving USA* 2012 are in 2011 dollars.
6. Same as notes 1 and 5.
7. This information not displayed in this graph. Same as note 4.
8. Same as note 5.
9. Same as note 1.
10. Same as note 5.
11. *Giving USA* does not use consumer confidence as a variable in its econometric model for estimating giving by individuals. “United States Consumer Confidence,” Trading Economics, accessed May 2012 from <http://www.tradingeconomics.com/united-states/consumer-confidence>.
12. *Giving USA* does not use the unemployment rate as a variable in its econometric model for estimating giving by individuals. “United States Unemployment Rate,” Trading Economics, accessed May 2012 from <http://www.tradingeconomics.com/united-states/unemployment-rate>.
13. “Personal Consumption Expenditures by Major Product Type,” Bureau of Economic Analysis, 2012, Table 2.3.5, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm.
14. See more about how *Giving USA* calculates giving by individuals in the “Brief summary of methods used” section of this report.
15. See more about how *Giving USA* calculates giving by bequest in the “Brief summary of methods used” section of this report.
16. Foundation Center provided 2011 data on giving by foundations of all types in April 2012.
17. Same as note 2.
18. See more about how *Giving USA* calculates giving by corporations in the “Brief summary of methods used” section of this report.
19. Grantmaking by corporations data provided by Foundation Center in April 2012.
20. “Gross Domestic Product,” Bureau of Economic Analysis, 2012, Table 1.1.5, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm; “Corporate Profits Before Tax by Industry,” Bureau of Economic Analysis, 2012, Table 6.17D, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm.
21. These preliminary findings are based upon data from the Committee Encouraging Corporate Philanthropy’s Corporate Giving Standard (CGS), an online philanthropy measurement and benchmarking tool for participating companies. CCEP, in association with The Conference Board, will produce the annual data analysis report, “Giving in Numbers, 2012 Edition,” available as a free download in fall 2012; www.CorporatePhilanthropy.org.
22. Same as note 2.
23. J. Downes and J. E. Goodman (Eds.), *Dictionary of Finance and Investment Terms, 8th Edition*, 2010, Barron’s Educational Series, Inc.
24. “Gross Domestic Product,” Bureau of Economic Analysis, 2012, Table 1.1.5, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm.
25. A 2012 *Giving USA* Spotlight analyzed economic factors associated with million-dollar giving and found that trends in the S&P 500 are statistically significantly related to the number of million-dollar gifts given in the same time period or one quarter later. Go to www.givingUSAreports.org for more information about this Spotlight, titled “Trends in Million-Dollar-Plus Gifts Made by Individuals, 2000–2010.”
26. S&P 500 Index, Economic Research, Federal Reserve Bank of St. Louis, data accessed April 2012 from <http://research.stlouisfed.org/fred2/series/SP500/downloaddata?cid=32255>.
27. Personal Income and its Disposition, Table 2.1, data accessed April 2011 at www.bea.gov.
28. “Corporate Profits Before Tax by Industry,” Bureau of Economic Analysis, 2012, Table 6.17D, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm.
29. See the “Giving to religion” chapter in this report for thorough analysis of these trends.
30. These estimates include a significant portion of organizations reporting charitable dollars received between late summer/fall 2010 and the first half of 2011 and excluding the last half of 2011. *Giving USA* estimates for the calendar year and does not tabulate giving directly to higher educational institutions, only to their foundations and charitable arms. “2012

- Voluntary Support for Education Survey,” (VSE), Council for Aid to Education, 2012, www.cae.org.
30. “2012 Council for Advancement and Support of Education Fundraising Index,” CASE, Jan. 2012, www.case.org.
 31. The 2011 Million Dollar List, The Center on Philanthropy at Indiana University, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List is updated constantly and, thus, figures are subject to change.
 32. “Fidelity Charitable Reports Record-Breaking Year in Both Grants to Nonprofits and New Charitable Contributions,” January 24, 2012, www.fidelitycharitable.org; “Schwab Charitable Sees Increased Level of Giving and Granting,” December 14, 2011, www.schwabcharitable.org; “Vanguard Charitable Reports Record Contributions and Rise in Corporate and Private Foundation Participation for Calendar Year 2011,” January 25, 2012, www.vanguardcharitable.org.
 33. Same as note 31.
 34. Katie Roeger, Amy Blackwood, and Sarah Pettijohn, “The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering,” The Urban Institute, September 2011, www.urban.org.
 35. Same as note 31.
 36. Pertaining to the last sentence only: same as note 34.
 37. Corporation for National and Community Service, “Volunteering in America 2011,” accessed April 2012, <http://www.volunteeringinamerica.gov/national>.
 38. Independent Sector, “National Value of Volunteer Time,” accessed May 2012, http://www.independentsector.org/volunteer_time.
 39. Corporation for National and Community Service, “New Report: Americans Devote 8.1 Billion Hours to Volunteering in 2010,” August 8, 2011, <http://www.volunteeringinamerica.gov/assets/resources/VIA2011NationalPressRelease080811FINAL.pdf>.
 40. Same as note 38.
 41. Same as note 37.
 42. Same as note 39.
 43. Same as note 39.
 44. “Applying for 501(c)(3) Tax-Exempt Status,” accessed May 2012, IRS, <http://www.irs.gov/pub/irs-pdf/p4220.pdf>.
 45. Internal Revenue Service, 2011 Data Book, October 1, 2010 to September 30, 2011, accessed May 2012, <http://www.irs.gov/pub/irs-soi/11databk.pdf>.

3

GIVING BY INDIVIDUALS

- Charitable giving by individuals is estimated to be \$217.79 billion in 2011, an increase of 3.9 percent from the revised estimate of \$209.64 billion for 2010 (in current dollars).
- Giving by individuals comprised 73 percent of total contributions in 2011, the same as in 2010.
- The total estimated amount for charitable giving by individuals in 2011 includes an estimate for itemized charitable contributions and an estimate for non-itemized charitable contributions. Contributions include gifts of cash, securities, and property.
- Inflation-adjusted giving by individuals is estimated to be flat between 2010 and 2011, at an increase of 0.8 percent. Over the last four decades (1971–2011), average annual inflation-adjusted giving by individuals has increased at a slower rate than the average annual rate of inflation, at 2.2 percent and 4.4 percent, respectively.
- Giving by individuals, bequest, and family foundations amounted to \$261.7 billion in 2011, or 88 percent of total giving.

Giving USA findings for giving by individuals in 2011

Giving by individuals is closely linked with income and wealth, and the willingness of individuals to give to charity is also associated with financial security. While most individuals continue to give in hard economic times, many will decrease their giving and some will stop giving altogether. Various economic indicators point to the increased confidence that individuals had in their financial future in 2011, providing context for the increase in giving by individuals:

- Consumer confidence rose 3.6 percent from the end of 2010 through the end of the 2011. This is compared

with a zero percent change in consumer confidence over the same time period between 2009 and 2010.¹

- The unemployment rate fell 9.6 percent between year-end 2010 and year-end 2011. This is compared with a 5.1 percent decline between the same period of 2009 to 2010, and an increase of 35.6 percent from 2008 to 2009.²

The *Giving USA* estimate for giving by individuals (and households) is, in part, 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, the Standard & Poor's 500 Index, personal

income-tax rates, and the Consumer Price Index, all of which are closely linked with the economic factors cited above. These factors also rose in 2011, compared with 2010, reflecting a continued slow but upward trend in the economy:

- The Standard & Poor's 500 Index (S&P 500) declined 3 percent in real dollars (or inflation-adjusted dollars) between 2010 and 2011. This is compared with an increase of 10.9 percent between 2009 and 2010, and growth of 23.8 percent between 2008 and 2009.³ The S&P 500 sees much larger increases and declines from year to year than total giving, and the direction of change for total giving usually lags the S&P 500 by one to two years.
- Personal consumption is very dependent on personal wealth and income. Personal consumption expenditures rose 4.7 percent in 2011 from 2010. This growth is compared with a 3.9 percent increase between 2009 and 2010.⁴ The Consumer Price Index (CPI) rose 2.5 percent between 2010 and 2011 compared with an increase of 1.8 percent between 2009 and 2010.⁵
- In 2011, the highest marginal personal income-tax rate remained the same as in 2010, at 35 percent, for individuals earning greater than about \$379,000.⁶

Family foundation giving in 2011

A portion of family foundation grants is considered to be individual giving. While *Giving USA* does not separate out family foundation giving from individual/

household giving, it also does not place family foundation grants under giving by foundations *unless* the foundation is considered an independent foundation. According to previous data annually released by the Foundation Center, *Giving USA* estimates that, on average, gifts from family foundations comprise 59 percent of all independent foundation giving each year.⁷ For 2011, this amount is \$19.5 billion, or 47 percent of total giving by all foundations included in this estimate.

Trends in high-impact philanthropy in 2011

Charitable giving is cyclical in nature and is found to be more responsive to economic upturns than downturns.⁸ Improvement in the U.S. economy has the potential to increase charitable giving. To that end, giving by the wealthy increased significantly from 2010 to 2011, which, at least in part, is due to improvements in the financial market. Another potential explanation is that wealthy individuals, who have the resources to give regardless of the economy, felt more confident to give in 2011 than in recent recessionary and post-recessionary years. Summaries detailing the changing face of high-impact philanthropy in 2011 are provided in the following sections.

The Giving Pledge continues to grow slow but strong in 2011

The Giving Pledge, introduced in 2010 by notable philanthropists Bill and Melinda Gates and Warren Buffet, encourages billionaires to pledge the majority of their wealth to philanthropic efforts during their lifetime or after

death.⁹ Since the pledge was first announced, a total of 69 individuals and families have responded to the call—promising to make a lasting impact on society. Despite considerable press, the pledge has not garnered as much support as anticipated. According to *Forbes*, as of March 10, 2011, there were a total of 413 billionaires in the United States. To date, only 17 percent of billionaires have taken the pledge. While the overall count was still relatively low in early 2011, it is expected that more individuals will embrace The Giving Pledge as they also increasingly embrace social responsibility.

Million-dollar-and-up gifts from individuals in 2011

The 2011 Million Dollar List shows roughly \$8.24 billion in million-dollar-and-up gifts from individuals, couples, and families to U.S.-based nonprofit organizations in 2011.¹⁰ Higher education institutions received the largest share, at about 69 percent, followed by health organizations (13 percent). Some of the gifts of interest, although not necessarily the largest, from individuals in 2011 include:

- In keeping with his 2006 pledge, Warren Buffet transferred to the Bill & Melinda Gates Foundation stock valued at about \$1.5 billion.¹¹
- Of the 137 gifts of \$10 million or greater, there were 14 anonymous gifts ranging from \$15 to \$100 million. Of the 14 gifts, 12 were made to universities, one to the Seattle Children's Hospital, and one to the Eiteljorg Museum of American Indians and Western Art in Indianapolis.
- \$35 million from Florida developer Jorge Pérez to the Miami Art Museum. Pérez's commitment includes \$5 million he had already pledged and partially paid to the museum, \$15 million over the next 10 years for the campaign, and \$15 million worth of Latin American art from his personal collection.¹²
- \$15 million from the Mary Walker-Tibbetts family to Utah State University to begin the construction of the Moab extension of the university in the sparse desert community. Moab is a small town in the four corners area (Utah – Colorado – Arizona – New Mexico) famous for Arches National Park and Monument.¹³

Pledges and donations from America's "Most-Generous Donors" increased more than two-fold in 2011 from 2010

In 2011, America's top 50 donors gave \$10.4 billion dollars—up from \$3.3 billion in the prior year—according to *The Chronicle of Philanthropy's* 2011 "Most-Generous Donors" list.¹⁴ The list reports on donors providing the largest sum of gifts and pledges in 2011, excluding gifts toward previous pledges and anonymous donations. The count in 2011 represents more than a 30 percent increase in the number of donors contributing more than \$50 million from 2010. Although giving significantly increased over the one-year time frame, giving in 2011 was still less favorable than in pre-recession periods. The median gift from the top 50 donors in 2011 was \$61 million. This is compared with \$74.7 million in 2007.

Donors on the "Most-Generous Donors" list include those who are living and

Table 1
Living donors of \$100 million or more, pledged or paid, in 2011

Donor(s)	Source of wealth	Gift amount	Recipient(s)
Paul G. Allen	Technology	\$372.6 million	Paul G. Allen Family Foundation, Allen Institute for Brain Science, and other groups
George Soros	Finance	\$335 million	Open Society Foundations and other groups
Michael R. Bloomberg	Media	\$311.3 million	Arts, human services, and public affairs organizations and other groups
Raymond G. and Ruth C. Perelman	Finance, investments	\$225 million	University of Pennsylvania and other groups
David and Dana Dornsife	Manufacturing	\$200 million	University of Southern California
Robert E. and Dorothy J. King	Finance	\$150 million	Stanford University Graduate School of Business and other groups
John and Julie Mork	Oil	\$110 million	University of Southern California
John D. and Laura Arnold	Finance	\$101 million	Laura and John Arnold Foundation and other groups
Anonymous	Unknown	\$100 million	Western Michigan University
Richard O. Jacobson	Industry	\$100 million	Mayo Clinic
Margie Petersen	Media and entertainment	\$100 million	Petersen Automotive Museum Foundation
T. Denny Sanford	Finance	\$100 million	Sanford Health

Data: The Center on Philanthropy at Indiana University, The 2011 Million Dollar List, accessed March 2012, www.milliondollarlist.org, and the 2011 *The Chronicle of Philanthropy's* 50 Most-Generous Donors, accessed March 2012, www.philanthropy.com

those who have passed. In 2011, pledges and gifts made by living donors comprised 33 percent of the gifts, at \$3.54 billion. This leaves \$6.86 billion in gifts made by bequest.¹⁵ The list included 29 individuals who donated \$50 million or more, an increase of more than 30 percent over the 22 individuals reported in 2010. New individuals on the list in 2011 include:

- Google co-founder, Sergey M. Brin, and his wife, Anne E. Wojcicki, co-founder of 23andME, a genetics-testing company, who gave \$61.9 million

to the Michael J. Fox Foundation to fight Parkinson's disease.

- Sheldon and Miriam Adelson, who gave \$30 million in large gifts to several charities, including those supporting the development of a research center devoted to the Holocaust and Birthright Israel.

As was true in 2010, the single most popular recipient cause of pledged or contributed gifts as cited by the Philanthropy 50 was institutions of higher education. Also similar to 2010,

the majority of most-generous donors older than age 50 gave large gifts to institutions of higher education, while many younger donors gave to support healthcare, public schools, human rights, and other causes.

A new generation of philanthropists in the 21st century

As described in *Barron's* online, with donors today doing far more than simply writing checks to causes they support, the image of the 21st century philanthropist has changed significantly.¹⁶ These individuals donate their time, talents, and expertise in order to help charitable causes. In 2011, four philanthropists were profiled because of their entrepreneurial spirit and their ability to create social change. While their efforts were not measured in dollars and cents, they were recognized for achieving results. These notable philanthropists include:

- Beginning in 2007, Glen Whitney, a former math professor at the University of Michigan and algorithms specialist at Renaissance Technologies, raised more than \$22 million to open the Museum of Math in Manhattan. Aimed at 4th–8th graders, the goal of the museum is to ignite an excitement about math for these youngsters.
- Laura Arrillaga-Andreessen, a professor, piloted the first MBA course in philanthropy at Stanford University in 2004. For more than a decade, Ms. Arrillaga-Andreessen, daughter of one of Northern California's most successful real-estate developers, John Arrillaga, has shown emerging philanthropists exactly how to give their money away.

- In 2001, Gerald Chertavian, a Harvard Business School graduate, founded *Year Up*, a training program to help disadvantaged youth prepare for college and subsequent careers in computer technology. Today, students enrolled in the program are guaranteed six-month internships at top firms, with approximately 84 percent landing full-time jobs after graduation.
- Diana Barrett, a Harvard professor and wife of home-improvement TV star Bob Vila, created the Fledgling Fund in 2005, which supports documentary films addressing tough social issues. Money raised from this project is used to award approximately \$2 million in grants on an annual basis.

Indices and surveys released in 2011 about giving by individuals

A charitable recipient survey and two monthly indices on charitable giving allow for the tracking of the charitable giving climate across different types and sizes of organizations on a more frequent basis than in the past. While giving by individuals, per se, is not specifically analyzed in the indices discussed below, the surveys analyze “individual donations.” Because giving by individuals represents the vast majority of all charitable donations made in the United States in 2011 (73 percent), and in any given year, these macro analyses provide important insights into the patterns of giving by individuals. Summaries of key indices and surveys on giving in 2011 are provided in the following sections.

Over half of surveyed charitable organizations reported increases in receipts from all sources of individual donations in 2011

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.¹⁷ Each report is based on a survey that used a convenience sample of between 813 and 1,602 respondents from a range of nonprofit organizations.¹⁸ By year-end 2011, more than half (53 percent) of 1,602 responding organizations reported increased charitable receipts compared with 2010—while one-third (31 percent) reported a decrease.¹⁹

However, the growth appears to have been largely in the fourth quarter, as surveys earlier in the year showed little change from 2010 results. In the first six months of 2011, 44 percent of responding charities reported that charitable receipts rose compared with the first six months of 2010.²⁰ That was little changed when charities reported results for the first nine months of 2011. In the December 2011 NRC report, 41 percent of respondents reported that charitable revenue rose in January through September compared with the same months for 2010.²¹

Across the three surveys, the percentage of charities reporting a decline in charitable receipts varied from a low of 28 percent (in the period January through September) to 31 percent (for the full year). These few percentage points of difference are not statistically significant. However, there was a significant

change in the share of respondents reporting that their charitable receipts stayed the same during this time period. In June, 25 percent of participating charitable organizations reported that charitable receipts were the same for the first six months of 2011 as they had been in 2010. By December, just 16 percent reported flat charitable receipts for 2011 compared with 2010.²²

On average, organizations in the December survey used eight different fundraising methods. Between June and December, for nearly every type of fundraising method studied, a higher percentage of organizations reported growth in gifts received via that method. For example, as of June, 37 percent of organizations in the survey reported an increase in the amount received from major gifts. As of December, the corresponding result was 48 percent.²³ Special event proceeds increased to 47 percent of surveyed organizations as of June and to 52 percent as of December.²⁴ See Table 2 for complete results of the percentage of survey respondents reporting increases, decreases, or no change in charitable receipts received, by fundraising vehicle used, in the June and December 2011 NRC surveys.

Investment in special events and online fundraising realized promising returns for charitable organizations in 2011

In the summer/early fall 2011 NRC survey, respondent organizations were asked about changes in investment by fundraising method, including whether they increased personnel time or expenditures for events, online fund-

raising, board giving, email requests, social media, major gifts, or direct mail during the year.²⁵ Respondent organizations reported that increased contributions occurred with increased investment of special events and online fundraising. Direct mail and major gifts also rose at more than half of the organizations that increased their investment in these methods. However, nearly one-in-five organizations that invested more actually realized decreased charitable receipts. See Table 3 for percentage of survey respondents reporting changes in charitable receipts received, by type

of fundraising method used, including only those that increased investment in those fundraising methods in 2011.

Overall charitable receipts in 2011 the strongest in the summer

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 nonprofit organizations situated across all nonprofit subsectors.²⁶ Donations to all organizations reporting to the index amounted to \$2.76 billion for the one-year period ending January 2012.

Table 2
Percentage of survey respondents reporting changes in charitable receipts received by fundraising method used, June and December 2011

Fundraising method	Direction of change in charitable receipts	Percentage of respondents reporting		Percentage points change from June to December
		June	December	
Board giving	Increased	38	42	4
	Stayed the same	44	45	1
	Decreased	18	13	-5
Major gifts	Increased	37	48	11
	Stayed the same	35	38	3
	Decreased	28	14	-14
Online*	Increased	42	59	17
	Stayed the same	44	34	-10
	Decreased	14	7	-7
Direct response	Increased	37	45	8
	Stayed the same	32	37	5
	Decreased	31	18	-13
Special events	Increased	47	52	5
	Stayed the same	28	26	-2
	Decreased	25	23	-2

Data: NRC September 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

* The June survey separated online giving from email, SMS/texting, and Facebook, Twitter, and other social media vehicles. The result here is for online giving via the Internet (not including Facebook or Twitter). The December survey asked only about online direct response fundraising.

Throughout the summer months, giving was at its strongest for the year. Contributions declined slightly from January to April 2011, rising again beginning in May.²⁷

Charitable giving remained fairly strong throughout the entire year. During the fall and winter, contributions increased moderately, with the lowest three-month change of 2.7 percent in December. Overall, the three-month period ending in July 2011 saw the largest increase in contributions, at a 12.8 percent change.

The index also compares organizations according to revenue size and revealed that the smallest organizations fared the best in 2011. For the three months ending in July 2011, the smallest organizations reported the largest gain for the year, at 25.6 percent. By contrast, during that same period, medium organizations saw 8.7 percent growth and large organizations saw 4.7 percent growth.

Overall online giving in 2011 the highest in early summer

Published results of the 2011 Blackbaud Index of Online Giving reported that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.²⁸ The index compares year-to-year giving using the same three-month rolling average as the standard index. For online giving, the index reveals consistent declines within the first three months of the year, from January to March 2011.²⁹ However, after March, online giving maintained a steady increase throughout the year, with the largest positive gain of 19 percent for the three months ending in July.

When grouped according to revenue size, the largest organizations received the greatest percentage increase in online charitable giving, with 26.3 percent

Table 3
Percentage of survey respondents reporting changes in charitable receipts received by fundraising method used, including only those who increased investment in 2011

Fundraising method	Percentage with increased investment and increased charitable receipts received	Percentage with increased investment and decreased charitable receipts received
Board giving	63	14
Major gifts	54	19
Online	63	10
Direct response	54	20
Special events	66	13
Email requests	59	10
Social media	57	8

Data: NRC Summer/Early Fall 2011, www.nonprofitresearchcollaborative.org

GOOD TO KNOW! Nonprofit organizations should not discount the value of investing in a volunteer program. American volunteer hours were worth \$173 billion to nonprofit organizations in 2010, according to the Corporation for National and Community Service!³⁰ If your organization does not have a volunteer program but could benefit from one, seek the guidance of your local university's nonprofit management program. You may be able to get free consultation services and student interns to kick-start this effort.

growth in the three months ending September 2011. During that same period, small organizations realized growth of 9.5 percent and medium organizations saw growth of 11.5 percent.

Volunteerism shows modest decline of 1.9 percent from 2009 to 2010

Particularly among young Americans, volunteerism is becoming an increasingly important way of showing social responsibility. In order to gauge how important a role volunteerism has played in the viability of nonprofit organizations, the Corporation for National and Community Service (CNCS) annually tracks the number of American volunteers who serve more than 100 hours each year. Data obtained are based on a supplement to the U.S. Census Bureau's Current Population Survey (CPS), the September Volunteer Supplement, for adults ages 16 and older. This sample represents about 100,000 adults or 60,000 households.

Based on the August 2011 report, American volunteers gave 8.1 billion hours of free labor to the nonprofit arena in 2010.³¹ The volunteer rate was 26.3 percent in 2010, representing a modest decline from 2009. The estimated savings to these organizations totaled

approximately \$173 billion in 2010. The report suggests that, now more than ever, volunteers are an indispensable asset in providing assistance and support for their community's public services.

Generation X (individuals between the ages of 29 and 45) demonstrated a welcomed commitment to volunteering during 2010, representing 29.2 percent of volunteers in 2010. Baby Boomers (individuals between the ages of 46 and 64) also displayed a strong dedication, representing 28.8 percent. Going forward, the key to increased volunteerism will be the ability of organizations to retain volunteers and encourage more involvement from the Millennial Generation (individuals between the ages of 16 and 28). Geographically, Utah topped the rankings for both the percentage of residents who volunteer and the number of volunteer hours per resident, while the Minneapolis-St. Paul metropolitan area topped the list for volunteer rate among 51 large cities.

Proposed tax changes estimated to have moderate effect on charitable giving

In partnership with Campbell & Company, the Center on Philanthropy at Indiana University released a whitepaper in October 2011 that analyzed the

effects of the Obama Administration's proposal to reduce maximum charitable deductions from 35 percent to 28 percent.³³ Unlike other tax incentives, the charitable deduction is unique in that it provides an incentive to households and individuals to give to charities that serve individual and social needs.

A reduction would apply to high-earning married couples filing itemized joint returns with income over \$250,000 and individual filers with incomes greater than \$200,000. The Obama Administration has tried to have this reduction approved through two separate proposals. Thus far, both have failed.

The Center estimated the potential decrease in total giving that may occur if the proposals were approved. Additionally, the report notes that existing tax breaks in place since 2001 are set to expire at the end of 2012. Should that occur, high-income households would be taxed at a higher marginal rate in 2013 (39.6 percent). As a result of paying more taxes than they currently do, high-income households would have less disposable income for other expenditures, including charitable giving. The report drew two important conclusions:

- High-income households contribute a disproportionately large share of

charitable gifts compared with other taxpayers, and tax policies do impact giving habits for these individuals. However, the results of the analysis indicate a relatively small decline (1.3 percent) in itemized giving would occur if the proposals had taken effect in 2009 and 2010.

- Reductions in disposable income of high-income households, caused by increasing marginal rates paid by these households, is also likely to negatively impact charitable giving.

Recent studies on factors related to giving

The face of philanthropy has changed significantly due to public efforts like The Giving Pledge to increase social responsibility. As scholars and practitioners seek to understand the sociological and psychological sketch of new and existing philanthropists, studies reveal distinct traditions and motivations for giving, based on differences in gender, ethnic and cultural traditions, socioeconomic conditions, and other factors.

Informal giving among common groups of people is known as "identity-based" philanthropy.³⁴ In the modern United States, the practice was first associated with Jewish communities that formed

GOOD TO KNOW! The volunteer rate rose by 0.5 percentage points to 26.8 percent in 2011 from 2010.³² Nearly 65 million people volunteered at least once between September 2010 and September 2011. The increase in the volunteer rate in 2011 followed a year-long decline of equal size in 2010; however, the volunteer rate has not significantly changed since 2006. By age group, 35- to 44-year-olds and 45- to 54-year-olds were the most likely to volunteer (31.8 and 30.6 percent, respectively). Persons in their early twenties were the least likely to volunteer (19.4 percent).

GOOD TO KNOW! In 2011, author Valaida Fullwood released the long-awaited book, *Giving Back: A Tribute to Generations of African American Philanthropists*. In writing this book, Ms. Fullwood sought to spotlight everyday Black donors and bring attention to many of the customs of giving within the African American community.

fundraising federations to help new settlers transition into life in the United States. Over time, identity-based philanthropic research has broadened to other minority communities, including: African Americans, Latinos, Native Americans, Asian Americans, and women.

Studies released in 2010 and 2011 about factors related to individual giving highlight the effects of gender on charitable giving, the differences between charitable giving by high-net-worth men and women, the impact of race on charitable giving, and the importance of ‘giving types’ to charitable organizations. The following sections recap trends in individual giving for 2011 and profile the changing face of philanthropy.

Gender influences how much individuals volunteer and give

Christopher J. Einolf, assistant professor at DePaul University School of Public Service in Chicago, analyzed differences in volunteerism and charitable giving based on gender.³⁵ Previous psychological research has found that women score higher in most measures of the traits, motivations, and values that predict helping others, including friends and family. Einolf sought to explain the apparent contradiction in the hypothesis that men’s access to more resources and social capital than women will compensate for their lower level of motivation for helping. Einolf tested

the hypothesis using data from the 1995 Midlife in the United States (MIDUS) survey.

Einolf concluded that while motivations, resources, and social capital were found to vary for both women and men, women appeared to be more motivated than men in to help others. Nevertheless, men were shown to have distinct charitable habits. Specific results (averages) of the study include:

- Women volunteer at a higher rate (41.6 percent) than men (34.5 percent).
- Women volunteer for longer periods of time (14.0 hours per month) than men (12.9 hours per month), though this difference is not statistically significant.
- Men give significantly more to religious charities (\$100.20) than women (\$65.23).

The 2011 Study of High Net Worth Women’s Philanthropy highlights the differences between men and women donors

The 2011 Study of High Net Worth Women’s Philanthropy is the fourth installment in a series of research reports on high-net-worth donors conducted by the Center on Philanthropy on behalf of Bank of America Merrill Lynch.³⁶ The 2011 report focused on high-net-worth women as donors, as well as the impact of women’s giving

networks. This year's study used data collected in the 2010 Bank of America Merrill Lynch study, with additional data collected from a survey of high-net-worth women in the Tiffany Circle of the American Red Cross.

The 2011 report is the first in an attempt to help development officers, fundraisers, and nonprofits realize that the words 'donor' and 'prospect' do not tell the whole story. Giving behaviors change across different cultures, races, ethnicities, and age groups, as well as between the sexes. The 2011 report views donors through the gender lens in order to better understand how high-net-worth men and women give similarly and differently.

When assessing motivations behind charitable giving, the report found that women are significantly more likely than men to give to a charity because they volunteer at the organization, at a rate of 65.7 percent and 49.8 percent, respectively. High-net-worth women are also more likely than men to report that they give when they believe their gift will make a difference, when they know the organization is efficient in its use of donations, and for the purpose of giving back to the community.

In the study, high-net-worth women reported an overall higher level of confidence in solving domestic or global problems than men. In particular, high-net-worth women were statistically significantly more likely (at a rate of 50.4 percent) to have a greater level of confidence in the ability of nonprofits to solve domestic or global problems than their male counterparts (33.8 percent).

Women also reported a higher level of confidence in the ability of individuals and small to midsized businesses to solve social and global issues than men (at a rate of 38.4 percent and 13.2 percent, respectively).

When it comes to volunteerism, nonprofits should not hesitate to call upon high-net-worth women to help. Overall, high-net-worth individuals volunteer at higher rates than the general U.S. population. Specifically, in the study, more than 86 percent of high-net-worth women reported they had volunteered, compared to about 78 percent of high-net-worth men—a statistically significant difference. While the general volunteer rate for women decreased slightly in 2010 from 2009 (from 30.1 percent to 29.3 percent), women continued to volunteer at a higher rate than men across all age groups, educational levels, and other major demographic characteristics.

High-net-worth men and women were found to be most likely to give their largest gifts to nonprofits for general operating support (60.2 percent of women and 55.7 percent of men), to fund a particular program (41.2 percent of women and 35.2 percent of men), or to support the growth of an organization (22.2 percent of women and 24.1 percent of men). Other findings from the 2011 study include:

- High-net-worth women were statistically significantly more likely than their male counterparts to have a strategy and/or budget for their giving (at 78.4 percent and 71.9 percent, respectively).

- The majority of high-net-worth individuals reported a willingness to accept average levels of risk in their philanthropic assets. However, men were more willing to take above-average to substantial risk than women, whereas women were more likely than men to take no risk at all, at 22.8 percent and 38.7 percent, respectively.
- High-net-worth women were more likely to consult with financial/wealth advisors (20.1 percent) when making their charitable giving decisions compared to men (16.4 percent).

Communities of color are more prone to giving

According to U.S. Census data, ethnic and racial groups are growing at accelerating rates. For growth rates from 2000 to 2010, see Table 4.³⁷

As these communities have grown, their respective educational and socioeconomic conditions have increased for the better. As a result of this changing landscape, voluntary and monetary contributions by these groups have increased. In fact, according to a 2012 report released by the W.K. Kellogg Foundation, *Cultures of Giving: Engineering and Expanding Philanthropy by and for Communities of Color*, communities of color are giving at increasing rates and levels. For instance, 63 percent of Latino households now make gifts to nonprofit organizations, on par with the overall rate of giving by all American households. In addition, almost two-thirds of African-American households donate to organizations and causes, totaling approximately \$11 billion each year, and African-American giving is increasing

faster than African-American income or wealth in the aggregate.

The intention of the W.K. Kellogg Foundation report is to educate funding organizations across a wide range of topics related to “identity-based philanthropy”—philanthropic engagement by communities of color, for communities of color—as well as to inspire individuals from all types of backgrounds to engage their philanthropic spirit.

Table 4
Ethnic and racial population growth percentages, 2000 to 2010

Ethnic/racial population	Growth rate
African American	12.3 percent
Asian American	39.4 percent
Native American	18.4 percent
Arab American	38 percent
Latino	43 percent

Source: W. K. Kellogg Foundation, *Cultures of Giving: Engineering and Expanding Philanthropy by and for Communities of Color*, 2010

Identified ‘giving types’ are more likely to give to multiple organizations

In a 2011 article titled, “The Giving Type: Identifying Donors,” Angela de Oliveira, a professor at the School of Management at the University of Massachusetts Amherst, and Rachel Croson and Catherine Eckel, economists at the University of Texas at Dallas, analyze and present a positive correlation at the individual level between giving to one organization and to another.³⁸

Through designing and running an artificial field experiment in which participants had the opportunity to contribute to more than one charitable

organization, results supported the existence of an individual ‘giving type.’ The article defines a ‘giving type’ as an individual who gives to one organization and, by doing so, is more likely than non-donors or random members of a population to give to other organizations.

The findings suggest that charitable organizations might increase their earnings by identifying and targeting ‘giving types.’ Furthermore, these findings support the perception that one of the most challenging activities charities face

is identifying new donors, and that sharing existing donor lists could be quite valuable to organizations attempting to identify new donors.

Key data from annual studies summarized

Table 5 presents data from several studies appearing annually about giving by individuals. Website addresses are provided so readers can access the full reports.

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 5
Key findings from studies on individual giving

Center on Philanthropy Panel Study (COPPS) Household charitable giving in years 2004, 2006, and 2008* Data are from a module of the Panel Study of Income Dynamics (PSID) www.philanthropy.iupui.edu/research			
	2004	2006	2008
Percentage of households that gave to charity	66.9 percent	65.3 percent	65.4 percent
Average donation amount (in 2008 \$)	\$2,417	\$2,370	\$2,321

Nonprofit Research Collaborative Survey, Winter 2011 Percentage of respondent organizations reporting a change in the number of renewing individual donors as a share of all contributors www.philanthropy.iupui.edu/research	
Change in number of renewing donors compared with the prior year	Percentage of organizations reporting gifts from individuals**
Increased	26 percent
Stayed the same	48 percent
Decreased	26 percent

IRS statistics on charitable deductions claimed on individual tax returns Tax years: 2007–2009 www.irs.gov/taxstats			
	2007	2008	2009
Percentage of individual tax returns with itemized deductions for charitable gifts (cash only)	40 percent	25 percent	75 percent
Average charitable deductions taken on individual tax returns	\$3,780	\$3,840	\$3,787

* These figures represent the average amounts given by households that gave more than \$0 in each survey year; not the average amounts given by all households, including those who gave nothing. The figures for the percentage of households that gave were from households that reported giving more than \$0 in each reporting year; it excludes households that could not give a precise dollar amount.

**Not all organizations provided a response; therefore totals may not add up to 100 percent.

- 1 Note that *Giving USA* does not use this in the giving by individuals estimation model. “United States Consumer Confidence,” Trading Economics, accessed May 2012, www.tradingeconomics.com.
- 2 Note that *Giving USA* does not use this in the giving by individuals estimation model. “United States Unemployment Rate,” Trading Economics, accessed May 2012, www.tradingeconomics.com.
- 3 S&P 500 Index, Economic Research, Federal Reserve Bank of St. Louis, accessed April 2012, www.research.stlouisfed.org.
- 4 “Personal Consumption Expenditures by Major Product Type,” Bureau of Economic Analysis, 2012, Table 2.3.5, accessed May 2012, www.bea.gov.
- 5 The CPI tells us what the cost of a basket of goods is in any particular year relative to the baseline year, which is 2005. A higher CPI generally indicates a stronger economy, while a lower one points to an economic decline. “Price Index for Personal Consumption Expenditures by Major Type of Product,” Bureau of Economic Analysis, 2012, Table 2.3.4, accessed May 2012, www.bea.gov.
- 6 Information available at <http://www.irs.gov/taxstats/indtaxstats/article/0,,id=129270,00.html>
- 7 This section written by the Center on Philanthropy. This is according to analysis by *Giving USA* of independent and family foundation grantmaking from 2004–2009, based on reports issued by the Foundation Center at www.foundationcenter.org. The proportion of giving by family foundations to independent foundations between 2004 and 2009 ranges from 56 percent to 62 percent.
- 8 John A. List and Yana Peysakhovich, “Charitable Donations are More Responsive to Stock Market Booms than Busts,” *Economics Letters*, 2010, 110: 166–169.
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- 13 B. Blanchard and D. Whitney Smith, “USU Moab Receives \$15 Million,” *The Utah Statesman*, September 16, 2011.
- 14 This section written by the Center on Philanthropy. “A Look at the 50 Most Generous Donors of 2011,” February 6, 2012, www.philanthropy.com.
- 15 Note that *Giving USA* tabulates giving by bequest in the “Giving by bequest” estimate. Refer to that chapter for more information.
- 16 M. Slatalla, “Five Fascinating Philanthropists,” *Barron’s*, December 5, 2011, www.barrons.com.
- 17 For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 18 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The three reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 19 Nonprofit Research Collaborative, “April 2012 Nonprofit Fundraising Survey,” 2012, www.nonprofitresearchcollaborative.org.
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- 21 Nonprofit Research Collaborative, “December 2011 Nonprofit Fundraising Survey,” 2011, www.nonprofitresearchcollaborative.org.
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- Charitable Giving,” Blackbaud.com, accessed March 2012, <https://www.blackbaud.com/nonprofit-resources/charitable-giving-index.aspx#wrapUtility>.
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- 28 This section written by the Center on Philanthropy. “The Blackbaud Index of Online Giving,” Blackbaud.com, accessed March 2012, <https://www.blackbaud.com/page.aspx?pid=807>.
- 29 Data accessed May 2012.
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4

GIVING BY BEQUEST

- Giving by bequest increased an estimated 12.2 percent in 2011 from 2010, to \$24.41 billion (in current dollars).
- Adjusted for inflation, giving by bequest increased 8.8 percent in 2011 compared with 2010. Over the last four decades (1971–2011), average annual inflation-adjusted giving by bequest has grown at a slower rate than the average annual rate of inflation, at 2.9 percent and 4.4 percent, respectively.
- *Giving USA* includes an estimate for charitable bequests claimed on estate taxes and an estimate for those estates that do not file with the IRS.¹
 - The share of bequest giving by itemizing estates amounted to \$20.68 billion in 2011, or 85 percent of the total bequest estimate. This amount includes two “mega-bequests” totaling \$2.63 billion.
 - The estimate for giving by bequest for approximately 97,000 non-filing estates is \$3.73 billion in 2011. The average bequest amount for these estates is \$32,734, which is \$5,880 higher than the 2010 estimated average.
- It is estimated that about half of all bequests are given to foundations. The balance is divided among all other types of charities. Assuming this pattern continues to hold true, an estimated \$12.21 billion was bequeathed to charities other than foundations in 2011.

***Giving USA* findings about giving by charitable bequest in 2011**

Each year, the *Giving USA* estimate for giving by bequest includes calculations for charitable giving by estates that file returns with the IRS and claim deductions, as well as charitable giving by non-filing estates.

The estimate for filing estates takes into account historical trends in bequest giving to institutions of higher education based on figures provided by the Council for Aid to Education and in IRS estate filings. To this estimate, an amount for giving by “mega-bequest” is added.

Mega-bequests are charitable bequests large enough to impact the rate of change of total giving by one percent or more from one year to the next. In 2011, mega-bequests totaled \$2.63 billion.

The estimate for non-filing estates takes into account the historical trends in:

- The share of charitable bequest giving by decedents from three age groups (those between the ages of 55–64, those between the ages of 65–74, and those 75 years and older);²
- The share of estate value going to charity by age group;³

- The average rate of change in the death rate of these three groups; and
- The average net worth of these three groups.

Each year, the average rate of change in the death rate fluctuates, as does the average net worth of these decedent groups, invariably impacting the estimate for charitable bequests given by non-itemizing estates. While these variables fluctuate year to year, the overall death rate has been on the decline for over a decade.⁴ In 2009, the “age-adjusted” death rate was 750 per 100,000 people, while in 2010 it was 746 per 100,000 people.⁵ The declining bequest rate is due, in part, to increasing longevity, which impacts bequest giving because decedents have fewer assets to give upon their deaths.

Average household net worth is calculated using data from the Survey of Consumer Finances together with the rate of change in household wealth as provided by the Federal Flow of Funds Accounts.⁶ *Giving USA* analysis reveals that average net worth per household dipped sharply in 2008 from 2007, but has been climbing since 2009. In 2009, average net worth was \$54,176. In 2010, it was \$56,823 and rose 2.9 percent to \$58,455 in 2011.

Paid bequests in 2011

The Chronicle of Philanthropy's 2011 list of the 50 most-generous donors includes 10 donors whose gifts came in the form of bequests.⁷ These donors made gifts totaling \$6.9 billion. In comparison, the 2010 list contained eight bequests,⁸ while the 2009 list included nine bequests.⁹

The largest bequest paid in 2011 was \$6 billion from Margaret Cargill, heir to the Cargill Corporation fortune (the company was founded by her grandfather), to her two foundations, the Anne Ray Charitable Trust and the Margaret A. Cargill Foundation. Cargill died in 2006, but because the bequest was comprised of private shares of Cargill stock, the bequest could not be distributed until 2011.¹⁰ The funds will support a wide range of charitable causes.

Charities typically receive bequests from a will about one to two years after the donor is deceased. However, both shorter and longer processes are possible, especially if provisions in the will indicate that charitable gifts are to be dispersed only after heirs are also deceased.

Other notable estates settled and bequest gifts paid in 2011 include:

- \$500 million from William S. Dietrich II, a steel manufacturing executive, to his foundation, to support Western Pennsylvania nonprofits, including Carnegie Mellon University, which received a \$267.5 million grant, and the University of Pittsburgh, which received a \$125 million grant.¹¹
- \$125 million from Margaret B. Glasgow and Arthur G. Glasgow, an engineering and energy executive, including \$70 million to the Virginia Museum of Fine Arts in Richmond and \$45 million to Virginia Commonwealth University. The couple died in the 1950s, but their estate specified that the bequests be carried out upon the death of their last living heir.¹²

- \$76.5 million from Eric F. Ross, a chemical manufacturing executive, to 17 nonprofits, including an \$18.1 million gift to American Associates, Ben-Gurion University of the Negev, and significant gifts to many other religiously affiliated organizations.¹³
- \$60 million from A. B. Hudson, an oilman and rancher, to Shriners Hospital for Children in St. Louis. Hudson, a longtime member of the Shriners, died in 2008.¹⁴
- \$50 million from Charles E. Kaufman, a chemical engineer and investor, to the Pittsburgh Foundation, to support scientific research.¹⁵

A few bequests that were previously publicized or expected to be paid in 2011 were not included on the *Chronicle's* list as paid in 2011:

- Decedent Dan Duncan, who died in March 2010 and whose estate was worth an estimated \$8 billion in 2009, is known to have willed about half of his estate to the Dan L. Duncan Family Foundation. Press reports in 2011 and early 2012 had not yet confirmed that this estate was settled.¹⁶
- Decedent John Kluge, who died in September 2010 and whose estate was worth an estimated \$6.5 billion, pledged a bequest of approximately \$400 million to Columbia University in 2007.¹⁷ The pledge was included on the 2007 list of top gifts. The university will not receive the funds until related assets have been sold by his estate.
- Decedent Huguette Clark, who died in May 2011 and whose estate is

worth approximately \$400 million, may have left a large sum to several charities. However, her will has been disputed by her heirs and thus will not be paid until the issue is resolved.¹⁸

Half of surveyed charitable organizations report no bequests

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.¹⁹ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.²⁰ Planned giving was included in the analysis of fundraising vehicles used by responding organizations. Nearly half of survey respondents (49 percent) reported not having received any funding from bequests in 2011.²¹ Among those that use planned giving, nearly one-third (32 percent) reported that their receipts from bequests rose in 2011 compared with 2010.

Organizations that use planned giving as a fundraising vehicle accounted for a relatively low percentage of total charitable receipts from bequests. Nearly one-third (31 percent) of all surveyed organizations reported that paid bequests accounted for one percent to 10 percent of total charitable receipts in 2011.²² This means that bequests form one percent to ten percent of total charitable receipts at about two-thirds (64 percent) of organizations in this study with planned giving programs. That result is similar across organizational sizes.

Table 1
Survey results for organizations receiving planned gifts, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

Direction of change	Percentage of respondents	
	All of 2010	All of 2011
Up	43	32
Same	33	51
Down	24	17

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

- Among all surveyed organizations with expenditures between \$250,000 and \$999,999, 36 percent received bequests. Bequests accounted for between one and ten percent of the total contributions received at 23 percent of all respondents, or nearly two-thirds of organizations receiving bequests at all.
- Among all surveyed organizations with expenditures above \$10 million, 74 percent reported receiving bequests. In this group, bequest dollars accounted for one percent to ten percent of total charitable receipts for 46 percent of all respondents. This is about two-thirds of organizations receiving bequests.

During 2011, organizations surveyed by the NRC reported a general trend downward in the amounts received from prior planned gift commitments.²³ For the 12 months ending in December 2010, 43 percent of surveyed organizations reported an increase in the amount received from planned gifts.²⁴ By December 2011, the share with an increase in received planned gifts had dropped to 32 percent. More than half of respondents (51 percent) reported that the amount received in 2011 from planned gifts remained flat compared with 2010. See Table 1 for more specific results from the survey.

GOOD TO KNOW! *Almost half of surveyed charities that use planned giving expect to direct more resources to securing new gift commitments in 2012*

Planned giving is an investment in the long-term financial health of a nonprofit organization. Among responding charities to the early fall 2011 NRC survey, 47 percent of organizations that currently use planned giving expect to increase resources toward securing planned gifts in 2012.²⁵ Of these organizations, about one in ten (9 percent) reported they would decrease their investment in securing new commitments, and 44 percent reported planning to hold their investment steady in 2012.

Table 2
Percentage of taxable estate returns with charitable deductions (bequests), 2001–2010 (tax filing year)

	All taxable itemized returns	All taxable returns with charitable deductions itemized	Percentage of returns with charitable deductions
2001	51,736	10,499	20
2002	45,018	8,743	19
2003	33,302	7,373	22
2004	31,329	6,800	22
2005	20,250	4,565	23
2006	22,798	5,331	23
2007	17,408	4,248	24
2008	17,144	3,991	23
2009	14,713	3,168	22
2010	6,711	1,562	23

Data: IRS, SOI Tax Stats, Estate Tax Statistics Filing Year, Table 1, accessed March 2012, www.irs.gov

Estate tax law and legal developments in 2011

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (2010 Act) set the amount of transferrable wealth that is exempt from federal estate taxes during 2011 to \$5 million for individuals and \$10 million for married couples, while the maximum estate tax was set at 35 percent.²⁶ Aside from 2010, when the estate tax was nullified, this was the lowest estate tax rate since 1931.²⁷ Gifts to spouses and charities remained deductible in 2011.²⁸ The estate tax exemption will be indexed for the first time in 2012, making up to \$5.12 million exempt for an individual.²⁹

Prior to the passage of the new law in December 2010, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) would have returned the estate tax system to 2001 levels,

with an individual exemption of just \$1 million and a top rate of 55 percent for most estates.³⁰ In 2013, the estate tax will return to the 2001 levels unless Congress votes to change it.³¹ President Obama's 2013 budget, released in February 2011, calls for a \$3.5 million exemption and a 45 percent tax rate (the 2009 levels) in 2013 and later.³²

IRS statistics on estates claiming charitable deductions in 2010

In 2011, the Internal Revenue Service (IRS) released data on estate tax returns filed in 2010.³³ Most estates filed in 2010 were for 2009 decedents, although some deaths occurred earlier and were filed in 2010 due to filing extensions. In 2010, 20 percent of *all* filing estates claimed a charitable deduction, while 23 percent of *taxable* estates claimed a charitable deduction.³⁴ Table 2 shows the proportion of taxable estate returns

that reported a charitable deduction from 2001 to 2010, which has held relatively constant since 2003. Note that in 2010 the number of filing taxable estates dropped substantially due to the repeal of the estate tax. That year, estates could elect to file, although many chose not to file.³⁵

Each year, larger estates are more likely to claim a charitable deduction than smaller estates. Table 3 shows that nearly 20 percent of *all* filing estates (not just taxable estates) claimed a charitable deduction in 2010. Forty percent of estates with greater than \$20 million in assets claimed a charitable deduction in 2010, while only 12 percent of estates with assets below \$3.5 million claimed a charitable deduction that year. Gross charitable bequest deductions totaled \$11.5 billion in 2010, nearly 20 percent of all estates claimed in that year.³⁶ Estates with \$20 million or more in gross value (6 percent of filers) claimed 63 percent of the aggregate deduction.

Figure 1 shows the historical trends in the number of *taxable* estates claiming charitable deductions, which makes up 58.3 percent of total charitable bequest reductions.³⁷ The aggregate decrease in bequests reported to the IRS is related to the gradual increase of the exemption threshold over this time period (from \$675,000 in 2001 to \$5 million in 2010) with the number of claims remaining relatively steady for larger estates. Between 2009 and 2010, the number of estates valued at \$5 million or more (top three categories) claiming charitable deductions fell by nearly 28 percent. During that same period, the number of estates valued at \$20 million or more (the largest category) fell from 324 to 261—a 24 percent decline.

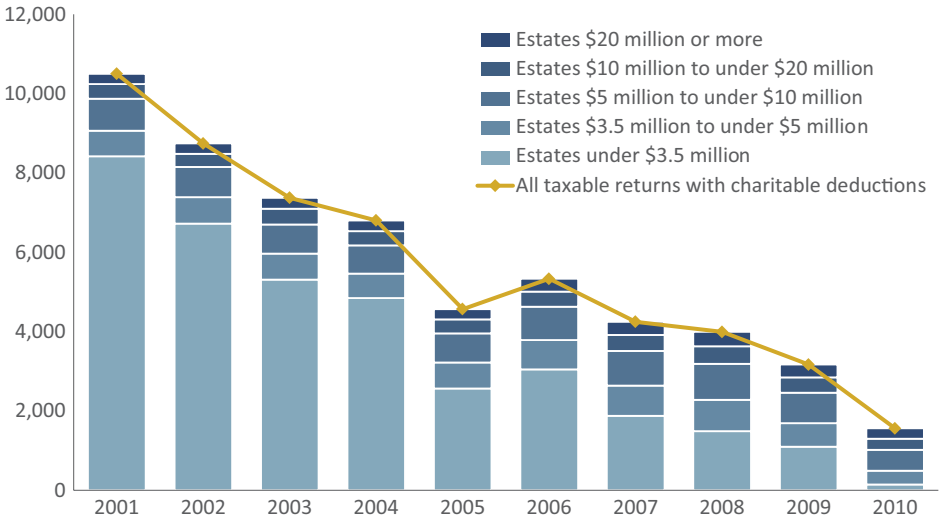
Since 2006, the last year that the number of taxable estate returns with charitable deductions was near 6,000, the number of estates valued at \$20 million claiming deductions has fallen by nearly 19 percent, while the number of estates at \$5 million or more has fallen by 45 percent.

Table 3
Percentage of all estate returns with charitable deductions (bequests) in 2010 by estate size

	Number of filing estates	Number claiming charitable deduction	Percentage claiming charitable deduction
All filing estates	15,191	3,061	20
Estates under \$3.5 million	3,306	384	12
Estates \$3.5 million to under \$5 million	5,027	922	18
Estates \$5 million to under \$10 million	4,439	966	22
Estates \$10 million to under \$20 million	1,526	433	28
Estates \$20 million or more	892	355	40

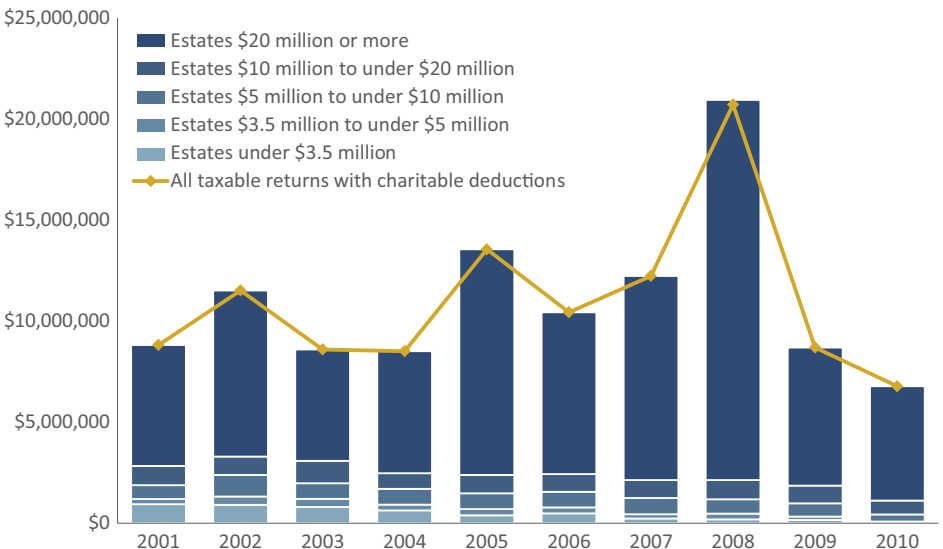
Data: IRS, SOI Tax Stats, Estate Tax Statistics Filing Year Table 1, accessed March 2012, www.irs.gov

Figure 1
Number of taxable estate returns with charitable deductions (bequests) by estate size, 2001–2010 (tax filing year)



Data: IRS, SOI Tax Stats, Estate Tax Statistics Filing Year Table 1, accessed March 2012, www.irs.gov

Figure 2
Total charitable deductions (bequests) claimed on taxable estate returns by estate size, 2001–2010 (tax filing year)
(in thousands of dollars)



Data: IRS, SOI Tax Stats, Estate Tax Statistics Filing Year Table 1, accessed March 2012, www.irs.gov

Figure 2 shows historical trends in charitable deductions claimed on *taxable* estates. In 2010, taxable estates claimed \$6.7 billion in aggregate charitable deductions. This graph demonstrates that while individuals from all asset levels give bequests, the gifts made by very high-net-worth individuals make the largest impact on the aggregate dollar value of bequests in a given year. However, between 2009 and 2010, total charitable deductions claimed for bequests by estates valued at \$5 million or more (top three categories) fell from \$8.36 billion to \$6.69 billion, a decline of 20 percent.

Studies on charitable estate planning in 2011

Studies released in 2011 pertaining to American bequest giving include one that found that donors who have a large percentage of their wealth in the form of homeownership tend to be less likely to make a bequest than non-homeowners. Another study found that identification, which is indicated by personal relationships and a feeling of community with other supporters or nonprofit staff, as well as alignment of values between the organization and donor, are important motives for bequest giving. Researchers also published two studies on bequests using data from other countries. Summaries of these studies are included in the following sections.

As the share of wealth in homeownership rises, planned giving falls

In a 2011 study, Russell James III, Texas Tech University, and Christopher Baker, Swinburne University of Technology

(Australia), found that a larger share of wealth in an individual's primary residence negatively affects charitable giving.³⁸ The authors analyzed charitable giving and bequests (formalized in a will but currently unrealized) from the Health and Retirement Study, a sample of the U.S. population over the age of 50, and found that as a household's wealth and homeownership rose, the more likely the household planned to make a significant annual gift (over \$500) or to leave a bequest. The study controlled for other factors including income, education, number of children and grandchildren, age, and marital status. The study also included a longitudinal component to test if unobserved characteristics affected the relationship among annual giving, wealth, homeownership, and the percentage of assets held in the form of a primary residence. The results of this component were consistent with the initial finding.

Despite the positive effect that homeownership was found to have on annual and bequest giving, the authors found that homeowners who had a large percentage of wealth "tied up" in their homes were less likely to make a bequest than non-homeowners. To test whether the results for self-reported inclusion of a bequest in one's will held true when the estate was actually dispersed, James and Baker examined Australian probate records and found that those with a higher percentage of wealth in the form of real estate were less likely to make a bequest, controlling for wealth and real estate ownership. The authors hypothesized that this effect may be due to issues of liquidity (although they note

that these concerns should be somewhat lessened with estate gifts) or the unique emotional connection individuals have with their homes.

Identification is an important motive for bequest giving

A study by Adrian Sargeant and Jen Shang, both of Indiana University, published in October 2011, examined the motives for bequest giving among focus group participants using a specific form of analysis known as “dimensional qualitative research.”³⁹ The findings of this study suggest that a donor’s feeling of identification with a nonprofit increases his or her motivation for giving a bequest to that organization.

Sargeant and Shang found that five motives previously identified to motivate lifetime giving were also applicable in bequest situations: “prestige,” “personal

benefit,” “giving back,” the “joy of giving,” and “identification”—an important concept not typically explored. In the study, identification was defined as having a “feeling of community” with a charitable organization, its staff, or other donors, often sparked by interpersonal relationships. This motivation also includes the belief that the values of an institution align with the donor’s own values and that these values should be preserved for the future.

Sargeant and Shang explored how feelings of identification were created, noting that length of relationship with the organization, frequency of contact, and quality of contact (including contact with respected individuals affiliated with the organization) appeared to be important. In addition, the authors found evidence that a donor’s belief in

GOOD TO KNOW! Analyzing the motivations for bequest giving, researchers at Indiana University, Adrian Sargeant and Jen Shang, found that cultivating the feeling of identification donors have with a charitable organization is an important component of successful planned giving programs.⁴⁰ To cultivate this feeling of identification, Sargeant and Shang recommend that practitioners:

- Understand the values that connect their organization to donors.
- Conduct a focus group or other donor study to understand how donors view the organization’s brand personality, especially organizational values and the degree to which donors identify with various aspects of the brand.
- Tailor the case for support and other communication pieces to reflect key values that connect donors with the organization.
- Build interpersonal connections between donors and supporters or staff.
- Get to know donors well, both through personal conversations and prospect research, and identify existing ties among donors and potential natural communities of supporters.
- Use events to build a sense of community among all organizational stakeholders.
- Highlight members of important donor communities in communication pieces (especially profiles of current bequest donors) to demonstrate commitment to giving by those a prospective donor identifies as peers.

the “distinctiveness” of an organization, the importance of shared values between a donor and an organization, and the degree of similarity between the donor and the organization were all important in developing identification.

The authors also found motives specific to bequest vehicles, including a donor’s desire to limit the amount that would be available to family, to leave a legacy, and to make a large impact, as well as estate tax considerations. Sargeant and Shang noted additional donor motivations related specifically to recipient organizations, including an organization’s efficiency and effectiveness, professionalism of staff (especially a professional approach regarding the bequest gift), and communication from and personal interaction with the organization and fundraiser.

Few financial planners broach philanthropic planning with high-net-worth clients

A 2011 study by Walter Wymer of the University of Lethbridge (Canada) and Wendy Scaife and Katie McDonald, both of Queensland University of Technology (Australia), examined the philanthropic planning practices of

financial planners to high-net-worth clients.⁴¹ The researchers surveyed Canadian financial planners who declared a specialty in estate, trust, or charitable gift planning. Key results of this study, which the authors note are similar to previous results of U.S. financial advisors, include:

- About half of financial planners reported being “well-informed about their clients’ interest in philanthropy.”
- One-third of planners reported that their non-giving clients “underestimated their financial ability to give”—a barrier that planners could presumably help them overcome.
- 29 percent of respondents discussed philanthropy (including bequests) with clients only after the client brought up the topic.
- Nearly all planners (94 percent) noted that tax avoidance was an important motivation for offering philanthropic planning services.

The 2011 Study of High Net Worth Women’s Philanthropy, researched by the Center on Philanthropy at Indiana University, revealed that 20.1 percent of women and 16.4 percent of men consult

GOOD TO KNOW! Academic studies released in 2011 show that nonprofit organizations may benefit from developing mutually beneficial relationships with financial planners and estate lawyers, because these individuals can be influential in high-net-worth individuals’ decisions to give.⁴² These professionals are most likely to promote the tax incentives for various types of giving and other ways philanthropy can benefit their clients, rather than a particular charity. Thus, outreach to financial planners is a long-term strategy benefitting the entire philanthropic community. To avoid ethical issues, financial planners should never be compensated by nonprofit organizations for offering philanthropic advice to clients.

with a financial or wealth advisor when making charitable decisions.⁴³ The results were based on the 2010 Bank of America Merrill Lynch Study on High Net Worth Philanthropy's survey data, and additional data collected by the Center on Philanthropy at Indiana University.

Motives and barriers to bequest giving distinctive from lifetime giving considerations

Pamela Wiepking of Erasmus University Rotterdam (the Netherlands) and Wendy Scaife and Katie McDonald of Queensland University of Technology (Australia) conducted a survey of Australian donors to understand their motivations for, and deterrents to, bequest giving.⁴⁴ The researchers found that beliefs in charitable efficacy—an established motive for regular charitable giving—were positively related to bequest giving. In contrast, motives like altruistic attitudes, political and religious values, and reputation, which previous research on charitable motivations identified as predictors of giving, were not supported by this study.

The study also examined barriers to bequest giving. Donors who have children or grandchildren were less likely to give bequests, although donors who reported that their families were already well provided for were more likely to have named a charity in their will. The researchers also found that donors who perceived that making a bequest was difficult or who believed they lacked the financial capacity to “make a difference to the community” through a bequest were less likely to actually make a bequest—even after controlling for income, assets, and other variables. Finally, the researchers found that respondents with lower levels of financial resources were actually *more* likely to give a charitable bequest (although presumably these bequests would be smaller), controlling for other variables.

IRS data on bequest and deferred giving

Table 4 presents three years of data released annually by the IRS about bequests and deferred giving. For more information, go to www.irs.gov/taxstats

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 4
IRS statistics on bequests and deferred giving for tax years 2008–2010⁴⁵

Charitable remainder annuity trust			
	2008	2009	2010
Number	19,241	18,572	16,937
Assets (book value)	\$8.93 billion	\$8.14 billion	\$7.49 billion
Charitable lead trust			
	2008	2009	2010
Number	6,521	6,626	6,609
Assets (book value)	\$19.65 billion	\$18.27 billion	\$19.65 billion
Charitable remainder unitrust			
	2008	2009	2010
Number	96,248	95,928	93,831
Assets (per Form 5227, book value)	\$98.04 billion	\$96.06 billion	\$91.58 billion
Assets (year-end, estimated fair market value)	\$119.20 billion	\$92.17 billion	\$97.40 billion
Estate tax returns filed			
	2008	2009	2010*
Federal estate tax filing threshold (Based on death date, not return date)	\$2.0 million	\$3.5 million	\$3.5 million
Total number of estate tax returns filed	38,373	33,515	15,191
Number with charitable deduction	7,214	6,242	3,061
Charitable deductions itemized on returns	\$28.37 billion	\$16.02 billion	\$11.49 billion
Percentage of estates filing estate tax return claiming a charitable deduction	18.8 percent	19.0 percent	20.0 percent
Percentage of gross estate value from all estate tax returns claimed in charitable deductions	12.4 percent	8.0 percent	9.0 percent

*In 2010, the estate tax was repealed. Estates were not required to file estate taxes with the IRS. See *Giving USA 2011* for details on the estate tax repeal in 2010.

- 1 See the “Brief summary of methods used” section of the full *Giving USA* report for more information on how this estimate is calculated.
- 2 For calculating the historical trend in bequest giving by all decedents over the age of 55, *Giving USA* bases its calculations on the methodology developed by Russell N. James III of Texas Tech University in his paper, The Myth of the Coming Charitable Estate Windfall, *The American Review of Public Administration*, 2009, 39 (6), 661-74. In 2011, *Giving USA* estimates that 4.6 percent of all decedents over the age of 55 made a charitable bequest.
- 3 The share of estate value going to charity is based on a calculation using historical U.S. Treasury data and varies by age group. For 2011, the share is 2.2 percent for decedents ages 55–64; 5.2 percent for decedents ages 65–74; and 7.8 percent for decedents ages 75 and over.
- 4 Centers for Disease Control and Prevention National Center for Health Statistics, Office of Communication, “US Death Rate Falls for 10th Straight Year,” press release, March 16, 2011, www.cdc.gov.
- 5 Sherry Murphy, Jiaquan Xu, and Kenneth Kochanek, “National Vital Statistics Reports, Volume 60, Number 4, Deaths: Preliminary Data for 2010,” Centers for Disease Control and Prevention, 2011, http://www.cdc.gov/nchs/data/nvsr/nvsr60/nvsr60_04.pdf. Note: Data for 2009 are final, while data for 2010 are preliminary.
- 6 The Federal Reserve Board, “Flow of Funds Accounts of the United States,” accessed April 2012, <http://www.federalreserve.gov/releases/z1/>.
- 7 This section written by the Center on Philanthropy. Note that *The Chronicle of Philanthropy* statistics do not include bequests that were fulfillments of pledges announced in previous years. Anonymous donors are also not included in summary statistics. “Share of Donors Who Made Bequests,” *The Chronicle of Philanthropy*, February 6, 2011, www.philanthropy.com.
- 8 “Philanthropy 50,” *The Chronicle of Philanthropy*, February 6, 2011, www.philanthropy.com.
- 9 Maria Di Mento and Caroline Preston, “A Slow Year for Big Gifts Spurs Wealthy Donors to Creativity,” *The Chronicle of Philanthropy*, February 7, 2010, www.philanthropy.com.
- 10 Maria Di Mento, “Philanthropy 50: Who are the Donors?—No. 1: Margaret A. Cargill,” *The Chronicle of Philanthropy*, February 6, 2011, www.philanthropy.com.
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- 14 Judith McGinnis, “Shriners Hospitals Benefit from Hudson Bequest,” *Times Record News*, November 7, 2011, www.timesrecordsnews.com.
- 15 The Pittsburgh Foundation, “Donor Leaves Record \$50 Million Gift to the Pittsburgh Foundation,” January 6, 2011, www.pittsburghfoundation.org.
- 16 Maria Di Mento, “How the *Chronicle’s* Survey of America’s Most-Generous Donors was Compiled,” *The Chronicle of Philanthropy*, February 6, 2011, www.philanthropy.com.
- 17 Marie Di Mento, “How the *Chronicle’s* Philanthropy 50 Survey was Compiled,” *The Chronicle of Philanthropy*, February 6, 2011, www.philanthropy.com.
- 18 Bill Dedman, “Heiress Huguette Clark’s Will Leaves \$1 Million to Advisers,” November 2011, June 22, 2011, www.msnbc.com.
- 19 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 20 Survey invitations were sent to membership and email lists of the partner organizations, and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Note that the samples vary from survey to survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 21 Nonprofit Research Collaborative, “April 2012 Nonprofit Fundraising Survey,” 2012, www.nonprofitresearchcollaborative.org.
- 22 Same as note 21.
- 23 Same as note 21.
- 24 Nonprofit Research Collaborative, March 2011 Nonprofit Fundraising Survey,” 2011, www.nonprofitresearchcollaborative.org.
- 25 Nonprofit Research Collaborative, “December 2011 Nonprofit Fundraising Survey,” www.nonprofitresearchcollaborative.org.

- 26 The law applied retroactively to 2010 decedents, although estates can also elect to proceed tax-free if they also elect a modified value for assets. (See *Giving USA* 2011).
- 27 Ben Steverman, "Estate Tax Changes May Crimp Charitable Giving," *Bloomberg Businessweek*, December 23, 2010, www.bloombergbusinessweek.com
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- 31 Congressional Budget Office, "Ch. 4: The Revenue Outlook," *The Budget and Economic Outlook: Fiscal Years 2010 to 2020*, January 2010, www.cbo.gov.
- 32 Office of Management and Budget, "Cutting Waste, Reducing the Deficit, and Asking All to Pay Their Fair Share," *Budget of the United States Government, Fiscal Year 2013*, 2011, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/cutting.pdf>.
- 33 IRS, "SOI Tax Stats – What's New," last modified October 2011, accessed May 2012, <http://www.irs.gov/taxstats/article/0,,id=97144,00.html>.
- 34 Same as note 33.
- 35 See *Giving USA* 2011 for complete details on the estate tax repeal.
- 36 Same as note 33.
- 37 IRS, "Statistics of Income: Estate Tax Statistics," accessed March 2012, <http://www.irs.gov/pub/irs-soi/10esesttaxsnap.pdf>.
- 38 Russell N. James III and Christopher Baker, "Targeting Wealthy Donors: The Dichotomous Relationship of Housing, Wealth With Current and Bequest Giving," *International Journal of Nonprofit and Voluntary Sector Marketing*, 17 (1): 25.
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- 40 Same as note 39.
- 41 Walter Wymer, Wendy Scaife, and Katie McDonald, "Financial Planners and Philanthropic Planning," *Voluntas*, 2011: 1.
- 42 Same as 39. See also, The Center on Philanthropy at Indiana University, *The 2011 Study of High Net Worth Women's Philanthropy and the Impact of Womens' Giving Networks*," December 2011, http://www.philanthropy.iupui.edu/Research/docs/2011BAC_HighNetWorthWomensPhilanthropy.pdf.
- 43 The Center on Philanthropy at Indiana University, *The 2011 Study of High Net Worth Women's Philanthropy and the Impact of Womens' Giving Networks*, December 2011, http://www.philanthropy.iupui.edu/Research/docs/2011BAC_HighNetWorthWomensPhilanthropy.pdf.
- 44 Pamala Wiepking, Wendy Scaife, and Katie McDonald, "Motives and Barriers to Bequest Giving," *Journal of Consumer Behavior*, 2012, 11 (1): 56-66.
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5

GIVING BY FOUNDATIONS

- Grantmaking by independent, community, and operating foundations increased 1.8 percent from 2010 to an estimated \$41.67 billion in 2011, according to figures provided by the Foundation Center.¹
- Giving by operating foundations realized growth of 2.4 percent in 2011, while giving by independent foundations rose 1.9 percent. Giving by community foundations was flat between 2010 and 2011 at a 0.1 percent decline.
- On average, each year giving by family foundations is estimated to be about 59 percent of giving by independent foundations. For 2011, this amount is \$19.5 billion, or 47 percent of total giving by all foundations included in this estimate.²
- Adjusted for inflation, giving by foundations declined 1.3 percent in 2011. Over the last four decades (1971–2011), average annual inflation-adjusted giving by foundations has grown at a slower rate than the average annual rate of inflation, at 3.7 percent and 4.4 percent, respectively.

Giving USA findings for giving by foundations in 2011

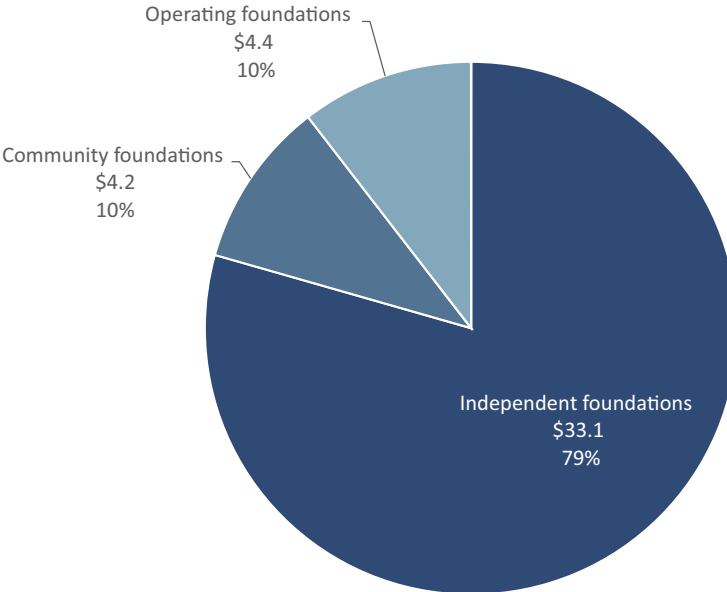
Giving USA's estimate for giving by foundations includes grants made by independent, community, and operating foundations. Independent foundations are sometimes called private foundations and also represent family foundations. The estimate does not include giving by corporate foundations, which is provided in the "Giving by corporations" chapter.

In spring 2011, the Foundation Center predicted a modest increase in grantmaking of 2–4 percent by all foundations in 2011.³ The 2011 projection was based on a survey of 975 community and independent foundations in January 2011. The moderate increase of 1.8 percent (in current dollars) in grantmaking by independent, community,

and operating foundations is thus on the lower end of that projection, which was based, in part, on the year-end rise of corporate profits, the S&P 500, and the NASDAQ in 2010. As is noted throughout this edition of *Giving USA*, most economic indicators that relate to corporate and foundation giving in 2011 were below those reported in 2010.

Total giving by independent, community, and operating foundations in 2011 is estimated to be \$41.67 billion.⁴ The share of giving by each foundation type for 2011 is included in Figure 1. The share of total grantmaking by each foundation type remained the same as in 2010. Independent foundations provided the vast majority of grants in 2010 and 2011, at 79 percent. Community and operating foundations each provided 10 percent of the grants for these years.

Figure 1
Share of foundation grantmaking by foundation type (independent, community, and operating) in 2011
(in billions of dollars, totaling \$41.67 billion)



Note: Numbers are rounded in the graph.

Data: Provided by Foundation Center, April 2012, www.foundationcenter.org

Total estimated giving by independent foundations in 2011 is \$33.1 billion. In the 2011 spring edition of *Foundation Growth and Giving Estimates*, the Foundation Center projected that 53 percent of independent foundations would increase grantmaking in 2011, while 30 percent would decrease grantmaking in 2011. Estimates for 2011 released in this edition of *Giving USA* show that, overall, independent foundations increased grantmaking between 2010 and 2011 by 1.9 percent.

Total giving by community foundations in 2011 is estimated to be \$4.2 billion. The Foundation Center projected that 50 percent of community foundations

would increase grantmaking in 2011, while 34 percent would decrease grantmaking in 2011. Estimates for 2011 released in this edition of *Giving USA* show that, overall, community foundations increased grantmaking between 2010 and 2011 by 0.1 percent—which is essentially a flat change.

The Foundation Center does not project changes in giving by operating foundations. For 2011, new estimates show that, overall, operating foundations increased grantmaking between 2010 and 2011 by 2.35 percent. Grantmaking by operating foundations in 2011 amounted to \$4.4 billion.

Grantmaking growth could not keep up with inflation rates in 2011

The Foundation Center reports that although the foundation subsector experienced a modest increase in grantmaking levels in 2011, and overall funding again reached record 2008 levels, when accounting for inflation, foundation giving in 2011 was down by approximately 3 percent.⁵ When excluding inflation, the Foundation Center estimates that giving by the nation's nearly 77,000 foundations totaled \$46.9 billion in 2011. This slight increase follows a nearly unchanged level of giving in 2010, and an approximate 2 percent decrease in giving in 2009.

The following sections provide explanation for the levels of foundation grantmaking realized in 2011.

Continued economic and market instability and global economic relations contributed to low asset growth for foundations in 2011

Foundation asset growth in 2011 rose only 0.3 percent, to an estimated \$646.1 billion.⁶ This growth is much lower than asset growth in 2010, when foundations experienced an increase of more than 9 percent in asset value, raising asset levels to an estimated \$643.9 billion. Since 2009, when foundation asset levels were approximately \$590.2 billion, asset value has increased by nearly 9.4 percent, or \$55.9 billion.

The Foundation Center attributes this low asset growth to the instability and volatility in the global and domestic markets in 2011, as well as global events, such as the ongoing European debt crisis and unstable eurozone economies. In addition, the ongoing global financial

GOOD TO KNOW! *Foundation grantmaking is predicted to experience weak growth in coming years*

Due to the poorly performing market and the slow and unstable economic recovery seen throughout 2011, the Foundation Center predicts that foundation giving is unlikely to improve much in 2012.⁷ According to the Foundation Center's 2012 "Foundation Giving Forecast Survey," giving by foundations in 2012 should grow between one and three percent. However, given that the inflation rate has remained at an average of about 3 percent, foundation giving will likely remain unchanged in 2012 based on real purchasing power.

A majority of respondents to the Foundation Center's spring 2012 survey expect to increase (44 percent) or maintain (18 percent) grantmaking in 2012 compared with 2011. Of the respondents who answered survey questions regarding expected giving in 2013, 54 percent expect to maintain giving levels, while 9 percent expect to reduce funding. The Foundation Center suggests that if the economy offers a more consistent and promising performance in 2012, foundations may be in a position to raise their giving amounts in 2012 and 2013.

consequences of the Tōhoku earthquake and tsunami in Japan, rising oil prices in the Middle East, and U.S. debt ceiling controversies added to the market's instability in 2011. The Foundation Center suggests that these issues have helped to keep foundation assets well below the record level of \$682.2 billion in 2007.

Announced gifts of \$100 million or more made by foundations increased between 2010 and 2011

According to the 2011 Million Dollar List, there were 535 publicly announced gifts of \$1 million or more made by foundations in 2011, totaling \$5.20 billion.⁸ This is lower than the 636 gifts publicly announced in 2010. Although there were fewer million-dollar-and-up gifts from foundations in 2011, these gifts amounted to \$3.35 billion more in 2011 than in 2010. Thus, on average, gifts given in 2011 were of greater dollar value than those given in 2010. Gifts to

higher education tend to be the largest ones made by foundations. Some notable gifts from foundations to institutions of higher education in 2011 on the 2011 Million Dollar List include:

- The Lincy Foundation announced the transfer of its assets of \$200 million to the University of California at Los Angeles (UCLA). As a result, the foundation will cease operations. The Lincy Foundation was founded in 1989 by Kirk Kerkorian, a casino mogul. The foundation has given away more than \$1.1 billion in its 20-plus years in existence.
- In January 2011, the Richard Paul and Ellen S. Richman Private Family Foundation donated \$10 million to Richard Paul Richman's alma mater, Columbia University.⁹ The contribution will be used to establish the Richard Paul Richman Center for Business, Law, and Public Policy, which will be an interdisciplinary academic center. This facility will be jointly

Table 1
\$100 million-plus gifts from foundations announced in 2011

Donor	Amount	Recipient
Walton Family Foundation	\$800 million	Crystal Bridges - Museum of American Art
The Lincy Foundation	\$200 million	University of California at Los Angeles (UCLA)
Sealy and Smith Foundation	\$170 million	University of Texas - Galveston
Sealy and Smith Foundation	\$170 million	Sundance Institute
W. M. Keck Foundation	\$150 million	University of Southern California
Osteopathic Heritage Foundation	\$105 million	Ohio University - College of Osteopathic Medicine
Dorothy and Marshall M. Reisman Foundation	\$100 million	Montego Bay Community College

Data: The Center on Philanthropy at Indiana University, The 2011 Million Dollar List, accessed May 2012, www.milliondollarlist.org

Table 2

Percentage of survey respondents by direction of change in the amount received from foundation grants in 2011 compared with 2010

Direction of change	Percentage of respondents	
	All of 2010	All of 2011
Up	39	42
Same	35	36
Down	25	22

Amount received from foundations

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

administered by the Columbia Business School and Columbia Law School.

- In 2011, the Wallace H. Coulter Foundation contributed \$10 million to Stanford University, which the university matched in order to establish an endowment. The endowment will support efforts to move medical treatments and devices developed at the university to facilities that help patients.¹⁰ This donation also allows the Wallace H. Coulter Translational Research Grant Program, initiated in 2006, to continue.

While foundation grants continued to comprise the largest percentage of dollars and number of gifts given by donor type in 2011, the number of very large gifts of \$100 million and more made by foundations increased from just one in 2010 to eight in 2011. Table 1 shows the seven gifts made by foundations in 2011.

The percentage of charitable organizations reporting an increase in foundation grants changed little between 2010 and 2011

The Nonprofit Research Collaborative (NRC), a partnership of organizations

engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.¹¹ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.¹² As of the June 2011 NRC survey, there had been little change in charitable receipts for the first six months of the year from foundation grants compared with the same period for 2010.

However, from the end of 2010 to the end of 2011, the share of surveyed charities that saw an increase in foundation grants rose modestly, from 39 percent to 42 percent.¹³ Fewer respondents reported a decrease in foundation grants between 2010 and 2011, while almost exactly the same number of respondents reported that foundation grants stayed the same—35 in 2010 and 36 in 2011. Although positive, given the sampling methods and sample sizes, the increase in 2011 is not statistically significant. See Table 2 for more specific results from this survey.

In the summer/early fall 2011 edition of the NRC survey, charitable organizations

were asked about changes in investment by fundraising method, including whether organizations increased personnel time or expenditures in order to submit foundation proposals.¹⁴ Among the responding organizations that increased investment in foundation proposals, 50 percent also reported a growth in foundation grant dollars received as of June 2011. This was one of the lower percentages for a return on investment, perhaps because of the long lead time needed for foundation proposals. For example, among organizations that increased investment in special events, two-thirds (66 percent) saw increased funds in 2011 from events.

The Chronicle of Philanthropy's findings reveal no significant recovery for grantmaking in 2011

In spring 2012, *The Chronicle of Philanthropy* published results of its annual survey of the largest foundations in the United States.¹⁵ The *Chronicle* gathered financial data directly from nearly 100 of the largest foundations in the United States and supplemented that information with publicly available data sources. All responding foundations provided data on their assets from 2010 to 2011. This subset of foundations

accounted for roughly 30 percent of the assets held by all private U.S. foundations during those years.

In total, grantmaking did not recover in the way that many foundation respondents predicted in the *Chronicle's* previous annual survey, where 40 major foundations told the newspaper that they would increase their grantmaking. When accounting for all estimated 100 respondents, total endowments dropped by nearly 3.5 percent from 2010 to 2011. Other findings from the latest survey reveal:

- 23 foundations reported that their grantmaking budgets expanded in 2011.
- 15 foundations began new grant-making initiatives in 2011.
- Of the 34 foundations that predicted their giving would remain the same in 2011, 10 actually decreased their giving in 2011.
- 75 foundations noted that they gave grants to charities to cover operating costs in 2011.
- 15 foundations claimed that they gave additional help to communities hit hard by tough economic conditions over the previous 12 months.

GOOD TO KNOW! *Giving by the largest foundations in 2012 projected to remain level with 2011*

A survey of 96 of the largest foundations in the country by *The Chronicle of Philanthropy* reveals that 68 percent of these foundations will not increase funding in 2012.¹⁶ The study states that this projection is a direct result of the slow recovery of the economy. Since this study was completed, however, the U.S. stock market and economy have shown some signs of improvement, which could alter this projection.

As healthcare laws change, foundations are increasingly funding healthcare initiatives

According to an article in *Health Affairs*, foundations are being proactive in filling funding gaps in the healthcare sector.¹⁷ Looking ahead to 2014, foundations are anticipating the effects of the Patent Protection and Affordable Care Act that was passed in 2010. Many have already launched funding initiatives with a focus on providing disadvantaged populations access to primary care services. Examples of grantmaking initiatives centered on supporting efforts to address the changes that will take place because of the Act in 2011 are provided in the following sections:

Funding to support research on the factors related to primary care, as well as administrative strategies

- The Josiah Macy Jr. Foundation granted development funds to the Robert Graham Center for Policy Studies in Primary Care and Family Medicine to develop an online platform to help people locate primary care physicians.
- The California Endowment and the California HealthCare and California Wellness Foundations helped to financially support a report by the Center for the Health Professions at the University of California San Francisco, titled “Nurse Practitioners and Physician Assistants Providing Primary Care in California Community Clinics.” The focus of this qualitative study is on how nurse practitioners and physician assistants contribute to the field of primary care.

- The UnitedHealth Foundation sponsored a Health Education Summit in October 2010 that resulted in a 2011 report written by The Carter Center and the American College of Physicians titled, “Five Prescriptions for Ensuring the Future of Primary Care.” Another report on the impending rise in demand for primary care, authored by Catherine Dower and Ed O’Neil at the University of California San Francisco was supported by the Robert Wood Johnson Foundation as part of its Synthesis Project.
- The Commonwealth Fund supported the Center for Health Care Strategies’ national initiative to work with six states to effectively implement the two-year Medicaid and Medicare rate increase mandated by the Affordable Care Act.

Funding initiatives to support community healthcare centers

- Beginning in 2011, the GE Foundation made a multiyear commitment of \$50 million to assist community health centers that serve the uninsured. In June 2011, the foundation, along with the GE Corporate Diversity Council, gave \$1.25 million to community health centers in Chicago.
- The Healthcare Georgia Foundation, whose primary mission is to fund healthcare centers that provide primary care to the uninsured and underinsured, awarded \$150,000 to First Choice Primary Care, a community health center located in Macon, Georgia.

Funding to support the healthcare industry

- To address the need for an adequate number of healthcare professionals in rural areas, the Dakota Medical Foundation created a HealthCare Workforce Initiative for its funding regions of North Dakota and Minnesota.
- The Missouri Foundation for Health and the Healthcare Foundation of Greater Kansas City began funding programs to address professional shortages in more than 80 percent of Missouri and much of Kansas.
- At the national level, the ABIM Foundation (American Board of Internal Medicine) began supporting the National Physicians Alliance's efforts to improve training and resources to advance the quality of primary care doctors.

One of the biggest obstacles to enticing more doctors to become primary care providers instead of specialists is the lower rate of pay. As a result, several foundations instituted programs to relieve part of that burden for medical students entering primary care practices. In 2011, the Colorado Trust granted \$304,000 to the State of Colorado to repay student loan debt for doctors who agree to specific terms of primary care practice in the state. The Rhode Island Foundation and the Rhode Island Medical Society have become engaged in similar programs for their state, as well.

Warhol Foundation stops expensive art authentication program

In October 2011, Stephanie Cash, a writer for *Art in America*, reported that The Andy Warhol Foundation for Visual Arts, located in New York City, is one of several arts foundations that are narrowing their focus and attention on how they use their resources.¹⁸ The foundation announced it would dissolve its Andy Warhol Art Authentication Board by the beginning of 2012. The foundation noted that it would focus on its core mission of promoting the visual arts through grantmaking, exhibition funding, research, art writing, and artist project support. The process of authenticating Warhol's art work is notoriously difficult because of the open-ended definition of his art and the sheer volume of his work. The organization had been spending an estimated \$500,000 annually on its authentication program—money that will now be diverted toward other arts programs.

HealthWell Foundation given highest marks by *Forbes*

Forbes lists HealthWell Foundation, located in Gaithersburg, Maryland, among the top 20 “most efficient” nonprofits in the country.¹⁹ *Forbes* defines an efficient organization as one that exhibits low administrative or fundraising-overhead costs as a percentage of funds raised and distributed for programs. HealthWell Foundation also garnered recognition for being only one of 18 organizations vetted by *Forbes* to have a “100 percent fundraising efficiency rating.” The HealthWell Foundation

assists people who are saddled with high out-of-pocket medical expenses.

Giving by foundations in recent years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving by foundations totaled \$40.95 billion in 2010, a 0.3 percent decline (in current dollars) from 2009, which is essentially a flat change. In the past couple of years, *Giving USA* data has found a relatively volatile giving environment for foundations, which is reflected in numerous studies on foundation giving in recent years. The flat change in giving in 2010 followed a decline of 2.7 percent between 2008 and 2009, but an increase of 5.5 percent between 2007 and 2008. The estimate of \$41.67 billion in 2011 is a moderate increase of 1.8 percent from the 2010 figure.

Many research organizations study charitable revenue from reports based on surveys, IRS Forms 990, or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving by foundations. Some of these reports are summarized in the following sections.

Number of family foundations grew in 2010, while assets and giving increased

An annual report by the Foundation Center, *Key Facts on Family Foundations*, released in February 2012, reveals that between 2009 and 2010, the number of family foundations rose by more than

800—a 2.3 percent increase.²⁰ In addition, total assets increased by more than \$20 billion, or 8.4 percent, and total giving increased 1.1 percent, by more than \$200,000. Other findings from the report include:

- Family foundations provided \$20 billion in funding in 2010.
- In 2010, there were 38,671 family foundations actively making grants.
- 49 percent of family foundations gave less than \$50,000 in 2010; however, family foundations accounted for 63 percent of all independent foundation giving that year.
- Echoing the trends for foundations as a whole, educational and health organizations received the greatest proportion of grant dollars from family foundations in 2010.
- One-third of all family foundations were established between 2000 and 2010.

Largest share of grants, but not grant dollars, flowed to human services organizations in 2009

According to the Foundation Center's 2011 *Foundation Giving Trends* report, based on information from more than 1,300 foundations about their funding in 2009, the largest proportion of individual grants were given to human services agencies, at 27 percent.²¹ However, the actual dollar amount of those grants amounted to only 13.1 percent of total grant dollars. In terms of dollars, educational organizations received the largest proportion of foundation funding in 2009—at 23.3 percent—while healthcare organi-

zations received 22.6 percent of all grant dollars. Other facts related to giving by foundations in 2009 include:

- The largest decreases in funding were found in the environment and animals subsector and within the public-society benefit subsector's social sciences and science and technology categories.
- Funding of international affairs organizations decreased by 19 percent from 2008.
- Economically disadvantaged populations were the biggest beneficiaries of both grant dollars and number of grants.
- Among the sample, there was an 81.7 percent increase in funding to aid single parents and a 20 percent increase to assist minority populations from 2008.

Table 3 shows the percentage of grants and grant dollars given by foundations in 2009, based on Foundation Center's analysis of giving by a sample of more than 1,300 large foundations.

Columbus Foundation survey points to positive trends for community foundations

A May 2011 report by the Columbus Foundation cites reasons for "cautious optimism" about the future growth of community foundation assets and giving.²² The *2010 Columbus Survey* collected responses from more than 250 participants to provide insights into the financial health of U.S. community foundations. Survey respondents reported that community foundations experienced average asset growth of 13 percent in 2010, outpacing growth realized among large private foundations.

Table 3
Percentage of number of grants and grant dollars given by foundations, by organization type, in 2009 (in thousands of dollars)

Type of organization	Dollar amount	Percent	Number of grants	Percent
Education	\$5,149,533	23.3%	30,108	19.5%
Health	\$5,004,410	22.6%	20,702	13.4%
Human services	\$2,909,215	13.1%	42,289	27.3%
Public-society benefit/public affairs	\$2,612,555	11.8%	17,603	11.4%
Arts and culture	\$2,332,162	10.5%	20,685	13.4%
Environment and animals	\$1,648,717	7.4%	10,452	6.8%
International affairs, development, and peace	\$1,224,952	5.5%	3,934	2.5%
Science and technology	\$582,626	2.6%	2,404	1.6%
Religion	\$451,745	2.0%	5,158	3.3%
Social sciences	\$205,527	0.9%	1,224	0.8%
Other	\$16,095	0.1%	105	0.1%
Total	\$22,137,556	100.0%	154,664	100.0%

Data: Foundation Center, Foundation Giving Trends, 2011 Edition, 2011, www.foundationcenter.org

Table 4
Key findings from studies about foundation giving by the Foundation Center

Foundation Center's <i>Foundation Yearbook</i> 2009, 2010, and 2011 editions www.foundationcenter.org			
	2007	2008	2009
Number of active grantmaking independent, community, and operating foundations	72,689	72,850	73,812
Number of all active grantmaking foundations (including corporate)	75,187	75,595	76,545
Assets in independent, community, and operating foundations (in billions of dollars)	\$660.3	\$544.6	\$570.9

Foundation Center's <i>Foundation Giving Trends</i> 2010, 2011, and 2012 editions www.foundationcenter.org			
	2008	2009	2010
Average grant amount (sampled foundations)	\$183,979	\$143,133	\$134,557
Median grant amount (sampled foundations)	\$35,425	\$25,000	\$25,000

- 1 Data were provided directly by the Foundation Center and are available in *Foundation Growth and Giving Estimates: Current Outlook*, 2012 Edition, Foundation Center, May 2012, www.foundationcenter.org.
- 2 This is according to analysis by *Giving USA* of independent and family foundation grantmaking between 2004–2009, based on reports issued by the Foundation Center at www.foundationcenter.org. The proportion of giving by family foundations to independent foundations between 2004 and 2009 ranges from 56 percent to 62 percent.
- 3 Same as note 1.
- 4 Same as note 1.
- 5 Same as note 1.
- 6 Same as note 1.
- 7 Same as note 1.
- 8 This section written by the Center on Philanthropy. The 2011 Million Dollar List, accessed May 30, 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all

- donations of \$1 million or more. The Million Dollar List data are constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 9 Colombia Law School, “Richard Richman Gives \$120 Million for Business, Law, Public Policy Center,” press release, January 24, 2011, www.law.columbia.edu.
- 10 Ron Leuty, “Stanford, Coulter Foundation Fund \$20M Medical Research Endowment,” *San Francisco Business Times*, May 23, 2011, www.bizjournals.com.
- 11 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 12 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey.

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- 3 Same as note 1.
- 4 Same as note 1.
- 5 Same as note 1.
- 6 Same as note 5.
- 7 Same as note 5.
- 8 This section written by the Center on Philanthropy. The 2011 Million Dollar List, accessed May 30, 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all

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Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.

- 13 Nonprofit Research Collaborative, "Summer/ Early Fall 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org; See also, Nonprofit Research Collaborative, "December 2011 Nonprofit Fundraising Survey," (2011), www.nonprofitresearchcollaborative.org.
- 14 Same as note 13.
- 15 Noelle Barton and Maria DiMento, "Big Grant Makers Don't Expect to Increase Giving in 2012," *The Chronicle of Philanthropy*, March 18, 2012, www.philanthropy.com
- 16 Same as note 15.
- 17 All subsections within this section have the same source: "Foundation Efforts to Meet Demand for Primary Care," *Health Affairs*, 2011, 30 (12), www.content.healthaffairs.org.
- 18 Stephanie Cash, "Warhol Foundation Quits the Authentication Game," *Art in America*, 2011, 99 (11).
- 19 William P. Barrett, "The 200 Largest U.S. Charities: America's Good Works Leaders," *Forbes*, November 11, 2011, www.forbes.com.
- 20 Foundation Center, "Key Facts on Family Foundations," September 2011, accessed March 2012, www.foundationcenter.org.
- 21 Foundation Center, *Foundation Giving Trends 2011*, September 2011, accessed March 2012, www.foundationcenter.org.
- 22 The Columbus Foundation, *Columbus Survey 2010 Results*, 2011, www.columbusfoundation.org.
- 23 James M. Ferris and Hilary J. Harmsen, "California Foundations: 1999-2009, Growth Amid Adversity," 2012, www.columbusfoundation.org.

6

GIVING BY CORPORATIONS

- Giving by corporations is estimated to have held steady in 2011 compared with 2010, totaling \$14.55 billion (a 0.1 percent decline). Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.
- Adjusted for inflation, giving by corporations in 2011 decreased by an estimated 3.1 percent. Over the last four decades (1971–2011), average annual inflation-adjusted giving by corporations has increased at a slower rate than the average annual rate of inflation, at 3.1 percent and 4.4 percent, respectively.
- Corporate foundation grantmaking is estimated to have grown 6 percent in 2011, with \$5.2 billion in contributions.¹ For the 2011 *Giving USA* estimate, \$5.15 billion was subtracted from this amount for corporations' gifts to their own foundations.
- The Committee Encouraging Corporate Philanthropy (CECP) reported that among respondents to its 2012 Corporate Giving Standard survey, 57 percent of 166 leading global companies reported higher total giving in 2011 than 2010. A small set of companies that gave a combined total of \$1.2 billion more in 2011 than in 2010—predominately in the form of product donations—can be attributed to this increase. If this subset of companies was removed from CECP's analysis, aggregate giving by the remaining companies would have been flat between 2010 and 2011.²

Giving USA findings for giving by corporations in 2011

Corporations' efforts to position themselves as entities that care—not only about customers of their services and products but also about the greater world—seemed omnipresent in 2011. These efforts, which involved media and marketing campaigns, as well as philanthropic initiatives, were in large part aimed at responding to the rise of grassroots movements protesting perceived corporate power and greed, as well as addressing the public's reaction

to particular egregious events, such as the environmental outcomes of the Deepwater Horizon oil spill in early 2010.

In addition, the sector as a whole—but some types of companies more than others—faced the threat of economic uncertainty and a challenging legal and political environment in 2011. These pressures on the corporate sector undoubtedly affected giving levels in 2011 and will continue to do so for years to come. The sections throughout this chapter provide context for corporate giving to philanthropic causes in

2011, as well as trends on corporate giving for 2011 and previous years and some projections for giving in 2012.

Giving USA's methodology for calculating corporate giving in 2011

The estimate for corporate giving includes cash and in-kind donations that corporations claim as deductions on tax returns, as well as donations made by corporate foundations to nonprofits in the form of grants. Donations from corporations to corporate foundations are subtracted from the total. *Giving USA* produces the corporate giving estimate by incorporating the historical change in giving by corporations with certain economic factors, including year-to-year changes in corporate pre-tax profits, the corporate tax rate, Gross Domestic Product (GDP), and the Price Index for Personal Consumption.³ All of these factors together relate to the estimated flat change in giving by corporations between 2010 and 2011:

- In 2011, the Gross Domestic Product (GDP) increased 3.91 percent year over year compared with 2010. This is compared with an increase of 4.21 percent between 2009 and 2010.⁴
- The change in corporate pre-tax profits between 2010 and 2011 was a modest increase of 4.2 percent. This is compared with an increase of 25 percent between 2009 and 2010.⁵
- The Price Index for Personal Consumption rose 2.46 percent from 2010. This compares with a 1.78 percent change between 2009 and 2010.⁶
- The corporate income-tax rate remained the same as in 2010.⁷

After the estimate for giving by corporate programs is developed, *Giving USA* adds an estimate for giving by corporate foundations, which is provided by the Foundation Center. *Giving USA* then subtracts gifts by corporations to their foundations from this estimate.

Corporate foundation grantmaking is estimated to have grown 6 percent in 2011, with \$5.2 billion in contributions. For the 2011 *Giving USA* estimate, \$5.15 billion was subtracted from this amount for corporations' gifts to their own foundations.

More companies report decreased giving in 2011, but a small set of companies appear to have given much more than in 2010, according to CECIP

According to the Committee Encouraging Corporate Philanthropy (CECP), 57 percent of companies reported higher total giving in 2011 than 2010.⁸ These preliminary findings are based upon CECIP's annual Corporate Giving Standard survey of 214 leading global companies, now conducted in association with The Conference Board. Of the companies that gave more in 2011 compared with 2010, 38 percent of them increased their giving by 10 percent or more—a substantial year-over-year change.

In the 2012 survey, 35 percent of companies reported decreasing their giving in 2011, of which 18 percent decreased their giving by 10 percent or more. This is compared with 29 percent of companies decreasing their giving in 2010, of which 17 percent decreased their giving by 10 percent or more.

GOOD TO KNOW! The Committee Encouraging Corporate Philanthropy (CECP), in association with The Conference Board, reported in its 2012 survey on 2011 corporate giving that giving by a matched set of companies rose 8 percent between 2010 and 2011 in inflation-adjusted dollars. The increase was largely attributed to “a small set of companies that combined to give over \$1.2 billion more than they had the year before. The majority of this change is due to increases in non-cash donations from a small number of healthcare, consumer staples, and information technology companies.”⁹

Giving USA reports an inflation-adjusted decrease in corporate contributions of 3.1 percent in 2011 from 2010. One of the key differences in calculating total giving amounts between CECP’s 2012 Corporate Giving Standard survey and *Giving USA*’s annual report on philanthropy is CECP’s inclusion of giving to nonprofit or nongovernmental organizations overseas and to K–12 public schools, whereas *Giving USA* largely excludes these figures from its estimates.¹⁰ The rise in non-cash giving to overseas organizations by pharmaceutical and other types of healthcare companies, especially in the form of medicines, as well as giving by companies to support Japanese relief efforts following the March 2011 Tōhoku earthquake and tsunami, likely significantly contributed to the differences between these two reports concerning 2011 giving estimates.

Median total giving for all reporting companies in 2011 (\$23.38 million) showed a slight decrease from 2010 levels (\$24.20 million). Figure 1 shows the distribution of companies’ responses about changes in total giving from 2010 to 2011 in inflation-adjusted dollars.

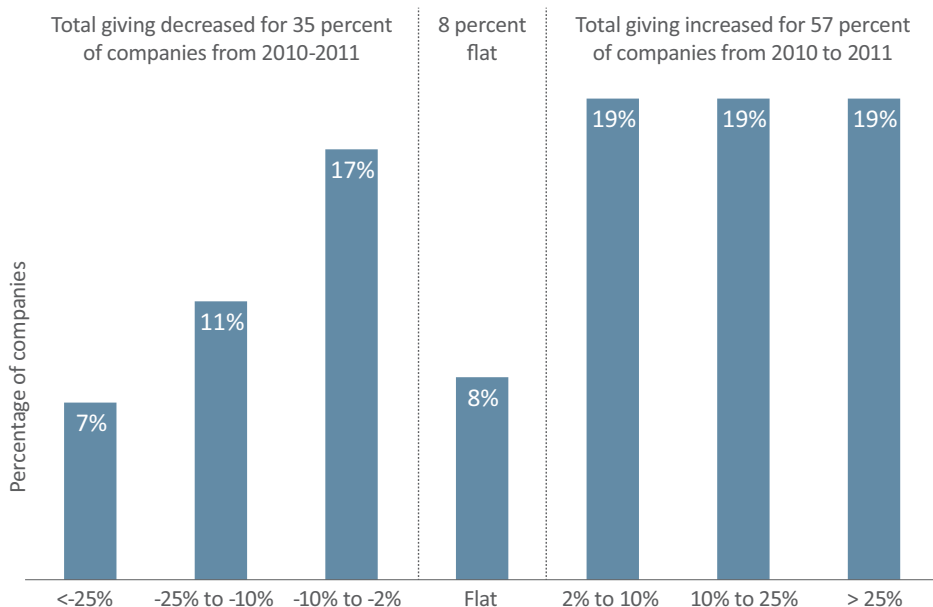
Aggregate total giving rose 8 percent from 2010 (\$15.6 billion) to 2011 (\$16.8 billion) among companies in the matched set that reported for both years.¹¹ The increase in 2011 total giving can be attributed to a small set of companies that combined to give over \$1.2 billion more than they had the year before. The majority of this change is due to increases in non-cash donations from a small number of healthcare, consumer staples, and information technology companies. These non-cash donations predominately came in the form of product donations, but pro-bono service programs contri-

buted to the non-cash increases, as well. Removing this set of companies, aggregate giving would have been flat year over year.

Taking a deeper look at companies whose aggregate giving increased, various reasons were cited, including: reinstated budgets due to the company’s improved financial performance; increased giving to strategic focus areas; the launch of new partnerships with nonprofits or new signature initiatives; expanded contributions for relief and recovery efforts for the earthquake in Japan; and more donations of technology solutions and medicine due to increased demand.

Companies whose giving declined from 2010 to 2011 attributed the change to one-time donations of products or funding to a signature initiative that was not repeated. Giving officers also reported

Figure 1
Distribution of all companies by changes in total giving from 2010 to 2011
(in inflation-adjusted dollars)



Note: The sample size for this part of the survey was 166.

Source: The Committee Encouraging Corporate Philanthropy and The Conference Board, Corporate Giving Standard (CGS), 2012, www.corporatephilanthropy.org

reduced budgets as a result of weakened overall corporate financial performance, or continued corporate uncertainty about the state of the economy.

As noted previously, giving professionals cited corporate financial performance as a factor for both increased and decreased giving in 2011. Median giving as a percentage of same-year pre-tax profit declined slightly, from 0.98 percent in 2010 to 0.96 percent in 2011 for the sample of matched-set companies.¹² However, median giving as a percentage of revenue was 0.12 percent in 2011, up slightly from 2010.¹³

International giving as a percentage of total giving remained fairly stable from 2010 to 2011, at 13 percent.¹⁴ Manufacturing companies led the trend, dedicating over 20 percent of their total giving, on average, to grants outside of their headquarter countries over the last couple of years.¹⁵

Looking only at 2011 data, the following additional findings emerge:

Giving by funding type

In the CECF survey, the three types of giving that comprise a company's total giving include: direct cash (giving from corporate budgets), foundation cash

(giving from the company’s foundation), and non-cash (which consists of product donations, pro-bono services, and other non-cash contributions assessed at fair market value). As shown in Figure 2, the allocations of giving types vary by industry. For example, in 2011 the healthcare industry provided 47 percent of its total funding, on average, in the form of non-cash contributions, while the financial industry provided approximately 95 percent of total giving in the form of cash donations.

Funding by program area

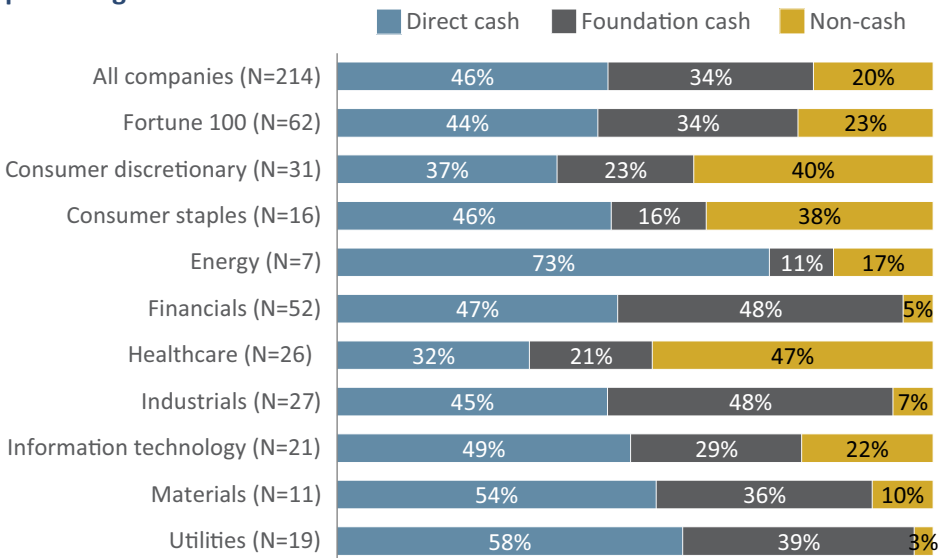
Survey respondents classify their total giving into nine discrete program areas.¹⁶ Program-area funding allocations in 2011 were similar to past years. “Health and social services” programs continued

to be the top focus area for companies, commanding 28 percent of the typical company’s programmatic allocation. Giving to “education: higher” and “education: K–12” combined to a total of 26 percent. Contributions to “culture and arts” and “environment” programs received 5 percent and 4 percent of the typical company’s giving, respectively, though there is wide variation by industry. Figure 3 shows typical program-area allocations across all companies surveyed in 2011.

Million-dollar-and-up gifts made by corporations and corporate foundations in 2011

The 2011 Million Dollar List shows roughly \$855 million in corporate gifts from U.S.-based corporations or

Figure 2: Total corporate giving, industry type by funding type, in average percentages in 2011



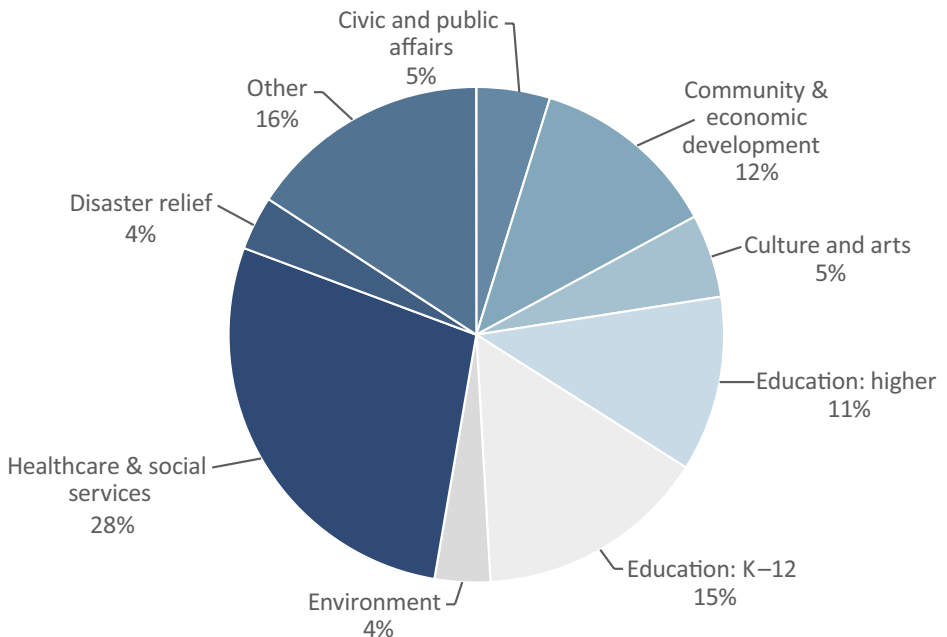
Note: Telecommunications services industry excluded due to small sample size.

Source: The Committee Encouraging Corporate Philanthropy and The Conference Board, Corporate Giving Standard (CGS), 2012, www.corporatephilanthropy.org

GOOD TO KNOW! Predictions of 2012 giving trends by a sample of corporations reveal that nearly half of companies expect no change in giving between 2011 and 2012

The majority of companies in the 2012 Committee Encouraging Corporate Philanthropy survey sample predict that total corporate giving in 2012 will remain flat or increase in comparison with 2011 contributions. While 20 percent of respondents¹⁸ were unable to predict 2012 trends, among those that could predict,¹⁹ 47 percent expect no change in giving, 40 percent predict higher giving levels, and 13 percent estimate declines.²⁰

Figure 3: Typical program-area allocations for corporate giving programs in 2011



Note: The sample size for this part of the survey was 164. The percentage allocations reflect typical average giving amounts across all program areas for responding corporations.

Source: The Committee Encouraging Corporate Philanthropy and The Conference Board, Corporate Giving Standard (CGS), 2012, www.corporatephilanthropy.org

corporate foundations to U.S.-based nonprofit organizations in 2010.¹⁷ These gifts include cash and in-kind donations of \$1 million or more announced in 2011. Higher education institutions received the largest share, at about 33 percent, followed by human services organizations

(22 percent), and international organizations (10 percent). In terms of percentage of amounts donated, the rest of the gifts were nearly evenly spread among the other subsectors. Some of the single largest gifts from corporations and corporate foundations in 2011 include:

- A \$150 million pledge from Apple, eBay, Hewlett Packard (HP), Intuit, and Oracle to support development of the new technologically advanced Stanford Hospital Corporate Partners Program.²¹
- \$25 million from Chevron to partner with the United States Agency for International Development (USAID) in the Niger Delta region of Nigeria. The gift is to support a portfolio of programs designed to promote economic development, improve the capacity of government and civil society institutions, and help reduce conflict in the region.²²
- \$40 million from Gilead Sciences to Yale University. The gift will support research into drug discovery for cancer treatment over the next four to ten years.²³

The majority of responding nonprofit leaders find corporate contributions remained the same when comparing several time periods of 2010 and 2011

A collaboration between the Center on Philanthropy at Indiana University, Blackbaud, GuideStar, the Association for Fundraising Professionals, the

Foundation Center, and the Urban Institute's National Center for Charitable Statistics (NCCS) launched the Nonprofit Research Collaborative (NRC) Survey in late fall 2010.²⁵ At least twice a year the survey asks nonprofit leaders of public charities and foundations to report changes in the number of donors by specific donor type and changes in charitable revenue for the first nine months of the year compared with the same period for the previous year.²⁶

The September 2011 NRC survey issued findings about changes in charitable receipts in the first six months of 2011 compared with the same period in 2010.²⁷ These findings were based on a survey that used a convenience sample of approximately 813 staff from a range of nonprofit organizations. The report reveals that responding organizations received about 5 percent of all charitable gifts, on average, from corporations and their foundations. The majority of organizations—37 percent—received the same amount of donations from corporations and their foundations in the first six months of 2011 compared with the same period in 2010. See Table 1 for more information about the direction of change in the amounts received from

GOOD TO KNOW! In mid-2011, *The Chronicle of Philanthropy* and *USA Today* released the results of a survey of 180 corporations on their corporate giving practices.²⁴ The results suggested that corporate giving by these companies would remain flat throughout 2011, with companies citing the uncertain economy as a constraint on giving. These data support *Giving USA's* estimate for giving by corporations and their foundations in 2011. With this trend, *The Chronicle of Philanthropy* and *USA Today* reported that corporations are refining their strategies, such as by assisting charities that had requested long-term funding prior to the recession with help in meeting daily operational costs.

Table 1

Percentage of survey respondents by direction of change in the amount received from corporations and their foundations in the first six months of 2011 compared with the first six months of 2010

	Percentage of respondents	
	The first six months of 2011	
Direction of change		
Up	33	
Same	37	
Down	28	

Data: NRC September 2011, www.nonprofitresearchcollaborative.org

corporations and corporate foundations in the first six months of 2011 compared with the first six months of 2010.

The December 2011 report included responses from approximately 875 organizations that receive gifts from corporations and their foundations.²⁸ The December 2011 survey asked about direction of change in charitable gifts received for the first nine months of 2011 from three donor types: individuals, corporations, and foundations. The December 2011 report also uncovered changes in average gift amounts made by each donor type. Results from respondents included:

- 51 percent of respondents reported that corporate giving was the same for the first nine months of 2011 compared with the same time period in 2010.
- Approximately 30 percent of respondents reported a decline in corporate giving amounts in the period of January to September 2011, compared with the same time period in 2010.

- Approximately 20 percent of respondents reported an increase in corporate giving in the first nine months of 2011, compared with the same time period in 2010.
- The majority of respondents (37 percent) reported that the number of new corporate funders increased in the first nine months of 2011, compared with the same time period in 2010.

Corporate giving to Japan disaster relief in 2011

Understanding the importance of the economic viability of Japan as the world's third-largest economy, American corporations earmarked over \$298.3 million by the end of April 2011 in emergency aid and assistance following the Tōhoku earthquake and tsunami that devastated Japan a month earlier.²⁹ Following the disaster, The Conference Board conducted a survey to assess the corporate community's level of participation in the relief effort. Eighty-three U.S.-based companies participated in the survey.³⁰

Across industries, manufacturing companies reported the highest percentage of participation through their corporate aid programs, with 95 percent of all manufacturing companies participating in giving to aid Japanese relief efforts. Financial services and other (non-financial) industries participated at 88 percent and 79 percent, respectively. In terms of contribution amounts, manufacturing companies gave the highest average donation at \$807,555.

Looking at cash versus non-cash giving, the manufacturing industry gave the highest proportion of cash gifts, at 90 percent. This is in contrast with the non-financial services industry, which gave 20 percent of its contributions in cash. Non-cash contributions typically were in the form of company products and services.

Providing context for why manufacturing companies supported Japanese relief efforts so vigorously, these companies were found to have the strongest tie to the Japanese market.³¹ Seventy percent of manufacturing companies reported having existing operations in Japan, 30 percent reported dependence on imports of products, and 42 percent reported that Japan is a “key customer base.”

Companies that supported Japanese relief efforts largely gave to international aid organizations, with 65 percent of the smallest companies giving internationally and 84 percent of the largest companies doing so. Larger companies also tended to use employees based in Japan as a source of aid for the relief efforts—36 percent reported doing so. Manufacturing companies reported

utilizing a variety of strategies in providing aid. In addition, to bolster support for Japanese aid efforts, the majority of companies (at least 67 percent of companies across industry types) instituted an employee-matching program.

Concerning allocation of company funds from which Japanese relief efforts were supported, the majority of reporting companies (85 percent of companies across industry types) indicated that support of these efforts would not impact other forms of giving in 2011.

Corporate sponsorship activity in 2011 and recent years

While corporate sponsorships cannot be claimed as a charitable donation on tax returns, these types of support activities reflect companies’ commitments to their communities and the greater world. Certainly, most companies use sponsorships to support corporate objectives and the bottom line, especially since most sponsorships are tied to marketing and advertising activities of some kind. However, there are multiple ways companies can enhance their image; sponsorships are just one of many choices. Sponsorship activities offer a dual advantage in bolstering community support while supporting a company’s corporate mission. In addition, nonprofit organizations benefit in many ways from corporate sponsorship activities, such as increased exposure to the nonprofit mission, diversifying revenue, creation of new partnerships, and engagement of constituents. Surveys and studies on sponsorship trends in 2011 and recent years are provided in the following sections.

GOOD TO KNOW! Citing the slow economy, coupled with political uncertainty prior to a presidential election year, IEG, a corporate sponsorship consulting company, projects a 4.1 percent increase in U.S. corporate sponsorships in 2012 from 2011. This projection is significantly below the 5.5 percent increase realized between 2010 and 2011 for corporate sponsorships. IEG cited the same factors as contributing to the lower-than-expected increase in corporate sponsorships between 2010 and 2011 of 5.5 percent.³³

Corporate sponsorships in 2011 below projections, but still growing from a decline during the recession

In fall 2011, IEG, a corporate sponsorship consulting company, issued the results of its 27th annual survey of corporate sponsorship activities of North American companies.³² The report revealed that corporate sponsorships grew by 5.5 percent between 2010 and 2011, which was below the 5.9 percent projected in 2010. Corporate sponsorships totaled \$18.1 billion in 2011. IEG cited the slow economy, national debt problems in the U.S. and internationally, and political uncertainty during a presidential election year as contributing factors for the lower-than-projected growth in corporate sponsorships in 2011.

Despite the lower-than-projected growth in 2011, sponsorships during the year were still much stronger than in 2010. Nonprofits received \$17.2 billion in sponsorships in 2010, an increase of only 3.9 percent from 2009. Further, between 2008 and 2009, corporate sponsorships actually declined by 0.6 percent. In addition, in 2011, North American sponsorship activity outpaced global sponsorship activity, which rose 5.1 percent. By contrast, between 2008 and 2010, global sponsorship activity outpaced sponsorships provided to

nonprofits by North American companies. These comparisons show not only the changing economic conditions around the globe, but the growing strength, albeit relatively slow, of North American companies' ability to support nonprofit causes.

Year to year, sponsorships of sports activities comprise the largest portion of corporate sponsorships in the United States. In 2011, these types of sponsorships were 69 percent of all sponsorships. Following significantly behind were sponsorships related to: entertainment (10 percent); "causes" (9 percent); arts (5 percent); festivals, fairs, and annual events (4 percent); and associations and membership organizations (3 percent).

Between 2010 and 2011, sponsorships in support of sports activities grew the most, at 6.2 percent. Support of these activities totaled \$12.38 billion in 2011. Entertainment sponsorships also showed strong growth, at 6 percent. Support for festivals, fairs, and annual events saw the least amount of growth, at 2.8 percent.

Number of corporate sponsorships down, but funding amounts were up for nonprofits in 2011 compared with 2010

In fall 2011, IEG released its eighth annual survey about sponsorship revenue.³⁴ This report analyzes corporate

sponsorship activity from the nonprofit perspective by surveying a variety of North American nonprofits. IEG asked nonprofits about the number of donor/sponsorship relationships the organization has, as well as the amounts given to these organizations by particular relationship type.

For 2011, 25 percent of nonprofit respondents reported that sponsorships comprised the *majority* of their relationships with corporations, down from the 30 percent reporting the same in 2010. This is significantly below the 55 percent of nonprofit respondents reporting that “philanthropy-based ties” comprised the majority of corporate relationships (compared with 47 percent reporting the same in 2010). Twenty percent of respondents indicated that corporate relationships were split evenly between these two types of activities.

Despite the decline in the number of corporate sponsorship relationships between 2010 and 2011, actual dollar amounts from sponsorships increased over the same period for reporting nonprofits. In 2011, 39 percent of reporting nonprofits indicated that sponsorships comprised the *majority* of their corporate income, an increase from the 24 percent reporting the same in 2010. In comparison, philanthropy-related income comprised the majority of income for 54 percent of reporting nonprofits in 2011, a decrease from the 62 percent reporting the same in 2010. As IEG notes, “Those results suggest that many nonprofits are following the trend of having fewer, bigger sponsorship deals—allowing them to command

higher fees by concentrating marketing value in the hands of a smaller number of corporate partners.”³⁵

When asked about nonprofits’ perceptions of the corporate sponsorship relationship, 40 percent of responding nonprofits reported viewing the corporate sponsorship relationship as a separate activity from corporate philanthropic giving. Thirty-four percent of responding nonprofits reported the same in 2010. In addition, 44 percent of reporting nonprofits in 2011 reported that sponsorship activities are limited to special events and programs, a decline from the 50 percent reporting the same in 2010. IEG notes that these results point “to a few other signs that nonprofits are taking more strategic approaches to sponsorship and seeing positive outcomes as a result.”³⁶ For details on the allocation of sponsorships reported by IEG for 2011, see Table 2.

The birth of shared-value—what it means for the corporate and nonprofit sectors

Corporations have been advancing the benefits of corporate giving programs as a form of corporate social responsibility (CSR) for a number of years.³⁷ However, Michael Porter and Mark Kramer, both of Harvard University, published a landmark report in *Harvard Business Review* in early 2011, titled, “Creating Shared Value: How to reinvent capitalism—and unleash a wave of innovation and growth,” which urges corporations to think beyond CSR by expanding their notions of the business-society relationship in terms of creating “shared value.”³⁸ The authors define “shared value” as:

“...policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.”³⁹

Under the concept of “shared value,” companies would place social issues at the core of *everything they do*, recognizing that they can only succeed, and succeed well, by advancing the communities that work in their facilities and buy their products. Porter and Kramer emphasize that shared value “is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success.”⁴⁰ In the world of “shared value,” companies leverage what it is they do best (e.g., generate efficiency, mass produce, innovate, etc.) to meet the needs of society while heightening their ability to be successful. In this new paradigm, however, success is defined differently than it is by most corporations today. Under the shared-value approach, companies would create economic value by creating social value through reinventing products and markets, redefining notions of productivity, and promoting the development of local cluster industries.

So, where does philanthropy fall under the concept of shared-value strategy? According to Porter and Kramer, a shared-value approach “blurs the line between for-profit and nonprofit organizations.”⁴¹ A shared-value corporate

movement would be one that involves an infusion of hybrid enterprises and venture capital initiatives bent on producing positive social outcomes as the primary output of production, but where such output becomes economically productive for both the corporation and society. In short, a happy, healthy society is not only an inherently good thing to achieve, but it is good for business!

Utilizing the notion of shared-value strategy, some corporate leaders have argued that corporations can achieve both business and social goals without utilizing the money of their shareholders for philanthropy. In spring 2011, unleashing what indeed could be the beginning of a new corporate paradigm, Nestle Company’s Chairman, Peter Brabeck-Letmathe, said:

“Creating shared value has a big attractiveness because it really takes into consideration the interests of both sides (business and society)... We have integrated this now into the purpose of our company. Philanthropy basically is doing good for no other reason that [sic] doing good ... This you can do with your own money but I don’t think you can use the money of your shareholders to do philanthropy, to do good.”⁴²

The legalization of hybrid corporations grows in 2011

In 2011, California was the latest state—joining more than a dozen states and two Indian tribes—to create a new hybrid in corporations: the “flexible-

GOOD TO KNOW! The Conference Board's "Making the Business Case for Corporate Philanthropy," released in August 2011, asserts that corporate giving programs must go beyond simply "doing good."⁴³ To ensure the effectiveness of corporate giving programs, executives should apply the same prudence to corporate giving practices that are applied to other business activities.

As opposed to treating "charitable giving as a peripheral activity or after-the-fact distribution of profits,"⁴⁴ corporations must "scrutinize the motives for charitable contributions, demand a strategic rationale, and establish adequate transparency safeguards" to ensure that the interests of all stakeholders are carefully considered with the goal of enhancing financial performance, not simply distributing profits.⁴⁵

To ensure a legitimate corporate giving program is achieved, among other recommendations, corporations are advised to monitor, assess, and approve contributions consistent with the company's and shareholders' interests and to disclose guidelines and charitable activities annually.

purpose corporation."⁴⁶ The flexible-purpose corporation allows companies to place social goals ahead of profits. Variations of these entities are called "low-profit limited liability corporations" (of which L3Cs are a version) or "benefit corporations," which can collectively be called "hybrid corporations." The legal parameters of each type of hybrid corporation, including the legality of operations, vary from state to state.⁴⁷ Perhaps the best known example of this type of corporation is MOO Milk, a dairy company run by a small group of Maine dairy farmers who incorporated in Vermont as a low-profit limited liability company. Another example is ardentCause, a Michigan-based company founded by three automobile industry veterans that develops database software for nonprofit management and information sharing.

The legal operation of flexible-purpose, benefit, and low-profit limited liability corporations are now written into law in 14 states. Efforts are also underway

to pass federal legislation that would lower hurdles in the creation of these types of corporations and potentially provide them preferential tax treatment. The greatest benefit of these types of corporations is their ability to "tap into conventional capital markets as well as philanthropy,"⁴⁸ allowing these entities to leverage substantial resources in fulfilling their social missions.

While the output of these hybrid corporations shows promise, some charities fear the move will negatively increase the competition for philanthropic support. In addition, some individuals and institutions in the corporate world propose that hybrid corporations have "an inherent conflict of interest and that [such conflict of interest] will lower standards of fiduciary duty."⁴⁹ Nevertheless, supporters see hybrid corporations as a way for a socially minded organization to create a business that gives them access to capital markets that is not otherwise available.

Recent studies on charitable giving trends in previous years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving by corporations totaled \$14.56 billion in 2010, a 5.6 percent increase (in current dollars) from 2009. *Giving USA* data have found a relatively uncertain giving environment for corporations in the past several years, which is reflected in numerous studies on corporate giving. The moderate increase in 2010 followed growth of 11.2 percent between 2008 and 2009, but a decline of 12.8 percent between 2007 and 2008. The estimate of \$14.55 billion in 2011, a flat change in giving from 2010, continues the changing pattern of giving this sector has seen since 2005.

Many research organizations study charitable revenue from reports based on surveys, IRS Forms 990, or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving by corporations. Some of these reports are summarized in the following sections.

Pharmaceutical companies top corporate contributions in 2010, according to The Conference Board

In its 2011 “Corporate Contributions Report,” The Conference Board reports that U.S. corporate contributions were led by pharmaceutical companies in 2010.⁵⁰ The findings of this report were based on survey responses from 139 U.S.-based corporations about their corporate giving practices in 2010. That year, these companies reportedly gave

\$1.35 billion to nonprofits. Contributions were primarily non-cash, which comprised more than 68 percent of the total share of all contributions by these companies.

In addition, The Conference Board reports that pharmaceutical companies had a 5.9 percent median ratio of U.S. contributions to consolidated pre-tax income, which was significantly higher than the *overall* median of 0.8 percent for 2010. In 2010, pharmaceutical companies gave a median contribution of \$10,463 “per worldwide employee,” an increase of 20 percent from 2008.⁵¹ This amount was much higher than the median contribution of \$543 “per worldwide employee” across all companies.

Other findings of the study about giving by all types of companies include:

- 83 percent of all corporate contributions made in 2010 were given by 25 companies—those with budgets of \$50 million or more.
- 86 percent of corporate contributions to international causes came in the form of cash in 2010, while non-cash contributions tallied to 6 percent. Most derived from the U.S.-based headquarters of surveyed corporations (88 percent).

For 2011, the projection for overall corporate contributions was expected to remain the same as in 2010. However, the services sector reported an expected 2 percent increase.⁵² Manufacturing companies reported expecting a 4 percent decrease, pharmaceutical companies reported an expected decline

of 19 percent, and consumer manufacturing firms reported expecting a 12 percent decrease in non-cash contributions.

Largest corporate donors in 2010

In summer 2011, *The Chronicle of Philanthropy* collaborated with *USA Today* to gather data on the corporate giving activities of Fortune 500 companies for 2010.⁵³ The *Chronicle* gathered data about these companies' cash and non-cash contributions, whether through corporate giving programs or corporate foundations. Data were ultimately collected from 117 of these companies via a survey and 63 companies via tax records. The *Chronicle* and *USA Today* found that between 2009 and 2010, cash giving increased by 13 percent.⁵⁴ Adding non-cash and cash contributions together, corporate giving increased 20 percent. Other details of the *Chronicle's* and *USA Today's* findings are included in the following sections.

Top corporate donors as a percentage of pre-tax profits in 2010

Analysis by the *Chronicle* and *USA Today* reveals the top companies that gave greater than 5 percent of their 2009 pre-tax profits in 2010.⁵⁵ These companies include: Kroger Company, which gave 10.9 percent of their 2009 pre-tax profits in 2010, followed by Macy's (8.1 percent), Dow Chemical Company (7.3 percent), Safeway (7.5 percent), and Morgan Stanley (5.7 percent).

Top donors of cash and non-cash gifts in 2010

In 2010, Pfizer was the top corporate contributor, giving \$3 billion in cash and

products in 2010.⁵⁶ Oracle Corporation followed with \$2.3 billion in contributions, and Merck & Company was third with \$1.2 billion in contributions.

Top corporate donors of in-kind gifts in 2010

Consistent with past trends, pharmaceutical companies topped the list of corporate in-kind giving.⁵⁷ Of the top 10 corporations that gave more than 50 percent of their donations in the form of product in 2010, five were leading U.S.-based pharmaceutical companies: Pfizer (97.8 percent), Merck & Company (93.7 percent), Abbott Laboratories (91.4 percent), Bristol-Myers Squibb (88.3 percent), and Eli Lilly and Company (86.8 percent). These companies contributed a combined value of \$5.49 billion in in-kind pharmaceutical donations in 2010. Topping the list in 2010, however, was Oracle Corporation, which gave 99.6 percent of its contributions in the form of software, valued at \$2.3 billion.

Top cash donors in 2010

The largest corporate donor of cash gifts was the Wal-Mart Foundation, contributing \$319.5 million, which was 6.5 percent of the overall cash total for 2010 of \$4.9 billion.⁵⁸ Despite its history of being the largest cash donor year to year, the Wal-Mart Foundation also committed to donating \$1.75 billion over five years to organizations that feed the poor. Goldman Sachs followed Wal-Mart's lead with \$315.4 million in contributions in 2010, a 353 percent increase from 2009.

Fortune 500 companies contributed 53 percent of funding to support educational initiatives in developing countries in 2009–2010; however, this amounts to just one-tenth of one percent of these companies' profits that year

In spring 2011, The Brookings Institution released a report, “Harnessing Corporate Philanthropy to Educate the World’s Poor,” which investigated corporate philanthropy practices in support of education initiatives in developing countries in a 12-month period between 2009 and 2010.⁵⁹ The respondent pool included 186 U.S.-based companies, of which 136 were Fortune 500 companies, 41 were Fortune 500 companies that were known to support education efforts in developing countries, and nine were non-Fortune 500 companies that were known to support these efforts.

Using the sample of respondents to its survey, Brookings estimated that giving by U.S.-based corporations totaled \$497.9 million in this time period, of which 53 percent is estimated to have been given by Fortune 500 companies. Based on this estimate, American corporations were reported to be the seventh largest donor to education in developing countries—after the World Bank and the countries of France, Germany, United States, Netherlands, and Japan. Despite this positive ranking, using these estimates, Brookings reported that the amount given to support education initiatives in developing countries equaled only one-tenth of one percent of Fortune 500 profits in 2010.

Some other key findings from the report about corporate giving to support edu-

cation initiatives in developing countries between 2009 and 2010 include:

- 70 percent of the contributions from Fortune 500 companies are estimated to have been given in the form of cash, while 30 percent were given in-kind.
- 65 percent of contributions from Fortune 500 companies are estimated to have been given through corporate giving programs, whereas 34 percent were given through corporate foundations. The balance came through employee campaigns in some form.
- U.S. corporations most frequently funded education in developing countries like China, India, Brazil, and Mexico where the potential for extensive knowledge sharing and information exchange exists.
- The energy and technology sectors were leaders in donating to education in developing countries. Long-term relationships created in host countries during the exploration and production stages of development by these types of companies led to significant investment in the social infrastructures in which they operated.
- Innovation was found to be one of the most significant assets given to global education by U.S. companies. Corporations utilized their products to enable educational breakthroughs.

Corporate foundations gave largest share of dollars to educational institutions in 2010, compared with other types of organizations

Corporate foundation grantmaking decreased 1.3 percent in 2010—from \$2.39 billion in 2009 to \$2.36 billion in 2010—according to final 2010 estimates

issued by the Foundation Center in early 2012.⁶⁰ In addition, there was a slight decline (less than one percent) in the number of grants made by corporate foundations in these years, dropping from 36,782 in 2009 to 36,529 in 2010. The decline in the number of grants and the amounts given could be explained, at least in part, by the decline of 5.1 percent in corporate foundation assets between 2009 and 2010.

As in 2009, educational institutions were the largest recipients of grants made by a subset of 1,330 large U.S. corporate foundations in 2010, with 24.5 percent of the total share.⁶¹ Total grantmaking to these organizations amounted to \$576.7 million that year. This is a slight decline from 2009, when educational institutions received 26.2 percent of the total share of grants, which totaled \$626.3 million. Colleges

and universities received the majority of the education grants in 2010, at 10.3 percent, or \$243.7 million.

The human services and public-society benefit subsectors also received large shares of total dollars granted by corporate foundations in 2010, at 22.3 percent and 21.7 percent, respectively. Within the human services subsector, human services agencies experienced the greatest benefit from corporate grants, receiving 16.3 percent of the total share of these grants, amounting to \$384.9 million that year.

Key findings from other studies summarized

Table 2 presents three years of data from studies released annually about corporate giving. Website addresses are provided so readers can access the full reports.

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Table 2
Key findings from studies about corporate giving

Million Dollar List Largest gift from a U.S. corporation or corporate foundation to U.S.-based nonprofit \$10 million and greater, 2009–2011 www.milliondollarlist.org			
	2009	2010	2011
Largest publicized corporate gift	\$600 million from Merck & Co., Gardasil cervical cancer vaccine to the William J. Clinton Foundation to improve women's health in the developing world	\$30 million worth of software from Siemens PLM Software to New Mexico State University's College of Engineering to enhance course curriculum and student training	\$200 million from Yum! Brands to donate food to hunger agencies in the United States

<i>The Chronicle of Philanthropy</i> Report on the largest corporate donors for the years 2008–2010 www.philanthropy.com			
	2008	2009	2010
Company reported with the highest amount in cash donations	Wal-Mart \$320.5 million	Wal-Mart \$288 million	Wal-Mart \$319.5 million
Company reported with the highest amount in product donations	Oracle \$2.1 billion	Oracle \$2.1 billion	Oracle \$2.3 billion

IEG Sponsorship Report North American sponsorships: 2010–2012 editions www.sponsorship.com (in billions of dollars; percentage change is from previous year)			
	2009	2010	2011
Total amount raised	\$16.5	\$17.2	\$18.2
Percentage change	-0.6%	+3.9%	+5.8%
Sports:			
Amount raised	\$11.3	\$11.7	\$12.4
Percentage change	-1.0%	+3.4%	+6.1%
Entertainment:			
Amount raised	\$1.6	\$1.8	\$1.85
Percentage change	+0.8%	+6.3%	+5.9%
Fairs, events, festivals:			
Amount raised	\$0.76	\$0.78	\$0.82
Percentage change	+0.4%	+3.4%	+4.9%

IEG Sponsorship Report North American sponsorships: 2010–2012 editions www.sponsorship.com (in billions of dollars; percentage change is from previous year)			
	2009	2010	2011
Causes:			
Amount raised	\$1.5	\$1.6	\$1.7
Percentage change	-0.3%	+6.7%	+5.0%
Arts:			
Amount raised	\$0.82	\$0.84	\$0.89
Percentage change	+0.8%	+2.7%	+5.1%
Associations/membership groups:			
Amount raised	\$0.5	\$0.51	\$0.54
Percentage change	+2.9%	+3.6%	+5.6%

- 1 Information provided by the Foundation Center to the Center on Philanthropy, April 2012.
- 2 These preliminary findings are based upon data from the Committee Encouraging Corporate Philanthropy's Corporate Giving Standard (CGS), an online philanthropy measurement and benchmarking tool for participating companies. CECP and The Conference Board announced in January 2012 that they joined forces to promote one survey to capture the full scope and scale of annual contributions by leading global companies. Two-hundred fourteen companies participated in the survey on 2011 contributions, including 62 of the top 100 companies on the Fortune 500 list. The year-over-year analyses are based on a matched set of 166 companies responding to the CGS survey in 2010 and 2011. In 2011, this matched set of companies combined to give a total of \$16.8 billion in cash and product givings, accounting for approximately 84 percent of the total giving captured in the survey. Please note, varying 'N' values reflect the number of companies responding to each survey question. CECP, in association with The Conference Board, will produce the annual data analysis report, "Giving in Numbers, 2012 Edition," available as a free download in fall 2012 at www.corporatephilanthropy.org.
- 3 See the "Brief summary of methods used" section of this report for more details on how *Giving USA* calculates giving by corporations.
- 4 These data are in current dollars. "Gross Domestic Product," Bureau of Economic Analysis, 2012, Table 1.1.5, accessed May 2012, http://www.bea.gov/iTable/index_nipa.cfm.
- 5 These data are in current dollars. "Corporate Profits Before Tax by Industry," Bureau of Economic Analysis, 2012, Table 6.17D, accessed April 2012, http://www.bea.gov/iTable/index_nipa.cfm.
- 6 These data are in inflation-adjusted dollars (2005 = \$1.00). "Price Index for Personal Consumption Expenditures by Major Type of Product" Bureau of Economic Analysis, accessed April 2012, http://www.bea.gov/iTable/index_nipa.cfm.
- 7 Corporate Tax Rate Schedule, available at www.bea.gov.
- 8 Same as note 2.
- 9 Same as note 2.
- 10 Some forms of giving to K-12 schools are included in *Giving USA's* estimates. This includes giving to nonprofit K-12 supporting organizations.
- 11 The sample size for this response was 166.
- 12 The sample size for this response was 146.
- 13 The sample size for this response was 161.
- 14 The sample size for this response was 107.
- 15 Note that CECP's estimate includes giving to domestic and overseas entities in its international estimate, whereas *Giving USA* only includes giving to U.S.-based entities that serve international purposes in its estimate. This sample totaled 43 companies.
- 16 These program areas are not the same as *Giving USA's* allocation of gifts to particular National Center for Charitable Statistics (NCCS) subsectors using the National Taxonomy of Exempt Entities (NTEE) coding system, although there is certainly overlap in distribution of contributions between the two. See the "Brief summary of methods used" section of this report for more information.
- 17 The 2010 Million Dollar List, accessed March 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data are constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 18 The sample size for this response was 161.
- 19 The sample size for this response was 129.
- 20 Same as note 19.
- 21 "Bay area giving accelerates as recovery skids," *San Francisco Business Times*, July 25, 2011, www.bizjournals.com.
- 22 "Chevron and USAID Partner to Improve Living Standards in the Niger Delta Through \$50 Million Alliance," Chevron, press release, Feb. 17, 2011, www.chevron.com.
- 23 Drew Henderson, "\$40 million 'vote of confidence' in cancer research," *Yale Daily News*, March 31, 2011, www.yaledailynews.com.
- 24 Eric Frazier and Marisa Lopez-Rivera, "Corporate Giving Slow to Recover as Economy Remains Shaky," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
- 25 This NRC summary was written by Melissa Brown of Melissa S. Brown & Associates. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 26 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org

- for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 27 Nonprofit Research Collaborative, "Late Summer/Early Fall Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
 - 28 Nonprofit Research Collaborative, "December 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
 - 29 U.S. Chamber of Commerce, "Corporate Aid Tracker – Japanese Earthquake and Tsunami, March 2011," April 25, 2011, www.bcl.uschamber.com.
 - 30 The Conference Board, press release, May 4, 2011, www.conference-board.org.
 - 31 "Survey of U.S. Public Companies Sheds Light on Corporate Aid to Japan," *PRNewswire*, May 4, 2011, www.prnewswire.com.
 - 32 IEG Sponsorship Report, "Economic Uncertainty to Slow Sponsorship Growth in 2012," January 3, 2012, www.sponsorship.com.
 - 33 Same as note 32.
 - 34 IEG Sponsorship Report, "Survey: More Nonprofits Earning Majority of Revenue from Sponsorship," November 21, 2011, www.sponsorship.com.
 - 35 Same as note 34, para. 5.
 - 36 Same as note 34, para. 6.
 - 37 "Increasing Profits is Best for Social Good, Corporate Adviser Says," *The Chronicle of Philanthropy*, June 15, 2011, www.philanthropy.com.
 - 38 Michael E. Porter and Mark R. Kramer, "Creating Shared Value," *Harvard Business Review*, January-February 2011.
 - 39 Same as note 38, page 6.
 - 40 Same as note 38, page 4.
 - 41 Same as note 38, page 7.
 - 42 Michelle Nichols, "Nestle head emphasizes profiting from doing good," *Reuters*, March 22, 2011, www.reuters.com.
 - 43 The Conference Board, press release, "Making the Business Case for Corporate Philanthropy," August 2, 2011, www.conference-board.org.
 - 44 Same as note 43, para. 4.
 - 45 Same as note 43, para. 5.
 - 46 "A Quest for Hybrid Companies That Profit, but Can Tap Charity," *The New York Times*, October 12, 2011, www.nytimes.com.
 - 47 "New Companies Combine Profit and Charity," *The New York Times*, October 12, 2011, www.nytimes.com.
 - 48 Same as note 46, para 5.
 - 49 Same as note 46, para 9.
 - 50 Matteo Tonello and Judit Torok, *The 2011 Corporate Contributions Report*, The Conference Board, 2011, www.conferenceboard.org.
 - 51 "The 2011 Corporate Contributions Report," Harvard Law Blog, posted by Matteo Tonello and Judit Torok, December 29, 2011, <http://blogs.law.harvard.edu/corpgov/2011/12/28/the-2011-corporate-contributions-report/>.
 - 52 Same as note 50.
 - 53 Note that corporations' fiscal years vary for 2010. These fiscal years can begin any month between 2009 and 2011. Marisa Lopez-Rivera, "How the Chronicle Compiled Its Survey of Corporate Giving," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
 - 54 This figure is based on a sample of 113 companies. Eric Frazier and Marisa Lopez-Rivera, "Corporate Giving Slow to Recover as Economy Remains Shaky," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
 - 55 "Companies That in 2010 Gave Charities More than 5% of Their 2009 Profits," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
 - 56 Eric Frazier and Marisa Lopez-Rivera, "Corporate Giving Slow to Recover as Economy Remains Shaky," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
 - 57 "Companies That Made 50 Percent or More of Their Gifts in Products in 2010," *The Chronicle of Philanthropy*, July 24, 2011, www.philanthropy.com.
 - 58 Same as note 56.
 - 59 The Brookings Institute, "Corporate Philanthropy and Social Responsibility: Enhancing Global Education," March 31, 2011, www.brookings.edu.
 - 60 Statistics provided by the Foundation Center.
 - 61 Distribution of Foundation Grants by Subject Categories Tables, circa 2009 and 2010, Foundation Center, Statistical Information Service, accessed May 2012, www.foundationcenter.org. Data provided on this table include only grants provided by 1,330 foundations, of which a subset are corporate foundations and therefore are not representative of total grantmaking for the years 2009 and 2010.

7

GIVING TO RELIGION

- Giving to religion decreased an estimated 1.7 percent from 2010, totaling \$95.88 billion in 2011. The religious subsector is one of only two subsectors that realized a decline in giving in 2011.
- Inflation-adjusted giving to the religion subsector is estimated to have declined 4.7 percent from 2010.
- Every year the religion subsector receives the largest share of total giving. In 2011, this share was 32 percent, 3 percentage points less than reported in *Giving USA 2011*.
- Over the last four decades (1971–2011), inflation-adjusted giving to the religion subsector increased at a slower rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 1.5 percent.

***Giving USA* findings for giving to religious organizations in 2011**

Giving USA's tabulation of giving to the religion subsector includes giving to support religious congregations and houses of worship; the organizing or national offices of denominations and faith groups; missionary societies; religious media (including print and broadcast); and organizations formed for religious worship, fellowship, or evangelism. Contributions to faith-based organizations offering healthcare, education, or social services, as well as those working internationally, are not included in *Giving USA's* estimates.

The First Amendment of the U.S. Constitution protects religions from laws that might restrict free exercise of beliefs and practices.¹ As such, religious organizations are not required to report annual revenue or participate in the census. While some houses of worship

elect to file an annual return, particularly Christian churches, most major religious organizations choose not to reveal their income. Moreover, members of congregations by and large give anonymously, and some religions or sects scripturally mandate that donors do not divulge their charitable giving, as doing so may disqualify or deprive them of divine blessings. Thus, while we know that the religion subsector continues to receive the largest share of all donations, the precise amounts given to religions of all types can never be known.

The 2011 estimate for giving to religious organizations relies on data from the following sources:

- A baseline estimate from 1986 of \$50 billion in contributions to religious organizations.²
- A percentage change in giving to religious organizations developed by

summing contribution data released by the National Council of the Churches of Christ in the U.S.A (NCCC) and amounts reported by members of the Evangelical Council for Financial Accountability (ECFA).³ See the “Brief summary of methods used” section of this report for more information about how *Giving USA* creates this estimate.

Largest gifts announced, paid, or pledged to religious organizations in 2011

Large gifts to religion are frequently donated with the intent to serve a purpose that may fall under a different subsector, such as gifts that support church-sponsored schools, seminaries, international development organizations, health organizations, or social service institutions. As a result, very few of the gifts made by individuals on the Million Dollar List are those that can be included under the umbrella of the religion subsector. To illustrate, of the 820 recorded gifts of \$1 million or more announced in 2011, only seven

were given to religious organizations.⁴ Contrast this with 56 gifts given to the education subsector.

As a share, just less than one percent of gifts reported on the 2011 Million Dollar List were directed toward religious organizations, for a total of \$23.7 million. This represents a decrease of \$6 million from the previous year. The three largest gifts to religious organizations and programs as reported on the 2011 Million Dollar List include:

- A \$7.5 million gift from James P. Scott to the Archdiocese of Indianapolis for unrestricted funding.
- A \$4.5 million gift from the Lilly Endowment to WNET Thirteen (a television station) to produce and air the 15th season of “Religion & Ethics News Weekly.”
- A \$3.1 million gift to the Alliance Defense Fund from an “undisclosed generous Christian family” to fight discrimination and hostility toward Christians at secular universities.

Table 1
Survey results for religious organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
Direction of change		
Up	52	56
Same	19	14
Down	30	30

*Sample has fewer than 30 organizations for 2010.

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

Only a slightly higher percentage of religious organizations report increased charitable receipts in 2011, compared with 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.⁵ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.⁶ Between the NRC's December 2010 and December 2011 surveys, there was virtually no change in the percentage of responding religious charities reporting growth in charitable contributions received. As of late 2010, just 52 percent of respondents in this subsector reported they had received more in 2010 than in the prior year.⁷ By late 2011, 56 percent reported increased charitable contributions for the year 2011 compared with 2010.⁸ See Table 1 for more specific results from the survey.

Among organizations in the religion subsector, only 11 percent reported requiring board members to make a donation, which is statistically significantly different from the 35 percent average reported across all responding organizations in the April 2012 NRC report.⁹ The average for the required minimum board member gift in the religion subsector, when it was required, did not vary significantly from the overall average of \$4,977.

30 percent of surveyed Americans reduced their religious giving in early 2011

According to a report from Barna Group, in the immediate aftermath of the economic crisis in late 2008, 20 percent of American adults surveyed had reduced their giving to religious organizations in the past three months.¹⁰ A year later, in January 2010, this pattern of decline continued to 29 percent of adults surveyed. By April 2011, the percentage of those Americans who reduced their giving to churches in the last three months was at 30 percent. The donors most likely to reduce religious giving were Baby Boomers, lower-income households, residents of the Northeast, or those who were only moderately involved with a church.

Among those who reported a decline in church giving in the April 2011 survey, 29 percent reduced their giving by half or more, while 24 percent stopped giving to churches altogether. In comparison, just 15 months prior, 25 percent of donors cut their religious giving by half or more, and 27 percent stopped all giving to churches.

Besides the recession, another reason giving to religion has declined in recent years may be due to decreasing membership. According to the 2011 Yearbook of American & Canadian Churches, an annual almanac published by the National Council of the Churches of Christ in the U.S.A (NCCC), church membership in the U.S. was down 1.1 percent in 2011 from 2010.¹¹

Tithing and other offerings in 2011 and recent years

Several landmark studies were released in 2011 regarding practices in religious contributions nationwide and across diverse demographics. Some studies were conducted by churches themselves, but academic and private research institutions have taken an increased interest in tithing and other donor practices. Articles related to tithing in recent years are summarized in the following sections.

National tithing rate dropped to 4 percent in 2011

Tithing, the practice of donating at least 10 percent of one's income to a church, has hovered between 5 and 7 percent over the past decade, according to a report by Barna Group.¹² Consistent with the trend of lower giving levels, the 2011 national tithing rate of 4 percent is significantly lower than the 7 percent rate for 2010. As previously noted, overall church membership and attendance are down 1.1 percent from 2010.

As church membership or religious involvement declines, so does giving. In one report, 85 percent of those who read the Bible four to seven times per week are at least two times more likely to pay a full tithe (or more) than those who do not read the Bible (40 percent).¹³

Religious donations did not target 10 percent mark

In 2011, researchers at the University of Georgia released a study on the practices of tithing based upon the Bureau of Labor Statistics' 10-year Consumer Expenditure Survey of 56,663 unique

households.¹⁴ The researchers reasoned that given the ample literature and discussion on tithing, one would expect to see a bunching of donations around or slightly above the 10 percent of income mark. However, results showed no discernible pattern to support this expectation:

- The majority of respondents (60.1 percent) gave less than 2 percent of their before-tax income.
- 79.8 percent gave less than 5 percent of their before-tax income.
- Only 1.4 percent reported giving between the 10–11 percent range, while 4.3 percent gave between 11 and 20 percent.

Results also show that as income increases, the likelihood of giving 10 percent or more to religious organizations decreases. This runs counterintuitive to those who expect that higher income levels would equate to higher disposable income for religious purposes.

The same study conducted by researchers at the University of Georgia found that religious tithers who give exclusively to houses of worship exhibit lower levels of economic status, while those who give to other types of charities along with tithing exhibit higher levels of economic status.¹⁵ The study also found that tithers have more than twice the average liquid assets than typical households and tend to be more educated than the general population—a larger proportion of tithers (63.7 percent) attended college or have bachelor's or graduate degrees.

Tithing and donation habits among Catholic parishioners and Protestants

The U.S. Congregational Life Survey analyzes the donation habits of Catholic parishioners and mainline and conservative Protestant congregations.¹⁶ The first wave was conducted in 2001. The second wave of the survey, conducted in 2009, analyzed tithing habits of nearly 65,000 participants across 256 congregations.¹⁷ On average, the annual contribution of Catholic parishioners (\$727) was less than half that of members of mainline (\$1,627) or conservative (\$1,448) Protestant denominations. According to the report, the most probable explanation for this disparity is that 63 percent of Catholics decide what to give on a weekly basis upon attending church, while 47 percent of mainline and 37 percent of conservative Protestants plan their giving on an annual basis. Further, only 11 percent of Catholics in the survey reported paying a full tithe, as compared with 18 percent of mainline and 43 percent of conservative Protestants.

Tithing at 95 percent among Mormons

In 2011, researchers at the University of Pennsylvania and Indiana University surveyed members of The Church of Jesus Christ of Latter-day Saints (Mormons) regarding volunteering and donation practices.¹⁸ The study, authorized by the Church and released in early 2012, used a cluster sample of 2,701 surveys of adults from stakes and wards (congregations) in California, Utah, Michigan, Pennsylvania, and New Jersey, including Spanish- and Chinese-speaking branches (smaller congregations) of the Church. The surveys were

conducted during church worship services, and thus include the more active members of the faith. Findings of the report include:

- 94.7 percent of all respondents paid tithing. The overwhelming majority (88.8 percent) paid a full-tithe, and 5.9 percent were part-tithe payers.
- 48.3 percent of respondents gave to non-Church related charities in addition to tithing. On average, a Latter-day Saint (including those not donating) gave \$1,171 annually to social causes outside the church. The maximum gift was \$1.25 million.
- 69.9 percent gave to social causes through the church (fast offerings, humanitarian aid, and perpetual education funds). The mean gift was \$650, and the maximum gift was \$325,000.

Taken together, an average Latter-day Saint paid a full tithing and donated \$1,821 to social and community causes. The average Latter-day Saint also provided 427.9 hours of volunteer labor annually (35.6 hours monthly or 8.2 hours weekly). This is roughly nine times the national average of volunteering. Based upon the value of the volunteer hour by Independent Sector, researchers assessed that an active Latter-day Saint provides through volunteering a social contribution equating to \$9,140 annually.

Larger congregations more likely to realize increased contributions in 2011

In March 2012, a research collaboration between Maximum Generosity, Christianity Today, and the Evangelical

Council for Financial Accountability released their fourth annual “State of the Plate” constituency survey of more than 1,360 congregations.¹⁹ Findings show that 51 percent of churches saw giving increase in 2011, up from 43 percent in 2010 and 36 percent in 2009. The increase was geographically dependent, as nearly 55 percent of heartland states reported increases, while 38 percent of Pacific Coast states reported declines (for the third time in the past four years). Other findings include:

- The larger the congregation, the greater the likelihood of an increase:
 - 39 percent of churches with fewer than 100 congregants saw giving increase;
 - 65 percent of churches with 1,000–1,999 congregants saw an increase;
 - 86 percent of mega churches with more than 10,000 congregants saw an increase.
- Among the churches reporting an increase, half attributed it to higher attendance and 42 percent said it was due to holding financial/generosity teaching initiatives.
- Only 15.5 percent of churches reported planning to launch a capital campaign in 2012, while more than two-thirds (68.8 percent) reported having no plans for a campaign or were still collecting pledges from a previous campaign.
- Electronic giving is making headway. While the offering plate or bag continued to be the preferred method of giving (92 percent) in 2011, and 45 percent used the annual envelope packet, 42 percent used an electronic funds transfer, and 41 percent made an online giving option available.
- Financial accountability is a priority. Nearly all (92 percent) of the respondents reported making their financial statements available upon request to their members, and 72 percent reported having a finance committee in which the majority are lay members.

Tzedakah giving

Tzedakah, which is Hebrew for “justice” or “charity” and is pronounced *tsuh-DAH-kuh*, is the giving practice among Jews. While tithing is mentioned in Biblical texts (Torah), and the Talmud recommends that no more than 20 percent of one’s income is paid in tzedakah, no exact percentage of giving is common among U.S. Jews.

Dues paid to synagogues are not tracked nationally and are primarily used for the maintenance of synagogue operations. While tzedakah may be paid to synagogues directly, Rabbi Dan Judson of the Rabbinical School of Hebrew College in Massachusetts estimates these dues are less than one percent of all tzedakah contributions.²⁰ Tzedakah is more likely to be received by Jewish federations and the network of independent Jewish communities in the U.S., according to Rabbi Judson; hence, much of Jewish giving may be reported in other sectors. Jewish ideology also includes the divine value of *tikkun olam*, or “repair the world.” This places a mandate on Jewish donors to contribute to causes that fix or repair problems the world faces, such as homelessness, hunger, pollution, and so forth. Donations made to Jewish

federations as well as international causes may fall under either *tzedakah* or *tikkun olam*.

The American Jewish World Service (AJWS) is a 501(c)(3) organization that receives *tzedakah* to support grassroots organizations that work to promote development and relief as well as social and political change in the developing world. The AJWS reports gifts totaling \$49.7 million (\$44.9 million from individuals and \$4.8 million from foundations) in 2011.²¹

Jewish federations are independent nonprofit organizations designed to receive and distribute *tzedakah*. There is no formal tracking of reported giving within the faith, and there is a dearth of research on practices of individual giving among Jews. Since *tzedakah* may be given to organizations outside of federations or synagogues, it is difficult to determine total amounts or percentages of income given to Jewish causes.²²

The Jewish Federations of North America (JFNA), housed in New York City, is an umbrella organization that represents 157 Jewish federations and 300 independent network communities across North America.²³ These federations and network communities collectively raise funds for Jewish and non-Jewish needs worldwide and distribute the overseas portion to global partner agencies via JFNA. The JFNA reports that in 2010 Jewish federations raised \$925 million. The federations also manage endowments and foundations that held assets worth more than \$14 billion and awarded grants of more than \$1.5 billion in 2010.

According to the Center on Philanthropy's Million Dollar List, there have been 273 gifts of at least \$1 million or more made to Jewish federations since 2000, but none were made during 2011.

Zakat and sadaqah giving

Zakat is the Arabic word for "alms" and is the practice of giving among Muslims. The Quran does not specify percentages to be given or which types of wealth require *zakat*, but after one reaches a minimum amount of wealth, called *nisab*, which is approximately \$5,000, the amount taxed is between 2.5 percent and 20 percent.

Muslims are also encouraged to give *sadaqah*, or voluntary contributions to the poor. There is no research on the amount of *zakat* or *sadaqah* collected in the U.S., nor is it clear who is to collect it. After September 11, 2001, U.S. government raids on Muslim-American charities were a defining moment for Muslim-American philanthropy. The raids brought heightened concerns for donors about guilt by association, the misuse of their philanthropic dollars, and specific theological concerns regarding whether *zakat* funds that were seized would fulfill a donor's religious obligation. Since that time, Muslim Americans have become more civically engaged than they had been before, with significant increases in giving from 2002 to 2008. While no data is available for 2011, Shariq Siddiqui, Secretary of the Muslim Alliance of Indiana, reports that during 2010, the top 20 Muslim American charities raised over \$250 million.²⁴ This figure does not include over 3,000 Islamic

centers, over 500 Islamic schools, and hundreds of other Islamic nonprofits that are working across America.

Professor Ingrid Mattson, Ph.D., is the director of the Duncan Black Macdonald Center for the Study of Islam and Christian-Muslim Relations in Hartford, Connecticut. Dr. Mattson reports to the Center on Philanthropy that, “Given the fear American Muslims have in the wake of the Justice Department closure of so many charities... it would be difficult to do this kind of research [on nationwide Muslim giving].”²⁵

The financial health of churches in 2011 and recent years

Several reports, studies, and newspaper articles published in 2011 and early 2012 reveal that churches still struggle to make ends meet both for internal expenses as well as providing for the needy within and outside of congregations. Summaries of some of these studies are provided in the following sections.

Protestant churches weather the storm well by tightening the belt

The results of a survey of 1,000 pastors at American churches, released in summer 2011 by LifeWay Research, found that most churches had met or exceeded their budget requirements in 2011.²⁶ These churches also reported that the economy continued to negatively impact their congregations in 2011. Forty-six percent of pastors reported donations were at budget level, while another 25 percent reported donations exceeded their 2011 budgets. A full 22 percent of the pastors surveyed,

however, reported lower donations in 2011 than in 2010, while 39 percent reported an increase from 2010. On average, churches reported a 2 percent increase in 2011. Findings related to received offerings in 2011 include:

- Pastors who identified themselves as mainline Protestant (45 percent) were more likely to have increased offerings than those who identified themselves as evangelical Protestant (38 percent).
- 67 percent of pastors reported the economy was having a negative impact on their churches. That includes 58 percent who reported that the economy was affecting their church “somewhat negatively” and 9 percent who said the economy was affecting their church “very negatively.”

Churches with greater attendance at worship services were more likely to have increased offerings. Forty-nine percent of congregations with 100 to 249 attendees reported increased offerings from 2010, compared with 23 percent of those with zero to 49 attendees reporting increased offerings in 2011.

Findings related to budgets and helping the needy include:

- A full 70 percent were receiving more requests for financial aid from outside their congregation.
- 45 percent reported increased spending from the church budget to help the needy.
- Nearly half (48 percent) reported that more people in the congregation have lost their jobs, and 15 percent

indicated more congregants have lost their homes to foreclosure.

More churches were making do with less in 2011. For both 2009 and 2010, about half of the pastors reported that economic conditions required them to hold staff salaries at the previous year's level (49 and 47 percent, for the respective years), and 49 percent of the pastors reported that their churches were buying fewer supplies. Other actions the pastors reported included delaying construction or other large planned capital expenses (15 percent), delaying hiring (10 percent), or reducing staff salaries (9 percent).

Evangelical Council for Financial Accountability reports strong growth in 2010 despite the economy

The Evangelical Council for Financial Accountability (ECFA) announced that total cash donations to its members continued to be strong in 2010 despite the Great Recession.²⁷ ECFA's second *Annual State of Giving Report*, released November 2011, included revenue data from 1,360 members. The report revealed that contributions for 2010 totaled \$9.38 billion, a 5.8 percent increase from \$8.87 billion in 2009. Larger charities—those with more than \$10 million in annual revenue—had an increase in contributions of 6.7 percent in 2010 from the previous year, compared with a 1.6 percent increase for smaller organizations. Non-cash contributions fell 13.5 percent from the previous year, which was attributed to the timing of natural disaster giving in the past. Contributions to support child-related issues such as sponsorships, orphan care,

and adoptions all posted gains, while medical and substance abuse rehab programs declined. See Table 2 for the percentage changes in giving of donated income to various organizational segments across ECFA membership organizations from 2009 to 2010.

Catholic Church sees regrouping as solution for financial distress

In summer 2011, *USA Today* reported that the Boston Archdiocese of the Catholic Church was reorganizing up to 291 parishes into 80–120 groups to share clergy and resources. Church officials said the move was to save money at the parishes, which are “in a spiral of financial distress.”²⁸

Houses of worship in foreclosure

In an article published by *The Wall Street Journal* in January 2011, the housing bubble was reported to have affected houses of worship.²⁹ Distressed sales of religions' meetinghouses were almost nonexistent a decade ago, but there were eight in 2006 and nearly 200 in 2008. Foreclosures on religious facilities were reported highest in states suffering high levels of unemployment or home foreclosures. In 2008, California had 29 foreclosures, while Michigan and Florida both had 23 foreclosures.

In a number of cases, churches, specifically, ran into trouble after borrowing huge sums to build bigger houses of worship to accommodate growing congregations in the housing boom. When those markets bottomed out, people moved away or stopped going to church or halted giving. As a result, churches found themselves in financial trouble.

Table 2
Percentage changes in giving of donated income to various organizational segments across ECFA membership organizations, 2009 to 2010

Organizational segment	Percentage changes in giving of donated income (cash)
Adoption	14.7%
Alcohol/drug rehabilitation	-8.5%
Associations	-1.5%
Bible study	-0.9%
Camps and conferences	7.1%
Child sponsorship	24.3%
Children's homes	4.1%
Church: denominations	4.6%
Church: local	4.4%
Community development	12.0%
Counseling	2.7%
Education: higher education	2.1%
Education: K-12	4.8%
Evangelism	3.4%
Foundations	68.8%
Leadership training	2.4%
Literature publishing	9.2%
Media	1.4%
Medical	-15.8%
Messianic	6.7%
Missions: international	-1.9%
Missions: domestic	-1.7%
Missions: short-term	13.4%
Orphan care	20.5%
Pregnancy resource centers	1.7%
Prison	-5.9%
Relief and development	8.4%
Rescue missions	-1.9%
Student/youth	-6.6%
Total	5.8%

Note: *Giving USA* does not include gifts to religious-related organizations that provide social services. See methodology section of this report for more details.

Data: Evangelical Council for Financial Accountability, 2011 ECFA Annual State of Giving Report, accessed February 2012, <http://ecfa.org/stateofgiving>

According to the article, faiths of all denominations have suffered a decline of both congregants and donations in recent years. While Catholic parishes and Jewish synagogues have closed or merged their congregations, the foreclosures were primarily among independent churches without a larger network or financial backing. In early 2011, Mark Brooks of the The Charis Group, a fundraising consultant firm for churches, pointed out that the foreclosure of 200 churches—out of more than 335,000 churches in America—represents a miniscule 0.06 percent.³⁰

Churches, specifically, have used bond financing in the construction boom rather than a straight mortgage. Historically, church boards and leaders preferred fixed-rate 25–30 year mortgages. During the real-estate boom prior to the recession, banks offered churches lower rates and shorter-term loans. At the same time, bond underwriters began to offer churches more money up front by issuing compound-interest bonds. These bonds allowed churches to pay nothing until the bonds came due years later. However, when payment was due, churches would have to pay the principal and accrued interest at the same time, which often doubled the amount they owed. Many of these bonds will become due in the next few years, and more churches could face foreclosure. Scott Rolfs, head of Wisconsin-based investment bank Ziegler and Co.'s Religion and Education practice, stated, "In 2011 and the next couple of years, we're going to see a big maturity wall hitting these churches."³¹

Two-thirds of churches are financially stable or increasingly stable; one-third in trouble

In 2009, researchers from the Presbyterian Church produced the U.S. Congregational Life Survey, a survey of 1,800 congregations regarding their financial health in that year.³² Results of the second wave of the U.S. Congregational Life Survey conducted in 2008–2009 found that 57 percent of all congregations reported a stable financial base, while another 12 percent reported increasing their financial base. Lamentably, 30 percent of the churches reported a declining financial base or a "seriously threatened" financial situation. While mainline Protestant churches reported the greatest financial increase at 18 percent, they also reported the lowest stability, at 49 percent. The Catholic Church had the highest financial base, at 68 percent, but the lowest increase between 2008 and 2009, at 8 percent.³³

Churches, social media, and online giving

Social media has become mainstream in the business sector and, to some extent, government. The nonprofit sector as a whole has also adopted new online giving practices. Articles and reports on churches' use of social media and online giving are reported in the following sections.

Protestant churches increasingly embrace online giving

With increased direct deposit of paychecks, use of debit cards, and online banking, more Americans are shifting to electronic methods of donating to their churches. A study by LifeWay

Research in late 2010 found that 14 percent of Protestant churches in the U.S. offer some form of online giving.³⁴ The larger and more urban the church, the more likely it was to offer online giving. Fifty-five percent of churches with an average attendance of 500 or more members offered giving online in 2010, whereas just 26 percent of churches with 200–499 in attendance and 9 percent of churches with 100–199 in attendance offered the practice.

Only 6 percent of churches in rural areas and 12 percent in the suburbs offered some form of online giving, whereas 15 percent in small cities and 28 percent of churches in large cities offered this practice. How does this compare with the number of websites churches maintain? The study found that while 78 percent of churches have a website, 86 percent offer no online form of giving.

Churches and social media

In September 2011, LifeWay's Digital Church partner, Fellowship Technologies, conducted a survey of 1,003 Protestant congregations regarding their use of social media.³⁵ The study found:

- Nearly half (47 percent) of churches actively use Facebook.
- 81 percent of congregations with 500 or more attending services use Facebook, compared with 27 percent of churches with one to 49 attendees.
- 40 percent of churches do not employ any form of social networking.

Of those churches that employ social networking tools, these are the primary purposes:

- Interaction with congregation (73 percent);
- Interaction with those outside the congregation (62 percent);
- Distribution of news (70 percent);
- Fostering of member-to-member interaction (52 percent); and
- Management of group ministry (41 percent).

A separate LifeWay Research survey of 1,000 Protestant pastors in October 2010 found that nearly half (46 percent) of pastors use Facebook, 16 percent blog, 6 percent use Twitter, and 84 percent send email to groups.³⁶ In a 2011 *Giving USA Spotlight* published by the Center on Philanthropy at Indiana University, nonprofits across all sectors were shown to have a high presence in social media.³⁷ As of early 2011, nearly nine in ten nonprofits were using at least one venue, such as Facebook, Twitter, or LinkedIn, and 65 percent of nonprofits utilized social media to raise money. This is significantly higher than the religion subsector. The religion subsector utilizes social media tools less than the nonprofit sector as a whole (60 percent versus 90 percent, respectively).

Pastors want IRS tax exemption evaluations out of pulpits

A study conducted in August 2011 found that pastors overwhelmingly agree that the IRS should not evaluate churches' tax exemption based upon their sermons. The research, conducted by LifeWay Research and funded by the Alliance Defense Fund, found that 79 percent of 1,000 Protestant pastors strongly disagreed—and 7 percent

somewhat disagreed—with the statement: “The government should regulate sermons by revoking a church’s tax exemption if its pastor approves of or criticizes candidates based on the church’s moral beliefs or theology.”³⁸ This is not to say that pastors believe they should use the pulpit for their political agenda. An earlier 2010 survey by LifeWay Research found that 84 percent of pastors disagreed with the statement: “I believe pastors should endorse candidates for public office from the pulpit.” Historically, churches have played a role in influencing political opinions, and religion has become a prominent issue in the 2012 presidential campaign.

Recent studies on charitable giving trends in previous years

Revised giving estimates as released by *Giving USA* in this edition show that giving to the religion subsector totaled \$97.54 billion in 2010, a 2 percent decline (in current dollars) from the \$99.56 billion given in 2009. Many research organizations study charitable revenue from reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

Foundation giving trends, 2010 and previous years

The Foundation Center annually tracks giving by foundations using sampled data from IRS Forms 990.³⁹ The most recent results, based on 2010 data, show churches and temples received 2 percent

of all grant dollars distributed that year, up slightly from 1.8 percent in 2009.⁴⁰ Foundations granted \$357.16 million to these organizations in 2010, with the majority of dollars (\$268.03 million) coming from independent foundations. As a share of charitable giving by foundation type, community foundations gave a greater share of their dollars (3.9 percent) to churches and temples than did independent foundations (1.7 percent) and corporate foundations (0.5 percent). Table 3 provides statistics on grants going to religious organizations between 2008 and 2010.

The Chronicle of Philanthropy’s results on religious organizations receiving the greatest amount in private support in 2011

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁴¹ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included religious organizations. No religious organization was listed in the top 10. The top five religious organizations with the greatest amount in private support include:⁴²

- Ranking 28th: Campus Crusade for Christ International, Orlando, FL, with \$458.9 million in private contributions, a decline of 3 percent from the previous year;
- Ranking 111th: Christian Broadcasting Network, Virginia Beach, VA, with \$177.1 million in private contributions, a 4.9 percent decline;
- Ranking 114th: Young Life, Colorado Springs, CO, with \$172.3 million in private contributions, a 4.6 percent increase;
- Ranking 140th: Wycliffe Bible Translators, Orlando, FL, with \$136.5 million in private contributions, a 25.5 percent decline; and
- Ranking 197th: Educational Media Foundation, Rocklin, CA, with \$101.6 million in private contributions, a 15.1 percent increase.

Campus Crusade for Christ International was the only religious organization in the top 100, and none of the remaining 11 organizations appeared in the top 200.

Charities in the religious subsector on the rise

Each year the Urban Institute publishes “The Nonprofit Sector in Brief,” which outlines key data and trends in the sector.⁴³ The 2011 edition provides various data for the years 1999 through 2009. The report revealed that religion-related organizations accounted for 6.5 percent of the 362,926 reporting public charities in 2009. That year, these organizations reported \$12.1 billion in revenue, or 0.9 percent of the revenue across all subsectors. Counting reporting charities only, the number of organizations in the religion-related subsector grew 70.7 percent between 1999 and 2009, rising from 13,719 to 23,418. During this time period, this subsector’s revenue increased 61.3 percent.

Key findings from annual studies

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

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 3
Key findings from other studies about giving to religious organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to religious organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to religious organizations	3	1	0
Largest announced gift from an individual to a religious organization	An anonymous gift of \$50 million to Wycliffe Bible Translators to translate Scripture into native languages	A \$20 million pledge to the Lincoln Square Synagogue in New York by an anonymous donor to support construction efforts of a new synagogue	No gift from an individual greater than \$10 million. The largest confirmed gift was \$15 million from the Baton Rouge Area Foundation to Catholic Charities Archdiocese of New Orleans for assistance in clean-up from the BP Gulf of Mexico oil spill
Dollars to religious organizations as a percentage of all announced gifts, excluding those made to free-standing foundations	2 percent	1 percent	0 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to religious organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$97,663	\$87,581	\$89,540
Median grant amount	\$23,370	\$20,000	\$20,000
Religious funding as a percentage of grant dollars (sampled foundations, including corporate foundations)	2.2 percent	2.0 percent	2.0 percent

IRS Statistics of Income Bulletin ⁴⁵ Tax-exempt religious organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number	18,425	19,898	20,537
Charitable revenue*	\$6.61 billion	\$7.56 billion	\$7.19 billion

* Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

- 1 The First Amendment begins: "Congress shall make no law respecting an establishment of religion..."
- 2 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, M. Brown, and P. 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. The paper is available at http://www.philanthropy.iupui.edu/workingpapers/reconciling_religious_giving_estimates.pdf.
- 3 Data from the National Council of the Churches of Christ in the USA, E. Lindner (Ed.), *Yearbook of American & Canadian Churches 2012*, Nashville: Abingdon Press, 2012; Data about Evangelical Council for Financial Accountability members obtained using the member search function at <http://www.ecfa.org/>.
- 4 This section written by the Center on Philanthropy. The 2011 Million Dollar List, accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 5 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: The Association of Fundraising Professionals, Blackbaud, Campbell Rinker, The Center on Philanthropy at Indiana University, Convio, The Foundation Center, Giving USA Foundation, GuideStar, Inc., and The National Center for Charitable Statistics at The Urban Institute.
- 6 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Note that the samples vary from survey to survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The three reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 7 Nonprofit Research Collaborative, "March 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
- 8 Nonprofit Research Collaborative, "December 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
- 9 Nonprofit Research Collaborative, "April 2012 Nonprofit Fundraising Survey," 2012, www.nonprofitresearchcollaborative.org.
- 10 Barna Group, "Donors Proceed with Caution, Tithing Declines," May 10 2011, www.barna.org.
- 11 Total church membership reported in the 2012 Yearbook is 145,691,446 members. The top 10 churches reported in the 2012 Yearbook are in order of size:
 1. The Catholic Church: 68.2 million, down 0.44%
 2. Southern Baptist Convention: 16.13 million, down 0.15%
 3. The United Methodist Church: 7.68 million, down 1.22%
 4. The Church of Jesus Christ of Latter-day Saints (Mormon): 6.16 million, up 1.62%
 5. The Church of God in Christ: 5.5 million, 0.00%
 6. National Baptist Convention, USA: 5.2 million, up 3.95%
 7. Evangelical Lutheran Church in America: 4.27 million, down 5.9%
 8. National Baptist Convention of America: 3.5 million, 0.00%
 9. Assemblies of God: 3.0 million, up 3.99%
 10. Presbyterian Church (USA): 2.67 million, down 3.42%
- 12 Same as note 11.
- 13 Brian Kluth, "View from the Pew: Top 5 Findings on Finances, Debt, and Giving/Tithing from 1000+ Households," *State of the Plate*, 2011, www.stateoftheplate.info.
- 14 Russell N. James and Keely S. Jones, "Tithing and religious charitable giving in America," *Applied Economics*, 2011, 43: 2441-2450.
- 15 Same as note 14.
- 16 Center for Applied Research in the Apostolate, *The CARA Report 17, 2012, 3*, Washington, D.C.: Georgetown University Press. See also, Cynthia Woolever, "Getting to the Bottom of a Full Collection Plate: How Values Enhance Giving" (presentation, the 2011 International Society for the Sociology of Religion conference, Aix-en-Provence, France).
- 17 "About U.S. Congregations," U.S. Congregations, March 2012, www.uscongregations.org.
- 18 Ram Cnaan, Van Evans, and Daniel W. Curtis, "Called to Serve: The Prosocial Behavior of Active Latter-day Saints" (presentation, "Mormons and Civic Life: What the Latest Research Reveals," the Pew Research Center's

- Forum on Religion and Public Life, March 15, 2012).
- 19 Brian Kluth, "Church Giving, Budgeting & Generosity Initiatives of 1,360 Christian Churches," *State of the Plate*, 2012, http://www.stateoftheplate.info/2012_State_of_the_Plate_Executive_Summary.pdf.
 - 20 Rabbi Dan Judson in discussion with the author and other Center on Philanthropy staff, February 2012.
 - 21 Suzanne Offen (AJWS), e-mail and telephone communication with author, February 14, 2012.
 - 22 Joe Berkofsky (Managing Director, Communications and Media Relations, The Jewish Federations of North America), telephone conversation and email correspondence with Center on Philanthropy staff, February 15, 2012.
 - 23 Note: Giving to Jewish federations is included in the estimate for giving to public-society benefit organizations. Joe Berkofsky (Managing Director, Communications and Media Relations, The Jewish Federations of North America), telephone conversation and email correspondence with Center on Philanthropy staff, February 15, 2012.
 - 24 Shariq Saddiqui, 2010 is the year with the most recent data available. Telephone and email correspondence with Center on Philanthropy staff, May 3, 2012.
 - 25 Ingrid Mattson, Ph.D., telephone and e-mail correspondence with Center on Philanthropy staff, February 3, 2012.
 - 26 David Roach, "Pastors report mixed economic signs," *LifeWay Research*, August 1, 2011, www.lifeway.com.
 - 27 Evangelical Council for Financial Accountability, "2011 ECFA Annual State of Giving Report," November 16, 2011, www.ecfa.org.
 - 28 "Boston Archdiocese May Radically Regroup Parishes," *USA Today*, June 3, 2011, www.usatoday.com.
 - 29 Shelly Banjo, "Churches Find End Is Nigh: The Number of Religious Facilities Unable to Pay Their Mortgage Is Surging," *The Wall Street Journal*, January 25, 2011, www.online.wsj.com.
 - 30 Mark Brooks, "Not So Fast Wall Street Journal," *The Charis Group*, January 25, 2011, www.thecharisgroup.org.
 - 31 Same as note 29.
 - 32 Deborah Bruce and Cynthia Woolever, "Show Me the Money: A Look at Congregational Giving in Wave 2 of the U.S. Congregational Life Survey" (presentation, Religious Research Association, Milwaukee, WI, October 2011).
 - 33 U.S. Congregational Life Survey, Wave 2 Methodology, "Harris Interactive identified a random sample of congregations through a poll of adults in this country conducted in 2007. Individuals who were interviewed were asked if they regularly attend worship services. Those who said "yes" were asked to name the congregation where they usually worship. Since the poll involved a national random sample of individuals, congregations identified by these participants comprise a national random sample of congregations. About 1,800 congregations were identified with this strategy and invited to participate in the U.S. Congregational Life Survey in 2008 and 2009," accessed February 2012, www.uscongregations.org.
 - 34 David Roach, "LifeWay Research Finds Churches Turn to Electronic Giving," *LifeWay*, April 6, 2011, www.lifeway.com.
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 - 36 Same as note 35.
 - 37 The Center on Philanthropy, "Relationship Cultivation Using Social Media," *Giving USA Spotlight*, 2011, 3: 5.
 - 38 *LifeWay*, "Survey: Pastors Want IRS Out of Pulpits, Politics Out of Sermons," *LifeWay*, September 13, 2011, www.lifeway.com/.
 - 39 This section written by the Center on Philanthropy. S. Lawrence, R. Mukai, and J. Atienza, "Foundation Giving Trends 2010: Update on Funding Priorities," *Foundation Center*, June 2010, www.foundationcenter.org.
 - 40 Statistics drawn from the Foundation Center's Statistical Information Service, *Distribution of Foundation Grants by Subject Categories table*, circa 2010, accessed April 2012, www.foundationcenter.org.
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 - 42 Philanthropy 400 database, *The Chronicle of Philanthropy*, October 2011, www.philanthropy.com.
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 - 44 Paul Arnsberger and Mark Graham, "Charities, Fraternal Beneficiary Societies, and Other Tax-Exempt Organizations, 2008," *Statistics of Income Bulletin*, Fall 2011, www.irs.gov/pub/irs-soi/11eofallbulteor.pdf.

8

GIVING TO EDUCATION

- Charitable giving to educational organizations is estimated to have increased 4.0 percent between 2010 and 2011 to \$38.87 billion in total contributions.
- Adjusted for inflation, giving to educational organizations was flat in 2011 with a 0.9 percent increase.
- Higher education institutions are the recipients of a significant portion of education subsector dollars each year. These institutions often operate on a fiscal year. According to the Council for Aid to Education's (CAE) annual survey released in 2012, giving to 1,009 reporting higher educational institutions in 2011 increased 8.2 percent (in current dollars) from 2010, totaling \$30.3 billion. This total was close to the historical high reported in 2008.¹
- The growth that *Giving USA* estimates for giving to education correlates with the 2012 Council for Advancement and Support of Education Fundraising Index (CFI), which annually asks fundraisers for schools, colleges, and universities to report year-to-year changes in giving to their institutions. Senior-level fundraising professionals at more than 2,100 member institutions across the United States estimated an average 4.4 percent increase in giving from 2010 to 2011 (based on the calendar year).²
- Over the last four decades (1971–2011), inflation-adjusted giving to the education subsector has increased at a slower rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 2.8 percent.

***Giving USA* findings for giving to educational organizations in 2011**

Giving USA's tabulation of giving to the education subsector includes giving to support nonprofit, public, and charter pre-K through grade 12 schools; nonprofit and public colleges and universities; vocational and technical schools; nonprofit and public libraries; education research and policy; adult education programs; tutoring programs; and student services organizations. *Giving USA's* estimates include donations of

cash, securities, and in-kind gifts, such as equipment, land, and other items of value. Some gifts made for educational purposes are actually made to health, arts, human services, religious, or international organizations, as well as to foundations.

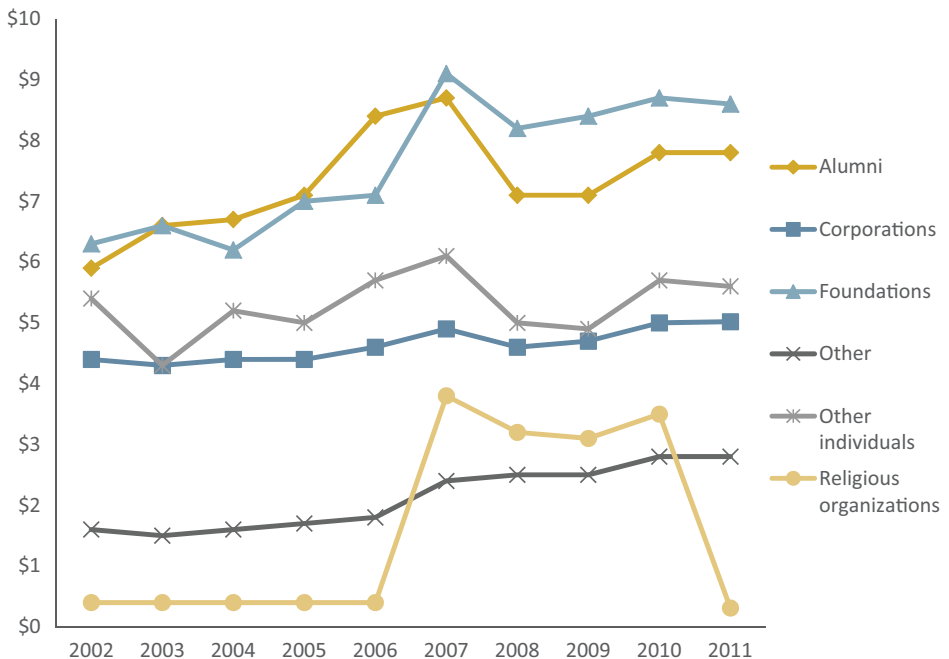
The 2011 estimate for giving to the education subsector is based on a tested model incorporating economic variables from 2011 and historical giving to educational organizations.³ In 2011, the Center on Philanthropy incorporated

a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to educational organizations. Refer to the Urban Institute’s NCCS webpage (<http://nccs.urban.org/>) for more information about how educational organizations are categorized within the subsectors using NTEE codes, and see the “Brief summary of methods used” section in this report for information about estimating giving to this subsector.

Council for Aid to Education reports strong growth in giving to higher education in 2011

The 2012 Council for Aid to Education’s (CAE) annual survey, Voluntary Support of Education (VSE), found that giving to higher education institutions increased (8.2 percent growth in current dollars) to \$30.3 billion during the 2010–2011 (2011) academic year, compared with giving reported for the previous year.⁴ Giving increased 4.8 percent after being adjusted for inflation. The survey also revealed that giving to higher education

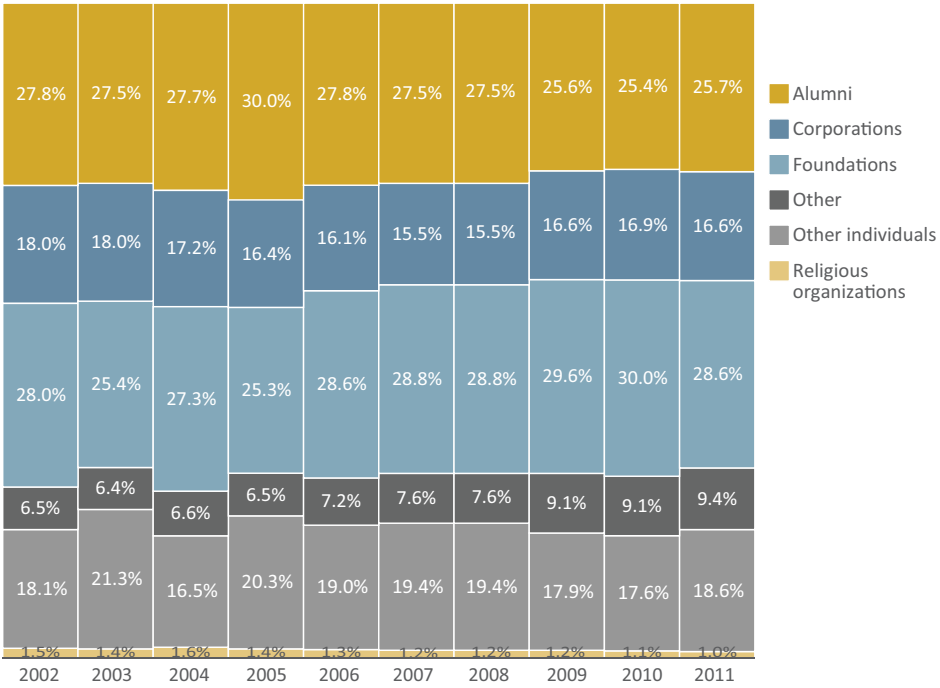
Figure 1
Sources of voluntary support of reporting CAE member institutions, for academic years ending 2002–2011 (in billions of dollars)



Note: “Other” includes giving by federated fundraising organizations, donor-advised funds, and other various organizations; “other individuals” includes giving by non-alumni.

Data: Council for Aid to Education (CAE), Voluntary Support for Education (VSE) surveys, 2003–2012, www.cae.org

Figure 2
Percentage of voluntary support of reporting CAE member institutions by donor type, for academic years ending 2002–2011



Note: "Other" includes giving by federated fundraising organizations, donor-advised funds, and other various organizations; "other individuals" includes giving by non-alumni
 Data: Council for Aid to Education (CAE), Voluntary Support for Education (VSE) surveys, 2003–2012, www.cae.org

in 2011 was relatively close to the historical high reached in 2008.

The top 20 institutions, led by Stanford University, raised \$8.24 billion in 2011, which represented 27.2 percent of estimated giving to all reporting institutions. While the top 20 institutions in 2011 are somewhat different than the top 20 in 2010, these institutions received about \$1.12 billion (15.8 percent) more in contributions in 2011 than in 2010.

Among all of the 1,009 institutions responding to the VSE survey, more

than half (58.1 percent) of the reporting institutions cited an increase in giving in 2011, which is approximately 7 percentage points higher than in 2010. Medical schools led the way, as specialized institutions showed a 16.8 percent increase in 2011, while giving to liberal arts institutions showed a 13.2 percent increase, which was well above the national average.

According to the survey, the sources of voluntary support for higher education in 2011 closely mirrored the results found in 2010. Foundation giving

accounted for the largest portion at \$8.68 billion (28.6 percent), an increase of 3.3 percent from 2010. Giving by religious organizations represented the only source of giving that reported no increase. At \$305 million, giving by these organizations was unchanged from the prior year. Figures 1 and 2 illustrate the sources of funding and percentage of total estimated donations to higher education institutions by donor type for academic years ending 2002 to 2011.

In 2011, giving in the form of endowments increased for 94.8 percent of the reporting institutions. The average increase in endowment values among a core group of institutions was 16.3 percent. This was higher than the average increase of 9.1 percent reported by the core group in 2010. Overall, in 2011, the median increase in endowment value was 17 percent for the institutions reporting. This was a significant improvement compared with the 22.3 percent decrease reported in 2009.

CASE Fundraising Index respondents reported gains in 2011 and predicted steady growth in 2012

According to the January 2012 Council for Advancement and Support of Education Fundraising Index (CFI), fundraisers for schools, colleges, and universities estimated that giving to their institutions increased in 2011 relative to 2010 and predicted steady growth in 2012.⁵ The index, which is conducted semi-annually among senior-level fundraising professionals at more than 2,100 member institutions across the United States, revealed that

responding institutions (7.6 percent of all U.S. CASE member institutions) estimated an average 4.4 percent increase in giving from 2010 to 2011 (based on the calendar year).

CASE member institutions also forecasted an increase in giving of 4.6 percent from 2011 to 2012, which suggests fundraisers are seeing a renewed growth in giving to education. Educational fundraisers for public institutions expect to see the greatest gains (5.2 percent), while fundraisers at private colleges and universities reported the least expected increase (4.3 percent) for 2012.

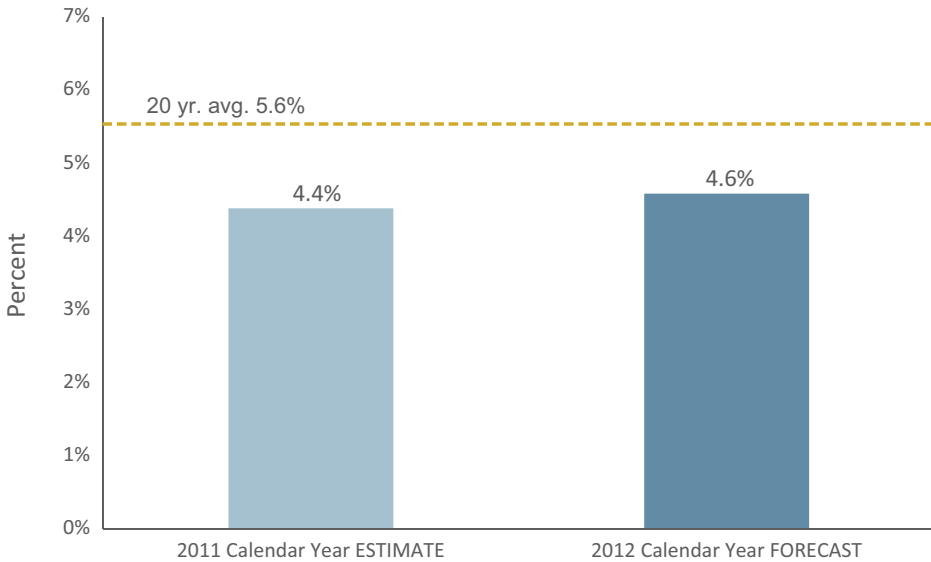
The positive change in the economic climate has continued steadily, as predicted in the CFIs conducted in January and July 2011. Figure 3 provides data from the January 2012 CFI showing the rate of change in charitable giving to responding CASE member institutions for 2011–2012, along with the 20-year average.

Largest announced gifts to the education subsector in 2011

According to the 2011 Million Dollar List, there were 56 announced gifts of \$1 million or more made by individuals to educational organizations in 2011, totaling \$328 million.⁶ This represents a 20 percent increase from the previous year's amount of \$273 million. There were at least 15 gifts of \$100 million or more to higher education institutions by individuals and foundations. Some of the more notable large gifts, both in size and area of interest, include:

- The University of Pennsylvania received a \$225 million gift from Raymond and

Figure 3
Rate of change of charitable giving to reporting CASE member institutions, 2011 (estimate) and 2012 (forecast)



Source: CASE, Council for Advancement and Support of Education Fundraising Index, January 2012. Reprinted with permission from CASE.

Ruth Perelman to create a permanent endowment for the medical school, which will be renamed the Raymond and Ruth Perelman School of Medicine at the University of Pennsylvania.

- The University of Southern California (USC), located in Los Angeles, received a pledge of \$200 million from David and Dana Dornsife to provide unrestricted endowment support for the College of Letters, Arts, and Sciences. Mr. Dornsife graduated from USC in 1965 with a bachelor's degree in business administration and is a trustee of the university.
- The Boeing Company and Microsoft Corporation each donated \$25 million

to endow a scholarship fund for low- and middle-income students. The State of Washington plans to match the companies' gifts under a bill signed by Gov. Christine O. Gregoire. The companies plan to raise \$1 billion by 2020 for the scholarship endowment.

While higher education typically receives the lion's share of the largest gifts, significant donations have been directed toward the K–12 population in recent years. Foundations and individuals, especially, are increasingly stepping forward to aid public school systems. While some foundations expressly state their mission is to foster systemic change in the K–12 agenda nationwide, others fill a supplementary role in providing

for programs where—due to debt and the Great Recession—state budgets have cut funding.

There were at least 50 gifts on the 2011 Million Dollar List that went to support the K–12 category. Some notable mentions include:

- Teach for America received \$49.5 million from the Walton Family Foundation. The donation supports the foundation’s agenda for K–12 education reform and will be used to double the size of Teach for America’s “National Teaching Corps” and to provide professional development for first- and second-year educators in seven communities located in the foundation’s priority investment regions. The Wal-Mart Foundation also made two \$10 million gifts for summer school programs in Arkansas and for the National Summer Learning Association to support programs in 10 major cities across the United States.
- Comcast, a cable operator based in Philadelphia, donated \$20.3 million to City Year. The organization will use the funds to support the leadership efforts of City Year AmeriCorps team members—young people between the ages of 17 and 24—in nine cities who work directly with students to improve attendance, behavior, and course performance.
- The General Electric (GE) Foundation donated \$20 million to Milwaukee public schools for initiatives designed to improve academic achievement and to better prepare students for college and career opportunities,

Table 1
Billion-dollar higher education campaigns announced in 2011

Institution	Announced	Plan to close	Goal (\$)	Raised (\$)	As of
University of Southern California	August 2011	December 2018	\$6.0B	\$1.0B	August 2011*
Georgetown University	October 2011	December 2016	\$1.5B	\$840M	April 2012
Syracuse University	September 2011	December 2012	\$1.0B	\$930M	December 2011
Case Western Reserve	N/A	N/A	\$1.0B	\$80M	October 2011
University of California at Davis	October 2010	December 2014	\$1.0B	\$605M	September 2011
University of Colorado at Boulder	April 2011	N/A	\$1.5B	\$900M	April 2011*
University of South Carolina	November 2011	December 2015	\$1.0B	\$530M	November 2011*

M = million; B = billion

*The “as of” date is the same as the announced date because these institutions initiated silent campaigns prior to the announcement of these campaigns.

Data: *The Chronicle of Higher Education* and universities’ press releases, retrieved April 2012 from www.chronicle.com and various websites

especially those with a focus on math and science.

- John Malone of Englewood, Colorado donated \$7 million to the Denver School of Science and Technology (DSST), a set of charter schools under the Denver Public School System. To date, 100 percent of DSST graduates have been accepted to a four-year college, and 50 percent of DSST's 2010 graduating class are the first in their families to enroll in college.

Billion-dollar higher education campaigns announced in 2011

As senior fundraising consultant Nelson Lees of Marts & Lundy, a nonprofit

consulting firm, concluded in 2009, large gifts can be raised and billion-dollar campaigns can do well despite difficult economic times.⁷ In 2011, signs of a recovering economy and increased donor support appeared to give at least seven universities additional optimism as they launched billion-dollar campaigns.⁸ Notably, the University of Southern California publicly announced efforts to raise a record-breaking \$6 billion. Based on information from *The Chronicle of Higher Education* and universities' press releases, Table 1 lists the campaigns that were announced in 2011, and Table 2 shows campaigns that were announced as completed in 2011.

Table 2
Billion-dollar higher education campaigns announced as closed in 2011

Institution	Announced	Plan to close	Goal (\$)	Raised (\$)	As of
Stanford University	September 2004	December 2011	\$4.3B	\$6.2B	December 2011
Tufts University	July 2002	June 2011	\$1.2B	\$1.2B	October 2011
University of Illinois	July 2003	December 2011	\$2.25B	\$2.28B	October 2011
University of Maryland at College Park	July 2005	December 2011	\$1.0B	\$929M	July 2011
University of Notre Dame	July 2004	June 2011	\$1.5B	\$2.0B	July 2011
University of Tennessee	January 2005	December 2011	\$1.0B	\$1.2B	October 2011
University of Virginia	September 2006	December 2011	\$3.0B	\$2.6B	January 2012
Vanderbilt University	July 1999	June 2011	\$1.75B	\$1.9B	June 2011
Yale University	July 2006	June 2011	\$3.5B	\$3.9B	December 2011

M = million; B = billion

Data: *The Chronicle of Higher Education* and universities' press releases, retrieved April 2012 from www.chronicle.com and various websites

Table 3
Survey results for educational organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Direction of change	Percentage of respondents	
		All of 2010	All of 2011
Charitable receipts to educational organizations	Up	47	55
	Same	22	15
	Down	31	31

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

Surveys and reports on giving to educational organizations in 2011

Giving to educational organizations continues to be an important area of research. Based on studies and surveys conducted in 2011 and in early 2012 on various aspects of fundraising, the majority of educational organizations reported an increase in overall fundraising revenue and endowment returns in 2011. By and large, contributions to educational organizations continue to strengthen since the large decline seen in 2008. For that year, *Giving USA* estimates a decline of 15.3 percent in contributions to these organizations.⁹ Led by higher gifts to colleges and universities, in particular the education subsector reported a healthy increase in 2011, but giving has still not returned to the levels seen in 2006 and 2007.

Nevertheless, this increase in giving continues a growth trend that began in 2010. Summaries of some of these surveys and studies are included in the following sections.

More educational organizations reported an increase in charitable revenue in 2011 than in 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.¹⁰ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.¹¹ Between the NRC's December 2010 and December 2011 surveys, a higher share of responding educational charities reported increased charitable contributions. As of late 2010, less than half of these organizations reported they had received more in that year than in the prior year.¹² By late 2011, 55 percent reported increased charitable contributions for the 2011 fiscal year.¹³ The results for all of 2011 showed improvement compared with 2010. See Table 3 for more specific results from the surveys.

Among organizations in the education subsector, the main area of difference from NRC results from all respondents relates to board member giving, which

was covered in the NRC study released in April 2012.¹⁴ Educational organizations differed with statistical significance from the overall findings by having a higher average amount for the minimum board member gift required. Thirty-six percent of surveyed educational organizations required a board member gift, compared with 35 percent across all subsectors. However, the average gift was higher for education board members, at \$12,520, compared with the overall average of \$4,977.

While the number of donors to educational organizations was down in fiscal year 2011, contributions grew slightly

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving to nonprofit organizations from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 organizations.¹⁵ The Index is based on actual giving statistics from nonprofit organizations of all sizes representing all nonprofit subsectors that *Giving USA* analyzes, except foundations. Donations, occurring both offline and online, to all organizations reporting to the index amounted to \$2.3 billion in the one-year period ending January 2012.

The median change in charitable revenue for all types of educational organizations (public and private) was 6.1 percent between July 2010 and June 2011.¹⁶ This is a sharp contrast from the decline of 12.8 percent realized in 2009. The increase in 2011 was just slightly below the increase of 6.3 percent in 2010.

Among other results reported by Blackbaud, the median contribution amount received from donors by all types of educational organizations in this time period was \$474. This is an increase from \$400 in fiscal year 2010. Notably, the median contribution amount received from retained donors—those who give year to year—was \$584 in 2011, up from \$549 in fiscal year 2010.

Despite growing contributions, the number of donors giving to educational organizations in 2011 was down one percent compared with 2010, with public institutions taking the biggest hit, with a decline of 2.6 percent. The number of donors giving to all types of organizations also saw declines in 2009 and 2010, at negative 5.7 percent and negative 0.5 percent, respectively. In general, retention rates of donors were up, while reactivation and new donor participation rates remained stagnant, arguably demonstrating a stabilizing donor base emerging for educational organizations.

Higher education endowments realized an average rate of return of 19.2 percent in fiscal year 2011, up from 2010

According to the 2011 NACUBO-Commonfund Study of Endowments (NCSE), higher education endowments returned an average of 19.2 percent for the 2011 fiscal year (July 1, 2010–June 30, 2011).¹⁷ This was an increase from the 11.9 percent return reported in fiscal year 2010 and the negative 18.7 reported in fiscal year 2009. The National Association of College and University Business Officers (NACUBO), in

conjunction with the Commonfund Institute, conducted the report by gathering data from 823 U.S. colleges and universities that, in total, represented over \$400 billion in endowment assets.

The study also showed a positive three-year return (3.1 percent, on average) for all institutions, as well as positive averages for five-year (4.7 percent) and ten-year (5.6 percent) returns. Forty-six percent of institutions realized an increase in gifts and donations in 2011, compared with 2010. In contrast, 31 percent of the institutions reported a decrease in gifts in 2011, compared with 42 percent who reported a decrease in gifts in 2010.

While endowments showed strong returns at the beginning of fiscal year 2011, NACUBO and Commonfund representatives expressed their concern about future volatility as a result of the debt crisis in Europe, the high U.S. unemployment rate, and slower than expected growth in the U.S. economy.

Department of Education invests in institutions that serve students who are Asian American and Native American Pacific Islanders

In 2011, the U.S. Department of Education awarded \$3.95 million to support colleges and universities that serve Asian Americans and Native American Pacific Islanders.¹⁸ This award will assist institutions such as the American Samoa Community College, University of Hawaii at Hilo, Mission College, and other members of the Asian American and Native American Pacific Islander-Serving Institutions Program with curriculum development, campus construction, tutoring, and

internet service enhancements. Additionally, the grants will help support:

- Faculty exchanges, development, and fellowships;
- The purchase of educational materials and student service programs designed to improve academic success;
- Establishing or improving development offices to strengthen alumni and private sector contributions;
- Establishing or improving endowment funds; and
- Creating or improving facilities for internet or other distance learning academic instruction capabilities.

Closing the achievement gap for minority and low-income students continues to be main priority for education grantmakers

Grantmakers for Education's (GFE) *Benchmarking 2011: Trends in Education Philanthropy* report, released in early 2011, found that grantmakers were continuing to adjust strategies as they faced challenges created by the sluggish economy in 2011.¹⁹ The study's findings are based upon a survey of 184 educational grantmaking organizations, which comprise approximately two-thirds of the GFE member network.

The survey group represented various types of organizations, with a sizable majority of private foundations (34 percent) and family foundations (31 percent). Most of these respondents were smaller funders with educational grantmaking budgets of under \$5 million (68 percent). A good portion funded within their local communities

(38 percent) or in one or two states (24 percent). Virtually all respondents funded education projects in urban areas (98 percent).

In response to changing economic conditions, respondents noted the importance of greater collaboration between funders in order to enhance the impact of their efforts. Key findings related to this shift in 2011 include:

- A majority of funders reported anticipating they would increase their collaborative efforts in each of the next two years (2012 and 2013) by 58 percent and 44 percent, respectively.
- 91 percent reported that they would collaborate with others to achieve goals, and 83 percent would pursue opportunities to collaborate with non-funder stakeholders in 2011.
- 61 percent of funders revealed that they would continue to provide grants to support advocacy and public policy throughout 2011, while another 34 percent indicated they planned to increase their efforts in this area.
- 48 percent of respondents reported they had adopted strategies to provide grants for community organizing around educational goals in 2011, while 13 percent planned to increase funding to community foundations for organizing.

Research about giving to education published in 2011

In 2011, research on charitable giving to educational organizations focused sig-

nificantly on the alumni giving relationship. For example, studies analyzed the allegiance that transfer students show to their multiple alma maters, alumni motivations in charitable giving, continued increases in governing board giving, and online matching gift programs. Other studies analyzed the effect of mobile telephone giving to educational organizations, the combination of athletics and academics in fundraising, multichannel donor marketing, and fundraising at Historically Black Colleges and Universities (HBCUs). Summaries of these articles and reports are provided in the following sections.

Community college transfers show allegiance to both alma maters

Lisa Ann Skari, Vice President of Institutional Advancement at Highline Community College and doctoral candidate at Washington State University, released her research on the characteristics of community college alumni donors in late 2011.²⁰ Skari found that community college students who transfer to four-year institutions donate to both their two-year and four-year alma maters. The study, which surveyed over 7,300 community college alumni from 18 two-year institutions, showed that 73 percent of community college alumni donors gave to another organization in the last five years, with 36 percent of them giving to their four-year college.

The research also found that, in general, community college alumni donors have an affinity for their two-year institution similar to that of alumni donors at four-year institutions. Giving by alumni at

GOOD TO KNOW! Unstable economic environments and job markets have left advancement offices at private K–12 schools and higher education institutions with the challenge of having to change their approaches in order to maintain donor participation. Drawing on various studies on effective fundraising during negative economic environments, the list below provides some suggestions for overcoming donor resistance and sustaining donor support:²¹

- **Communicate the mission:** It is important for donors to know how their support will further the mission.
- **Contact your donors:** A calling program that explains the effects of the economy and how their support has been used to strengthen the institution builds good will with donors.
- **Use volunteers:** Actively engaging board members, faculty, and staff in the cultivation process can settle fears and help reduce donor anxiety.
- **Speak with one voice:** It is important to demonstrate that there is an appropriate “tone from the top” to communicate the institution’s stability and to calm donors’ fears.
- **Never stop asking:** The best way to retain an annual revenue stream and good will is to continue to ask for financial support.

both two- and four-year institutions was found to be affected by the relationships with faculty, extracurricular activities, and the overall student experience. These findings challenge the conventional wisdom and belief that transfer students shift their allegiance and financial support from their community college to their four-year institution. Accordingly, this creates a case for advancement offices in community colleges to design strategies focused more on securing donations from students who graduate and transfer to four-year institutions.

Defining donor motivation more effective than understanding other alumni attributes for fundraisers at colleges and universities

Colleges and universities often approach alumni giving using traditional methods that identify donors based on their

academic major, gender, year of graduation, and other attributes.²² In a study released in fall 2011, the multichannel marketing firm Converge Consulting suggests that giving is a behavior that stems from motivations and attitudes. Therefore, it should be examined from a behavioral and motivational perspective rather than using traditional “segmentation” techniques.

Converge Consulting surveyed over 2,000 graduates to explore alumni giving from a behavioral and motivational perspective. As a result, the study identified three distinct alumni donor segments:

- **Champions:** Strong advocates for the institution and most likely to donate at the highest levels. These donors comprise approximately 31 percent of alumni.

- Friends: Proud graduates who donate to the institution but have additional charitable organizations they support. These donors comprise 36 percent of alumni.
- Acquaintances: Those who performed at the minimal level while in school and are less apt to make a contribution to the institution. These donors comprise 33 percent of alumni.

The results of the survey suggest that colleges and universities should segment their audience more strategically and efficiently so they can adjust their fundraising efforts to gain a better understanding of their alumni pool. Adjusting strategies in this way will also allow schools to communicate with alumni more effectively, focusing on those individuals who have the greatest potential to become strong supporters of the institution.

Average giving by governing boards at private higher education institutions increased from 2001 to 2010

A study led by Nelson Lees, Senior Consultant and Principal at Marts & Lundy, a nonprofit consulting firm, analyzed the performance and trends in giving by the boards at private liberal arts colleges, private master's universities, and private research universities between 2001 and 2010.²³ Lees' findings are based upon broad comparison groups developed by the Council for Aid to Education/Voluntary Support of Education (CAE/VSE) survey in 2011, which included approximately 277 institutions spanning these three higher education sectors.

According to the study, total board giving and average board gifts increased for private liberal arts colleges and research universities, but remained flat for private master's universities during this decade. Board giving as a percentage of total giving and as a percentage of total *individual* giving declined for private liberal arts colleges and research universities, but strengthened for private master's universities.

Key trends during the 2001–2010 period for private higher education giving include:

- The average board gift increased slightly for private liberal arts colleges (\$47,000) and research universities (\$178,000), but remained flat for master's universities (\$32,000).
- The number of board donors, which in most cases equals the members, increased for private research universities and slightly increased for liberal arts colleges. However, it remained flat for master's universities.
- Total board giving and the average board gift increased in nominal dollars.
- Board giving as a percentage of total giving increased for private liberal arts colleges, but decreased for research and master's universities. This may be a sign that the universities are seeking broader support from corporations, foundations, and research organizations.
- In terms of the percentage of total individual giving, contributions from the boards of private liberal arts colleges accounted for an average of

25 percent of all giving, which represented a positive trend. Giving by boards of master's universities and research universities accounted for 25 percent and 16 percent, respectively, of total individual giving, both of which represented negative trends.

Combining athletics and education can yield greater fundraising results for higher education

Jeffrey Stinson, a professor of marketing at Central Washington University, and Dennis Howard, a professor of business at the University of Oregon, explored the giving patterns of donors at three NCAA Division I institutions.²⁴ The researchers analyzed the giving behaviors of more than 15,000 donors to these institutions who made annual gifts of at least \$1,000 each between 1992 and 2005.

The researchers concluded that colleges and universities can receive long-lasting benefits if they spend more time coordinating their athletic and academic fundraising efforts. "Split donors"—those who give to both athletic programs and to broader academic programs—were found to have made higher average gifts to the institutions than those who only gave to athletics. Additionally, split donors were retained at a higher rate than donors who made a single gift to athletics or to academics.

Based on the three institutions that were used in the study, the researchers observed that the schools with a higher percentage of split donors used more integrated athletic and academic fundraising structures. Such structures allowed for better sharing of information,

common evaluation, and incentive systems to maximize giving, and provided a platform for communicating cross-cultivation solicitations. As a result, between 5 percent and 15 percent of donors to athletic programs were found to have expanded their giving between 1992 and 2005 to also include academic programs. These increases amounted to additional annual contributions between \$650 and \$1,038, equating to over \$28 million in additional revenue to the three institutions over a 14-year period.

While the opportunity for institutions to generate additional contributions sounds promising, Stinson and Howard did find a downside to shared solicitation efforts. Over time, split donors tended to give a lower percentage of their overall giving to athletics than to academic programs. Consequently, the study revealed that athletic departments were less inclined to have a "shared" approach in order to preserve their relationship with their donors.

HBCUs turn to capital and planned giving campaigns to overcome shrinking state budgets

Each year, state-supported Historically Black Colleges and Universities (HBCUs) anticipate receiving a share of appropriated taxpayer revenues for operating funds, which in many cases is the primary funding source for these schools.²⁵ As a result of the recent economic downturn, state budgets have decreased and many HBCUs have been forced to increase fundraising to overcome their budget shortfalls.

In 2011, Reginald Stuart of *Diverse Issues in Higher Education*, a newsmagazine

GOOD TO KNOW! Faculty and staff members at a private Virginia school inspire parents to give by leading the way in giving participation.

Since 2009, faculty and staff members at St. Catherine's School, a private K–12 school in Richmond, Virginia, have maintained 100 percent employee participation for the school's annual giving campaign.²⁶ The perfect giving record has been a point of pride for the all-girls institution. The commitment and enthusiasm by faculty and staff have also been embraced by the parents and, as a result, parental contributions increased from 70 percent to 77 percent in the 2009–2010 school year.

focused on the role and issues of African Americans in higher education, interviewed senior fundraising officials at Grambling State University, North Carolina Central University, and West Virginia State University to discover these universities' strategies for replacing lost operating funds. Overwhelmingly, the fundraising officials agreed that their institutions have had to make serious efforts to “re-tool” fundraising strategies, similar to those used successfully by their private counterparts, like Meharry Medical College, Spelman College, Hampton University, and Xavier University. These strategies include capital campaigns and planned giving.

Developing a planned giving campaign is a new frontier for most state-supported HBCUs. Nevertheless, schools like Fort Valley State University in Georgia and North Carolina Central University are exploring this option. Likewise, Grambling State University and West Virginia State University are in the process of developing capital campaigns that will include planned giving as a major initiative. These will be the first organized capital campaigns for these institutions since they were founded in the late 1800s.

Recent studies on charitable giving trends in previous years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving to the education subsector totaled \$37.38 billion in 2010, a 6.0 percent increase (in current dollars) from 2009. Many research organizations study charitable revenue from reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized in the following sections.

Large decline in grants to higher education institutions pulls the overall change in grantmaking down by 10 percent between 2009 and 2010

Overall grant giving to the education subsector decreased by 10 percent between 2009 and 2010, from \$6.93 billion to \$6.22 billion, according to the Foundation Center's Statistical Information Service. Grantmaking patterns to specific education subsectors did not mirror this overall trend, as different subsectors saw both increases and declines in grant amounts. Specifically,

funding for adult and continuing education slightly increased at one percent and support for libraries and library science institutions increased 4 percent. However, support for higher education institutions, which receive the largest proportion of grants, dropped 12 percent. Between 2009 and 2010, there was also significant variation in grantmaking among types of funders. While grantmaking by community and independent foundations both dropped, corporate grantmaking to educational institutions increased.

Post-recessionary giving to education shows signs of strength going forward

In 2008, educational institutions experienced double-digit losses in endowments and a sharp reduction in alumni giving. Since 2010, the U.S. economy has slowly gained momentum. In “Post-recessionary Giving to Education,” Nelson Lees of Marts & Lundy examined the variation in giving to educational institutions in 2010 compared with giving in 2009 for 838 schools.²⁷ The comparison group represented liberal arts colleges, private and public research universities, day schools, and boarding schools. Based on the analysis, it was concluded that:

- Day and boarding schools, along with private research universities, experienced a decrease in total giving between 2009 and 2010, while liberal arts colleges and public research universities saw increases.
- Alumni giving increased 16.1 percent for boarding schools and 11.4 percent for liberal arts colleges, but weakened for all others.
- Parent giving increased for all groups.
- Board giving decreased by 25.9 percent for boarding schools and 22.5 percent for day schools.
- Foundation giving increased 11 percent for day schools and 30.7 percent for boarding schools, but weakened for all others.
- Corporate giving increased 14.1 percent for day schools and 9.6 percent for private research universities, but weakened for all others.

Stanford University tops the list of educational organizations receiving private support in 2011 Philanthropy 400 report

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.²⁸ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 112 colleges and universities and nine educational charities. Only one education-related organization appeared in the top 20. The top five colleges and universities with the greatest amount in private support include:²⁹

- Ranking 20th: Stanford University, Stanford, CA, with \$598.9 million in private contributions, a decline of 6.4 percent from the previous year;

- Ranking 21st: Harvard University, Cambridge, MA, with nearly \$597 million in private contributions, a decline of 0.8 percent;
- Ranking 30th: The Johns Hopkins University, Baltimore, MD with \$427.6 million in private contributions, a decline of 1.3 percent;
- Ranking 32nd: The University of Southern California, Los Angeles, CA with \$424.2 million in private contributions, an increase of 15 percent; and
- Ranking 33rd: Columbia University, New York, NY with \$402.4 million in private contributions, a decline of 2.7 percent.

Scholarship America, St. Peter, Minnesota, was the top educational charity, ranking 126th, with \$158.7 million in private support, a decline of 13 percent from the previous year.

Educational organizations outside of those in higher education see stronger revenue growth between 1999 and 2009

The Urban Institute's 2011 "Nonprofit Sector in Brief" report highlights important trends in the number and revenue mix of educational organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990-EZ).³⁰ In 2009, there were 66,286 educational nonprofits among *reporting*

public charities, which was 18.3 percent of all registered nonprofits that year and an increase of 59.1 percent from 1999. In 2009, "other" educational organizations outside of higher education institutions comprised 96.8 percent of all educational organizations. This was a slight increase of less than one percentage point from 1999.

In 2009, educational institutions accounted for 15.5 percent of all public charity revenue, with higher education organizations accounting for 62.4 percent of all education revenue (or 9.7 percent of all public charity revenue). In addition, higher education institutions accounted for 10.6 percent of all public charity expenses and 19 percent of all public charity assets in 2009. Overall, educational organizations' revenue grew 54.2 percent between 1999 and 2009, with other types of educational organizations, rather than higher education institutions, receiving the bulk of the growth, with revenue growth at 76.6 percent. This is compared with an increase of 43.4 percent for higher education institutions.

Key findings from annual studies

Table 4 presents three years of data from studies released annually about contributions to educational organizations. Website addresses are provided so readers can access the full reports.

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 4
Key findings from studies on giving to educational organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to educational organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to institutes of higher education	57	89	136
Largest announced gift from an individual to a higher education institution	\$100 million each from William P. Clements to the University of Texas Southwestern Medical Center Foundation and an anonymous donor to Amherst College in Massachusetts	\$200 million from the estate of an anonymous donor to Baylor University for medical research in the College of Arts and Sciences, the School of Social Work, and other programs	\$350 million from Charles F. Feeney to Cornell University to build a campus that is dedicated to technology and enterprise
Dollars to higher education institutions as a percentage of all gifts, excluding those made to free-standing foundations	68 percent	65 percent	74 percent
Number of announced gifts to K–12 educational institutions	3	3	6
Largest gift to a K–12 educational institution	\$31 million from the estate of Elizabeth Beckwith Nilsen to Chatham Hall in Virginia to establish an endowed fund	\$100 million to Newark, New Jersey public schools from Facebook co-founder and CEO Mark Zuckerberg, to establish a foundation	\$50 million from William Koch to the Oxbridge Academy of the Palm Beaches to start a new college preparatory school

Foundation Center's <i>Foundation Giving Trends</i> Grants to educational organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$171,323	\$171,036	\$168,432
Median grant amount	\$30,000	\$30,000	\$30,000
Education funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	21.8 percent	23.3 percent	23.7 percent

Council for Advancement and Support of Education (CASE)
Annual report on education fundraising campaigns
For academic years ending: 2009, 2010, and 2011

www.case.org

(mean percentages, as of the reporting date for that year)

	2008–2009	2009–2010	2010–2011
Percentage of goal received from top 10 percent of donors	89 percent	93 percent	95 percent
Percentage of goal received from top one percent of donors	73 percent	71 percent	71 percent
Percentage of alumni who gave to campaign	20 percent	22 percent	22 percent

National Association of Independent Schools (NAIS)
National Independent School Facts at a Glance
For academic years ending: 2010, 2011, and 2012

www.nais.org

	2009–2010	2010–2011	2011–2012
Average annual giving per student	\$1,703	\$1,280	\$1,307
Average endowment per student	\$32,544	\$12,805	\$14,031
Giving by alumni Average/median* gift participation	\$448 14.1 percent	\$286 10.2 percent	\$302 10.0 percent
Giving by current parents Average/median* gift participation	\$1,187 60.2 percent	\$945 64.8 percent	\$932 66.6 percent
Giving by trustees Average/median* gift participation	\$5,950 93.9 percent	\$4,035 100 percent	\$4,237 100 percent

IRS Statistics of Income Bulletin³¹
Tax-exempt educational organizations: 2006–2008

www.irs.gov

	2006	2007	2008
Number	54,926	55,415	54,839
Charitable revenue**	\$81.20 billion	\$92.20 billion	\$79.75 billion

* Average in 2009–2010, and median in 2010–2011 and 2011–2012

** Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions)

- 1 These estimates include a strong portion of organizations reporting charitable dollars received between late summer/fall 2010 and the first half of 2011 and excluding the last half of 2011. *Giving USA* estimates at the calendar year and does not tabulate giving directly to higher educational institutions, only to their foundations and charitable arms. Council for Aid to Education (CAE), 2012 CAE Annual Report, 2012, www.cae.org.
- 2 Council for Advancement and Support of Education (CASE), "2012 Fundraising Index (CFI)," 2012, www.case.org.
- 3 The model used to estimate charitable giving by recipient type was tested in early 2008 by Partha Deb, an econometrician. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 4 Same as note 1.
- 5 Same as note 2.
- 6 This section written by the Center on Philanthropy. The 2011 Million Dollar List accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 7 Nelson Lees, "Special report: Even during recession, billion-dollar campaigns in higher education appear on track to meet their goals," Marts & Lundy, Inc., 2009, www.marstandlundy.com.
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- 9 This percentage change is in current dollars. This is according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 10 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 11 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The three reports are based on convenience samples of different sample sizes, which are not nationally representative.
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- 13 Nonprofit Research Collaborative, "April 2012 Nonprofit Fundraising Survey," 2012, www.nonprofitresearchcollaborative.org.
- 14 Same as note 13.
- 15 This section written by the Center on Philanthropy. "The Blackbaud Index of Charitable Giving," Blackbaud.com, accessed March 2012, <https://www.blackbaud.com/nonprofit-resources/charitable-giving-index.aspx#wrapUtility>.
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9

GIVING TO FOUNDATIONS

- Giving to foundations is estimated to have declined by 6.1 percent in 2011 to \$25.83 billion in contributions. Adjusted for inflation, giving to foundations is estimated to have declined by 8.9 percent. Foundations as recipient organizations comprise one of only two subsectors that realized a decline in giving in 2011.
- The estimate for giving to foundations includes gifts made to independent, community, and operating foundations.
- *Giving USA* does not count giving from corporations to their operating foundations since these gifts are transferred directly to individuals or nonprofit organizations. In 2011, *Giving USA* accounted for \$3.75 billion estimated to have been transferred by pharmaceutical corporations to their operating foundations. The majority of these gifts are later paid directly to individuals in the form of in-kind donations of medications through Patient Assistance Programs (PAPs).
- Over the last 33 years (1979–2011), inflation-adjusted giving to foundations has increased at a faster rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 7.2 percent.

Giving USA findings for giving to foundations in 2011

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 included in this category. *Giving USA* excludes Foundation Center data on gifts made to the operating foundations established by corporations, which are calculated as part of the giving by corporations estimate each year.

According to the Internal Revenue Service (IRS) and the National Center for Charitable Statistics (NCCS), the number of private foundations registered with the IRS grew from 70,480 in 1998 to 98,434 in 2011.¹ Of this 2011

total, 4,459 were reported to be new private foundations created since 2010.² According to NCCS, total revenue for the 10 largest private foundations that filed with the IRS in 2011 was \$15.01 billion and total assets were \$84.99 billion.³

A separate search on the website for FoundationSearch America (www.foundationsearch.com) revealed over 97,000 private foundations and over 1,100 community foundations as of June 2012.⁴ Total assets for these private foundations amounted to over \$646.5 billion, and assets for community foundations totaled over \$48.4 billion as of June 2012.

Giving USA bases its preliminary estimate for giving to foundations on data provided by the Foundation Center,

which publishes results for giving to foundations in its annual “Foundation Growth and Giving Estimates” report. From the initial giving to foundations estimate for 2011,⁵ *Giving USA* subtracted \$3.75 billion estimated to have been transferred by pharmaceutical corporations to their foundations. The majority of these gifts are later paid directly to individuals in the form of in-kind donations of medications through Patient Assistance Programs (PAPs) and are thus calculated in the “giving to individuals” estimate. Most pharmaceutical foundations can be classified as operating foundations, but some are private foundations, according to a search of the NCCS database of nonprofit organizations (<http://nccs.urban.org/>).

This edition of *Giving USA* provides updated data for giving to foundations in 2007–2010 to reflect the Foundation Center’s final estimates for giving to independent, community, and operating foundations in those years and adjustments to take out gifts to pharmaceutical foundations. See the “Brief summary of methods used” section of this report for more details.

Foundations enjoyed increased benefits from million-dollar-and-up gifts in 2011

According to the Million Dollar List, several foundations received sizable gifts of \$1 million or more announced in 2011, totaling \$1.68 billion.⁶ This represents an increase of 60 percent from 2010 when gifts to foundations were reported to be \$1.05 billion. Although not at the levels of received gifts in 2008 (\$7.72 billion) and 2009 (\$3.14 billion),

the 2011 figure reveals signs of improvement in gifts received by foundations. The 2011 figure represented 24.1 percent of all gifts received by subsectors that year, the second-largest recipient subsector. The foundation subsector received most of its revenue from individuals in 2011; however, endowment assets also ranked high as a source of revenue. Some of the more notable donations from the 2011 Million Dollar List to this subsector include:

- Warren Buffett, primary shareholder, chairman, and CEO of Berkshire Hathaway, gave \$1.5 billion to the Bill & Melinda Gates Foundation. The gift, made in the form of 19.3 million Berkshire Hathaway Class B shares, was made as Buffett’s annual gift to the foundation. Buffett disclosed in 2006, the year he first pledged 10 million class B shares to the Gates Foundation, that he would release 5 percent of the remaining balance each year thereafter. The Bill & Melinda Gates Foundation is one of the largest independent foundations in the U.S. and is currently the richest global charity.⁷
- The Pittsburgh Foundation received \$50 million from the late Charles E. Kaufman, a chemical engineer with no heirs. The gift will support scientific research activities in chemistry, biology, and physics, which may include endowed chairs, fellowships, and awards. The Pittsburgh Foundation is the 15th largest community foundation in the U.S. out of more than 1,100 and manages over 1,500 funds with more than \$700 million in assets.⁸

The largest gift made in 2011, at \$6 billion, was split between a foundation and a trust

Giving by America's "most-generous" donors—many of whom give to foundations—grew in 2011 but still lags behind pre-recession levels, according to *The Chronicle on Philanthropy's* 2011 "Philanthropy 50" list released in early 2012.⁹ The median gift from these donors was \$61 million in 2011, compared with \$39.6 million in 2010. This is compared with a median gift of \$74.7 million in 2007.¹⁰ Charitable giving by the nation's wealthiest individuals totaled \$10.4 billion in 2011.¹¹ The largest gifts to foundations on the list in 2011, including those from living donors as well as made by bequest, were:

- A bequest in the amount of \$6 billion made by the estate of Margaret A. Cargill, heir to the Cargill Corporation fortune, to the Anne Ray Charitable Trust and the Margaret A. Cargill Foundation to support the arts, environmental causes, disaster relief, and other issues. This was the largest gift of any kind made in 2011. However, only \$2.5 billion was paid out to the trust and foundation in 2011.
- A gift of \$500 million from William S. Dietrich II, former chairman of Dietrich Industries, a Pittsburgh manufacturer of metal frames, to establish the Dietrich Foundation, which will support more than a dozen Western Pennsylvania nonprofits.
- Microsoft co-founder, Paul G. Allen, donated \$295 million to endow the Paul G. Allen Family Foundation, which supports arts and culture, education, and social service programs, primarily in the Pacific Northwest.
- Financier George Soros, chairman of Soros Fund Management, gave \$335 million to his Open Society Foundations. Founded in 1984, the Open Society Foundations include the Open Society Institute, which promotes the ideals of democracy around the world.
- John D. Arnold, founder of the hedge fund Centaurus Energy in Houston, Texas, and his wife Laura, a former corporate lawyer and businesswoman, contributed \$84 million to the Laura and John Arnold Foundation. Through their foundation, the Arnolds support nonprofits and programs working to improve public education, pension systems, and criminal justice operations. The couple started the foundation in 2008.

Individual giving more sensitive to macroeconomic upturns than to downturns

In a spring 2011 article published in the *Journal of Economic Perspectives*, John List, the Homer J. Livingston Professor of Economics at the University of Chicago and a research associate at the National Bureau of Economic Research, reported on the asymmetric relationship between the economy and charitable giving.¹² List analyzed the relationships and interplay among the three actors in the nonprofit sector—donors, charitable organizations, and the government—and concluded that through good and bad

economic times, charitable gifts continue to occur largely unabated. In doing this, List explored data on aggregate gifts of money from individuals in the United States from 1968 to 2008. More specifically, List investigated the questions of who gives, how much is given annually, and who the recipients of the gifts are.

From this analysis, List found that giving patterns are cyclical in nature. List suggests that while “individual gifts are responsive to the economic environment, they are much more sensitive to economic upturns than to downturns.”¹³ Explained another way, individual givers are significantly more responsive to macroeconomic improvements than to macroeconomic declines, as defined by the S&P 500. It is List’s assertion that this relationship has led to monetary charitable gifts significantly outpacing S&P 500 growth over the last decade.

Inequality among nonprofit organizations remains consistent in times of economic recession

In an early 2012 article in *The Chronicle of Philanthropy*, Mark Rosenman analyzed inequality in giving and receiving in the nonprofit world.¹⁴ Rosenman noted that according to recent Internal Revenue Service (IRS) data, the wealthiest 2.5 percent of all organizations bring in over 60 percent of revenues. According to Rosenman, recipient foundations of the largest charitable contributions are sought out and are able to benefit from contributions, even in tough economic times, while smaller foundations struggle for funding and survival in the nonprofit sector. Those that benefit the greatest from charitable contributions,

regardless of macroeconomic circumstances, are higher education organizations, hospitals, and healthcare facilities.

Wealthier foundations have been able to recover from the economic recession and continued stagnation much faster than smaller, underfunded organizations, thus furthering the charity wealth gap, according to Rosenman, who suggests that the existing inequalities should not lead one to the conclusion that organizations at the top of the financial pyramid fail to provide positive and needed goods to society. However, Rosenman notes, “With their elite status and economic power, they could do so much more to curb inequality through their programs and their own internal operations.”¹⁵ Rosenman challenges foundations to start ensuring equity in their own internal operations, leading, in due course, to closing the gap between the rich and poor.

Recent studies on charitable giving trends in previous years

Giving to foundations is typically volatile from year to year, reflecting both the economic climate as well as trends in giving of exceptionally large gifts, whether by living donors or in the form of bequests. Revised giving estimates, as released by *Giving USA* in this edition, show that giving to foundations totaled \$27.51 billion in 2010, a 15.1 percent decline (in current dollars) from 2009. This decline followed a modest increase of 7.5 percent between 2008 and 2009 and a 20 percent decline between 2007 and 2008. The decline of 6.1 percent

between 2010 and 2011 is considered to be modest for this subsector.

Many research organizations study charitable revenue from reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving to this subsector. One report on giving to foundations is summarized in the following section.

Community foundations receive smaller gifts, according to recent fiscal year reports

The Foundation Center's list of the 50 largest U.S. foundations according to gifts received for fiscal years ending in 2008 and 2009 shows that independent foundations dominate—particularly the Bill & Melinda Gates Foundation.¹⁶ For fiscal year 2009, the Gates Foundation received \$3.63 billion, which was \$1.33 billion more than the second-ranked foundation, the Leona M. and Harry B. Helmsley Charitable Trust, also an independent foundation. Independent foundations made up eight of the top 10 foundations receiving the largest gifts in 2009.

Other independent foundations listed in the top 10 include the Foundation to Promote Open Society, the William Penn Foundation, the Druckenmiller Foundation, the Walton Family Foundation, the John Templeton Foundation, and the Bloomberg Family Foundation. The AstraZeneca Foundation, an operating foundation based in Delaware, received

over \$795 million in 2009. The next listed operating foundation, GlaxoSmithKline Patient Access Programs Foundation, received approximately \$407 million in 2009. This is a fairly significant decrease from 2008, when GlaxoSmithKline Patient Access Programs Foundation received \$438 million.

Only one community foundation was listed in the top 10 of the 50 largest foundations according to gifts received for fiscal years ending 2008 and 2009. The Tulsa Community Foundation received \$514.12 million in fiscal year 2009, which is greater than the \$371.97 million received in fiscal year 2008. The community foundations that most closely followed included:

- The Silicon Valley Community Foundation, which received \$238 million and ranked 21st;
- The Greater Kansas City Community Foundation, which received \$201 million and ranked 26th;
- The California Community Foundation, which received \$134 million and ranked 39th; and
- The Community Foundation of Greater Atlanta, which received \$115 million and ranked 47th.

Key findings from Foundation Center report on giving to foundations

Table 1 presents three years of data from the Foundation Center's annual *Foundation Growth and Giving Estimates* report about giving to foundations.

Table 1
Key findings from the Foundation Center’s annual report on giving to foundations

Foundation Center’s <i>Foundation Growth and Giving Estimates</i> Gifts to foundations 2009, 2010, and 2011 editions www.foundationcenter.org			
	2007	2008	2009
Independent foundations, new gifts received	\$31.28 billion	\$24.07 billion	\$27.05 billion
Community foundations	\$6.23 billion	\$5.62 billion	\$4.81 billion
Operating foundations	\$4.92 billion	\$5.25 billion	\$5.03 billion
Total for these three types of foundations	\$42.43 billion	\$34.94 billion	\$36.89 billion

- 1 National Center for Charitable Statistics, “Overview 501(c)(3) Private Foundations,” www.nccsdataweb.urban.org.
- 2 National Center for Charitable Statistics, “IRS Business Master File,” November 2011, www.nccsdataweb.urban.org. Excludes organizations that have not filed a Form 990-PF within the last 24 months.
- 3 Same as note 1.
- 4 FoundationSearch database, accessed June 2012, www.foundationsearch.com.
- 5 See the “Brief summary of methods used” section of this report for details on how *Giving USA* calculates giving to foundations for 2011.
- 6 The 2011 Million Dollar List, accessed May 29, 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data are constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 7 Note that *Giving USA* does not include this gift into the “giving to foundations” estimate. Rather, this gift is taken out of total giving to foundations because the funds donated for this purpose are rapidly distributed across the charitable subsectors. Brooke Sutherland, “Buffett Donates \$1.5B in Annual Gates Gifts,” *Bloomberg.com*, July 7, 2011, www.bloomberg.com.
- 8 Joyce Gannon, “Pittsburgh Foundation Receives \$50 Million Gift,” *Pittsburgh Post-Gazette*, January 6, 2011, www.post-gazette.com.
- 9 Maria Di Mento and Caroline Preston, “Most-Generous Donors Gave More in 2011 but Still Lag Their Pre-Recession Pace,” *The Chronicle of Philanthropy*, February 9, 2012, www.philanthropy.com.
- 10 Maria Di Mento and Caroline Preston, “As Tensions Over Wealth Gap Rise, the Rich Are Giving More,” *The Chronicle of Philanthropy*, February 6 2012, www.philanthropy.com.
- 11 Same note as 9.
- 12 John A. List, “The Market for Charitable Giving,” *Journal of Economic Perspectives* 25, 2011, 25 (2): 157–180.
- 13 Same note as 12 (157-158).
- 14 Mark Rosenman, “Charities suffer from a Wealth Gap, Too,” *The Chronicle of Philanthropy*, January 26, 2012, www.philanthropy.com.
- 15 Same as note 14, para. 13.
- 16 Foundation Center, Statistical Information Service, accessed May 2011, www.foundationcenter.org.

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10

GIVING TO HUMAN SERVICES

- Contributions to human services organizations rose an estimated 2.5 percent in 2011 from 2010, totaling \$35.39 billion.
- Adjusted for inflation, giving to human services organizations is estimated to have held flat between 2010 and 2011 (a -0.6 percent change).
- Growth in giving to human services organizations was more subdued in 2011 compared with revised estimates for 2010, in part due to the declines seen after giving to support Haiti relief efforts in early 2010. Nevertheless, inflation-adjusted giving to these organizations is the third-highest amount ever recorded (behind 2008 and 2010). This is good news for organizations that provide support services to people who continue to struggle with the effects of the recent recession.
- It is estimated that organizations in the human services subsector received 12 percent of all contributions in 2001–3 percentage points higher than the share in 2010, as reported in *Giving USA 2011*.
- Over the last four decades (1971–2011), inflation-adjusted giving to the human services subsector has increased at a slower rate than the average annual rate of inflation (4.4 percent), with average annual growth of 2.6 percent.

Giving USA findings for giving to human services in 2011

Giving USA's tabulation of giving to the human services subsector includes donations of cash, securities, and in-kind gifts, such as food, clothing, healthcare supplies, and other items of value. Human services organizations include those related to food and nutrition; legal services; housing and shelter; recreation and sports; employment services and vocational training; family and children's services; youth services; emergency assistance; public safety and community disaster relief; and independent living and self-sufficiency for a wide range of populations. Some

gifts made for human services purposes are actually made to international, health, or educational organizations, as well as to foundations.

The 2011 estimate for giving to the human services subsector is based on a tested model incorporating economic variables from 2011 and historical giving to human services organizations.¹ In 2011, the Center on Philanthropy incorporated a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to human services organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>)

for more information about how human services organizations are categorized within the subsectors using NTEE codes, and see the “Brief summary of methods used” section in this report for information about estimating giving to this subsector.

Largest announced gifts to the human services subsector in 2011

According to the 2011 Million Dollar List, there were 32 gifts from individuals of \$1 million or more to human services organizations announced in 2011, totaling \$104 million. This represents a 53 percent increase over 2010’s total of \$67.9 million.² In addition to individual gifts, corporations and foundations also made large gifts to human services organizations in 2011. Key findings from the 2011 Million Dollar List include:

- 10 of the 96 gifts from individuals, corporations, and foundations were for building construction, leaving the vast majority for direct program services.
- Stearns & Foster, a Sealy company, donated \$1 million worth of luxury mattresses to the Salvation Army.
- One notable gift of \$20 million was from Randy Smith, a \$79 million lottery winner, to the Martinsburg Union Rescue Mission of Martinsburg, West Virginia, for a project to expand its shelter.
- Two gifts were made to increase the efficiency of high-impact philanthropy:
 - A \$5.4 million gift from the Kresge Foundation for an initiative that will encourage nonprofit human

services organizations to be more strategic in their work.

- A \$15 million gift from Microsoft Corporation to the United Way of Washington County-East, Minnesota, to increase efficiency and communication.

Surveys and annual reports on giving to human services organizations in 2011

Giving USA’s estimates for giving to human services organizations in 2011 show a moderate increase for the year, at 2.5 percent, compared with 2010. However, this subsector appeared to not fare well in the early part of the year. Indices and surveys from other research institutions reveal that while overall giving was positive for the year, giving was down in the early part of 2011 when compared with 2010. Summaries of results from some of these indices and surveys are provided in the following sections.

More human services organizations report increases in contributions in 2011 compared with 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.³ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.⁴ Between the NRC’s reports on giving in 2010 and 2011, a markedly higher share of responding charities in the human services subsector reported increased

Table 1
Survey results for human services organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
	Direction of change	
	Up	55
Charitable receipts to human services organizations	Same	16
	Down	30
		38

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

charitable contributions. As of late 2010, just 38 percent reported they had received more in 2011 than in 2010.⁵ By late 2011, more than half (55 percent) reported increased charitable contributions for the 2011 fiscal year.⁶ See Table 1 for more specific results from the survey.

Among organizations in the human services subsector, there were no statistically significant areas of difference between overall NRC results and human services subsector results related to board member giving, according to the NRC study released in April 2012.⁷ For all respondent types, just 35 percent of surveyed organizations required a board member gift, and the average amount required, when there was a specified minimum, was \$4,977. The most frequent response (the mode) was \$1,000 as a minimum board member gift.

Giving to human services organizations in 2011 strongest in fall

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 non-

profit organizations situated across all nonprofit subsectors, including 407 human services organizations.⁸ Donations to all organizations reporting to the index amounted to \$2.76 billion for the one-year period ending January 2012. Organizations within the human services category analyzed in the index received a total of nearly \$821 million in 2011, but experienced positive and negative changes in charitable giving throughout the year.

Generally speaking, giving to this subsector was down in the early part of the year but up between April and the rest of the year.⁹ Giving saw the largest year-over-year increase in contributions in the three-month period ending in October, at 8.5 percent. Giving to human services remained strong through the rest of the year with the second-highest gain in the three-month period ending in December, at 7.8 percent.

After a slow start to the year, human services organizations saw positive increases in monthly online giving

Published results of the 2011 Blackbaud Index of Online Giving reported that

nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.¹⁰ This analysis included 573 human services organizations receiving a combined total of over \$69 million in charitable donations through online platforms. The index compares year-to-year giving using the same three-month rolling average as the standard index.

For human services organizations, the index revealed a low beginning in the first three-month period of 2011. However, giving began to rise in April and maintained throughout the year, growing to an impressive 33.8 percent change in the three-month period ending in July, and ending the year high with a 19.3 percent year-over-year change in December.¹¹

Issues related to human services organizations in 2011

In 2011, continued national economic recovery, coupled with individuals' growing concerns about their communities' needs, affected many human services organizations' funding and operations. Leaders of many of these organizations have continued to raise donors' awareness of the growing need for funding to offset the costs of providing social services. Meanwhile, continued economic hardship throughout the nation has continued to force an increasing number of Americans to rely on human services organizations. Summaries of reports concerning the impact of declines on public funding and increased demand placed on human services organizations, as well as an

account of efforts to confront these issues, are provided in the following sections.

Heavy demand for social services continued in 2011

Many Americans facing economic hardship rely on human services organizations to meet their daily needs. Participation in government programs has a strong correlation with participation in social welfare programs. Despite promising signs of economic recovery in 2011, the number of Americans utilizing social services, whether nonprofit or public in nature, rose in 2011 from 2010. Key statistics on the participation rates in government programs in 2011 include:

- The number of people receiving aid through the Temporary Assistance to Needy Families (TANF) program averaged 4.5 million per month, an increase of 1.4 percent (through June 2011) from 2010.¹²
- The Supplemental Nutritional Assistance Program (SNAP) served an average of 45.3 million people per month in 2011, an 8.8 percent increase from 2010.¹³
- Although the U.S. unemployment rate dropped to 8.5 percent in December 2011, its lowest point since February 2009, a study by the Pew Charitable Trusts found that 4 million jobless workers, or 2.6 percent of the labor force, had been out of work for a year or longer.¹⁴

In 2011, individuals expressed a desire to support community-based human services organizations in an effort to compensate for government cuts to

social welfare programs.¹⁵ However, these organizations faced challenges meeting increasing demand, as well.

The Nonprofit Finance Fund conducted its third annual State of the Nonprofit Sector Survey in January and February 2011, collecting data from 1,935 nonprofit leaders from across the country.¹⁶ Among “lifeline” organizations, or those that provide critical services to people in need, 87 percent of respondents saw an increase in demand for services in 2010, and 60 percent of these organizations increased the number of clients they served in 2010. However, only 43 percent were able to fully meet the demand for services in 2010, and even fewer (37 percent) expected to be able to fully meet demand in 2011.

84 percent of holiday donors reported plans to help the poor in 2011

The American Red Cross conducted a poll to assess Americans’ 2011 holiday giving plans and found that among individuals planning to contribute to charity during the holidays, 84 percent planned to support organizations that help the poor.¹⁷ More people reported plans to contribute to organizations that help the poor than to any other type of organizations. Forty-seven percent also reported they planned to contribute to organizations that respond to disasters. Sixty-eight percent of respondents specifically cited the state of the economy as an important reason to give to charity. It appears from these results that when individuals are able to give, they prefer to focus their charitable efforts on human services organizations that are engaged in meeting the most pressing community needs.

Human services organizations among hardest hit by revocation of tax-exempt status

October 15, 2010 was the deadline for small nonprofits (less than \$25,000 in annual gross revenue) to file their Form 990-N.¹⁸ This form was created as a result of the Pension Protection Act of 2006, requiring most exempt entities to file an annual tax return (with the exclusion of some religious entities, which are typically not required to file). While the form was first required in 2007, amnesty was given to organizations filing up to October 15, 2010. In June 2011, the IRS released a list of 279,595 nonprofit organizations whose tax-exempt status had been automatically revoked for failure to file tax returns for the previous three years (regardless of size).¹⁹ Analysis by nonprofit research firms reveals that human services organizations were hit particularly hard by this recent change.

An analysis by GuideStar shows that 57 percent of the revoked nonprofit organizations were 501(c)(3)s. Of these, more than one-fifth (21 percent) were in the human services subsector. Seventy-five percent of all organizations with revoked tax-exempt status had annual revenues of less than \$25,000. According to a report released by the Urban Institute in 2010, 26 percent of these small organizations were in the human services subsector.²⁰ Organizations whose exemption was revoked can re-apply for tax-exempt status and pay the required fees to come back into good standing with the IRS.

Deficit reduction strategies affect funding to human services organizations

As deficit and tax policy debates raged in Washington in 2011, nonprofit organizations in the human services subsector prepared for what could be significant cuts to their revenues and potential reductions in private gifts as a result of changes to tax laws concerning charitable deductions.

In 2011, many leaders and advocates for organizations in the human services subsector moved swiftly to rally support and lobby members of Congress to avoid deep spending cuts for community-based and social service programs.²¹ Because many human services organizations rely heavily on government grants and contracts for their revenue, the proposed budget cuts were an area of considerable concern for these organizations, many of which were already feeling the impacts of decreased philanthropic giving due to the economic recession. Many human services organizations were forced to reconsider their funding sources and strategies, with

some pursuing foundation grants designed to build infrastructure and sustainability rather than replacement funds from philanthropic contributions from individuals.²²

Recent studies on charitable giving trends in previous years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving to the human services subsector totaled \$34.54 billion in 2010, a 9.7 percent increase from 2009. Many research organizations study charitable revenue and reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for prior years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

The median rate of growth for gifts to human services organizations on par with rest of nonprofit sector in 2010

The 2011 Fundraising Effectiveness Survey Report, sponsored by the

GOOD TO KNOW! Despite an increase in giving to the human services subsector in 2011, these organizations continue to face challenges in funding as government budgets are cut and demand remains high. While it is clear that many individual donors and foundation grantmakers desire to continue their support of these organizations, practitioners must study additional ways to ensure the survival and sustainability of many critical programs.

How a nonprofit frames its message to constituents is an important consideration and can help establish a positive initial reaction to concepts related to human services organizations. The National Human Services Assembly recommends that human services organizations pay special attention to the language of messaging—such as “solutions” vs. “problems,” “opportunity” vs. “poverty,” and “economic security” vs. “safety net.” Careful use of language and framing can help shape potential donors’ perspectives in ways that lead them to be more receptive to the critical issues that nonprofit organizations face.²³

Association of Fundraising Professionals and the Urban Institute, showed that among sampled human services organizations, the median rate of growth of the amount of gifts to these organizations was 0.2 percent between 2009–2010.²⁴ The median rate of growth for gifts among all sampled organizations was 0.8 percent in 2009–2010. Although these results provide insight into the state of fundraising effectiveness among human services organizations, they are based on voluntary submissions of surveys and thus are not representative of the entire nonprofit sector.²⁵ The results were based on 2,377 survey responses received as of February 2011, covering year-to-year fundraising results from 2009–2010. The 2009–2010 rate of growth for human services organizations largely outpaced this subsector's growth between 2008–2009, which was reported at negative 7.1 percent. Arguably, the 2009–2010 median rate of growth indicates a new stage of stability within contributions to the human services subsector.

Human services organizations also witnessed a 0.7 percent rate of growth in the median number of donors in 2009–2010. Religion was the only other subsector that reported a rate of growth in the median number of donors in these years. Furthermore, the median rate of growth of donors for all organizations was negative 0.4 percent. Between 2008 and 2009 human services organizations experienced a decline of 0.3 percent.

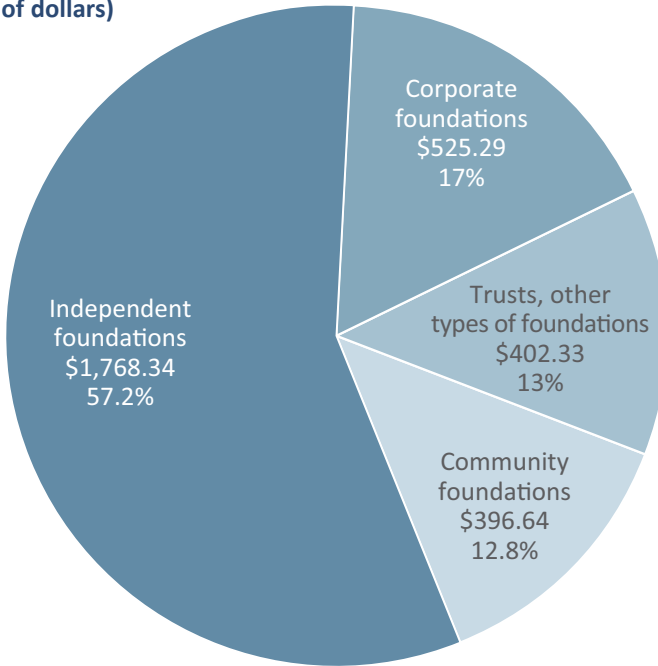
Grantmaking to human services organizations rose over 6 percent in 2010 from 2009, after a 7.6 percent decline from 2008 to 2009

Each year, the Foundation Center releases data on foundation giving, collected using sampled data from IRS Forms 990 and surveys.²⁶ The most recent data are for 2010 and show that human services organizations received 15.1 percent of all 2010 grant dollars distributed. This represents an increase from 2009 of 2 percentage points. Giving to human services organizations by private/independent, corporate, community, and other types of foundations increased by 6.3 percent between 2009 and 2010, from \$2.91 billion to \$3.10 billion. However, this increase did not achieve the same level of giving as in 2008, when grants to human services organizations totaled \$3.15 billion.

Grants to human services organizations from independent and community foundations remained fairly consistent between 2009 and 2010, each decreasing by less than 1 percent, and corporate grants increased by slightly more than 8 percent.²⁷ However, grant dollars from trusts and other types of foundations increased substantially, from \$242 million to \$402 million (an increase of more than 66 percent).

Private foundations accounted for the largest share of total grants to human services organizations in 2010, contributing over 57 percent of total foundation grant dollars. Trusts and other types of foundations surpassed community foundations, accounting for 13 percent of foundation grants to human services

Figure 1
Distribution of grants to human services organizations
by foundation type, 2010
 (in millions of dollars)



Data: Foundation Center, Statistical Information Service, accessed February 2012, www.foundationcenter.org

organizations in 2010 (an increase of almost 5 percentage points over 2009). Figure 1 shows the distribution of grants to human services organizations among the different types of foundations.²⁸

Community foundations gave one-fifth of all gifts to human services organizations in 2010

Community foundation support for human services organizations is crucial for the continued existence of many different types of these organizations, including food banks, shelters, and other types of social services. In 2010, nearly 20 percent of community foun-

dations' grant dollars (nearly 28 percent of the total number of grants) went to human services organizations.²⁹ Among the three types of human services organizations, human services agencies saw the greatest benefit from community foundation grants, receiving 77 percent of the aggregate grant dollars received by the human services subsector and nearly 16 percent of all community foundation grant dollars distributed in 2010. The two other types of human services organizations, recreation organizations and youth development organizations, each accounted for nearly 11 percent of total community foundation grant dollars.

GOOD TO KNOW! Many community foundations awarded grants that were specifically designed to help human services organizations meet the continuing demand from individuals still coping with the recent economic decline. Examples of grant programs that addressed safety-net needs in 2011 included:

- Facing an unemployment rate of 11.7 percent in California, the San Francisco Foundation awarded \$5 million in grants to Bay Area nonprofits focused on jobs, foreclosure prevention, and the safety net.³⁰
- In response to government funding cuts, the Marin Community Foundation, located in Novato, California, elected to shift between \$1 million and \$2 million per year in grant money from environmental programs to safety-net, human services, and educational organizations.³¹
- The Greater Cincinnati Foundation awarded grants from its “Weathering the Economic Storm” program to four area human services organizations to help them meet unforeseen needs. The program began in 2009 and has granted over \$4.3 million to 116 organizations.³²

Eight human services organizations ranked in the top 25 on the Chronicle’s Philanthropy 400 released in 2011

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.³³ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 26 charities that are classified as social service organizations and an additional nine charities classified as youth organizations (the list does not use the NCCS classification system). The top five human services organizations (using the *Giving USA* definition)

with the greatest amount in private support include:³⁴

- Ranking 2nd: Salvation Army, Alexandria, VA, with \$1.8 billion in private contributions, an increase of 5.1 percent from the previous year;
- Ranking 5th: American Red Cross, Washington, D.C., with over \$1 billion in private contributions, an increase of 63.6 percent;
- Ranking 10th: Catholic Charities USA, Alexandria, VA, with \$793.8 million in private contributions, a decline of 2.2 percent;
- Ranking 12th: The YMCA, Chicago, IL with \$767.1 million in private contributions, a decline of 1.0 percent; and
- Ranking 13th: Habitat for Humanity International, Americus, GA, with \$744 million in private contributions, an increase of 11.5 percent.

Other human services organizations in the top 25 include Feeding America, Chicago, IL Goodwill Industries International, Rockville, MD; and Lutheran Services in America, Baltimore, MD.

Human services organizations outnumber all other reporting nonprofit subsectors in 2009

The Urban Institute's 2011 "The Non-profit Sector in Brief" report highlights important trends in the number and revenue mix of human services organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990-EZ).³⁵

Human services organizations have repeatedly been listed as the largest subsector of public charities in the report, in terms of the number of organizations. Since 2005, human services organizations have comprised nearly one-third of all public charities. Today, human services organizations outnumber the combined reported number of all health and education organizations, the second and third largest subsectors, respectively.

In 2009, there were 122,336 human services nonprofits among *reporting* public charities, which was 33.7 percent of all registered nonprofits that year and an increase of 43.7 percent from 1999. In addition, human services organizations accounted for 13.3 percent of all public charity revenue, 13.1 percent of all public charity expenses, and 11.1 percent of public charity assets. Human services revenue grew 83.2 percent between 1999 and 2009.

Key findings from annual studies

Table 2 presents three years of data from studies released annually about contributions to human services organizations. Website addresses are provided so readers can access the full reports.

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 2
Key findings from other studies about giving to human services organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to human services organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to human services organizations	2	12	4
Largest announced gift from an individual to a human services organization	\$100 million bequest pledge from J. Ronald Terwilliger to Habitat for Humanity International for microfinance loans and an endowment	\$25 million to the Circle of Ten Council of the Boy Scouts of America, Texas, from Trevor and Jan Rees-Jones for capital improvements and programming for at-risk youth	\$25 million from Jim Justice to the Boy Scouts of America to support the creation of the Summit Bechtel Family National Scout Reserve
Dollars to human services organizations as a percentage of all announced gifts, excluding those made to free-standing foundations	5 percent	1 percent	1 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to human services organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$72,570	\$68,794	\$72,624
Median grant amount	\$25,000	\$25,000	\$25,000
Human services funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	12.5 percent	13.1 percent	15.1 percent

IRS Statistics of Income Bulletin³⁶ Tax-exempt human services organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number of returns	114,350	119,971	119,600
Charitable revenue*	\$70.19 billion	\$71.97 billion	\$76.75 billion

* Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

- 1 The model used to estimate charitable giving by recipient type was tested in early 2008 by Partha Deb, an econometrician. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 2 This section written by the Center on Philanthropy. The 2011 Million Dollar List, accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data can fluctuate from month to month.
- 3 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackburn, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 4 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. Note that the samples vary from survey to survey.
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- 15 Judy Keen, "Hard Times Inspire People to Help Less Fortunate," *USA Today*, November 28, 2011, www.usatoday.com.
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- 20 Katie L. Roeger, "Small Nonprofit Organizations: A Profile of Form 990-N Filers," August 2010, <http://www.urban.org/uploadedpdf/412197-nonprofit-form990-profile.pdf>.
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- 22 Daniel Stid, "Five Ways for Human Service Nonprofits to Reset Their Funding Models," *The Bridgespan Group*, September 9, 2011, www.bridgespan.org.
- 23 National Human Services Assembly, "Putting Human Needs on the National Radar Screen: A Brief on Messaging for Human Service and Community Development Organizations," July 2011, <http://www.nationalassembly.org/documents/NHSAMessagingBrief.pdf>.
- 24 Association of Fundraising Professionals and The Urban Institute, "2011 Fundraising Effectiveness Survey Report," August 26, 2011, <http://www.urban.org/UploadedPDF/412389-2011-Fundraising-Effectiveness-Survey-Report.pdf>.
- 25 Most of the organizations reflected in the survey were small to midsize (with average annual giving totaling \$692,247). The report notes that larger organizations that possess

- proprietary fundraising software were less likely to participate in the survey.
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 - 28 Same as note 25.
 - 29 Foundation Center, “Distribution of Grants by Field-Specific Recipient Type and Foundation Type, circa 2010,” 2012, http://foundationcenter.org/findfunders/statistics/pdf/05_fund_recip/2010/21_10.pdf.
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11

GIVING TO HEALTH

- Giving to health organizations is estimated to have increased 2.7 percent in 2011 from 2010 (-0.4 percent adjusted for inflation), with \$24.75 billion in total contributions.
- The 2011 Million Dollar List reports an 80 percent increase in the amount of announced million-dollar-and-up gifts given by individuals to the health subsector in 2011 compared with 2010. The majority of the gifts went to support health research, especially for cancer and heart disease, while a third went to support services and capital expenses at hospitals.¹
- Over the last four decades (1971–2011), inflation-adjusted giving to the health subsector has grown at a slower rate than the average annual rate of inflation (4.4 percent), with an average annual increase of 2.7 percent.

Giving USA findings for giving to health organizations in 2011

Giving USA's tabulation of giving to the health subsector includes cash, securities, and in-kind gifts to organizations providing healthcare services, such as hospitals and primary care facilities. It also includes giving to health-related research facilities; disease-specific organizations for research or patient and family support; mental health services and research; and health policy centers. Generally, gifts made to support health research and medical services conducted at university medical systems are included in the health subsector, but sometimes they are recorded in the education subsector.

The 2011 estimate for giving to the health subsector is based on a tested model incorporating economic variables from 2011 and historical giving to health organizations.² In 2011, the Center

on Philanthropy incorporated a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to health organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>) for more information about how health organizations are categorized within the subsectors using NTEE codes, and see the "Brief summary of methods used" section in this report for information about estimating giving to this subsector.

Million-dollar-and-up gifts to health organizations in 2011

According to the 2011 Million Dollar List, there were 89 gifts made by individuals of \$1 million or more announced to the health subsector in 2011, totaling \$793 million.³ This is compared with 80 gifts totaling \$441 million in 2010.

Thirty-nine percent of the health subsector gifts on the Million Dollar List were for research to eradicate cancer and heart disease, while 30 percent were to improve services and equipment at hospitals. Gifts noted here are those made to hospitals, other health institutions of health, health research organizations, and others. Some notable large gifts in the area of health research on the Million Dollar List include:

- Richard O. Jacobson of Belmond, Iowa donated \$100 million to the Mayo Clinic. This is the largest outright gift in the clinic's history and will be directed to help establish the multisite Mayo Clinic Proton Beam Therapy Program.
- T. Denny Sanford, who lost his mother to breast cancer, donated \$100 million to Sanford Health in Fargo, North Dakota. The gift will establish the Edith Sanford Breast Cancer Center to support research on breast cancer and to explore the genetic code of women.
- Federal Express (FedEx) committed \$5.38 million in the form of cash and in-kind contributions to ORBIS International, a leading global organization dedicated to saving sight. In addition, FedEx donated an MD-10 cargo aircraft to ORBIS to serve as the third-generation Flying Eye Hospital.
- John E. and Marion Anderson of Bel Air, California gave \$50 million to the Children's Hospital Los Angeles for a new state-of-the-art hospital building, set to become the most technologically advanced pediatric and adolescent hospital in the nation.
- Former investment banker Robert L. Tidwell left \$30 million from his estate to the Children's Hospital of Orange County. Before his death, Mr. Tidwell toured the hospital and was moved at the plight of the children. The donation will go toward a seven-story tower and to the hospital's clinical programs.

Surveys and reports on giving to health organizations in 2011

Based on studies and surveys conducted in 2011 and early 2012 on various aspects of fundraising, the majority of health organizations reported an increase in overall fundraising revenue in 2011. However, some surveys reflected monthly or seasonal volatility in giving to this subsector throughout 2011, but that volatility seemed to depend on fundraising vehicle type. In current dollars, *Giving USA* estimates that total giving to health organizations in 2011 saw an improvement over 2010, at a 2.7 percent increase.⁴ However, in inflation-adjusted dollars, giving in 2011 fell flat compared with the amount contributed in 2010, which was the same rate of change as in 2009 to 2010. These subdued giving levels, in terms of total dollars contributed to health organizations, continue the trend that began in 2008, when inflation-adjusted giving dropped 7.2 percent from 2007.

In addition to research, hospital and primary care facility construction ranked high on large donations. More than a dozen million-dollar-and-up gifts were made to children's hospitals, including:

Summaries of surveys and studies issued in 2011 and 2012 about giving to health in 2011 are included in the following sections to provide context for the 2011 estimate for this subsector.

Health organizations report increased contributions in 2011 compared with 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.⁵ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.⁶ Between the NRC’s December 2010 and December 2011 surveys, a higher share of responding charities in the health subsector reported increased charitable contributions. As of late 2010, just 46 percent said they had received more in 2010 than in the prior year.⁷ By late 2011, 55 percent reported increased charitable contributions for the 2011 fiscal year.⁸ Results for all of 2011 showed improvement compared with 2010. See Table 1 for more specific results from the survey.

Among organizations in the health subsector, there were no statistically significant areas of difference between overall NRC results and those from health organizations related to board member giving, which was covered in the NRC study released in April 2012.⁹ For all respondents, just 35 percent of surveyed organizations required a board member gift, and the average amount required, when there was a specified minimum, was \$4,977. The most frequent amount (the mode) for a minimum board gift was \$1,000.

Giving to health organizations slowed at the end of 2011, compared with the beginning of the year

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 nonprofit organizations across all nonprofit subsectors, including 182 healthcare organizations.¹⁰ Donations to all organizations reporting to the index amounted to \$2.76 billion for the one-year period ending January 2012. Organizations within the healthcare

Table 1
Survey results for health organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
Direction of change		
Up	46	55
Same	4	16
Down	30	30

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

category analyzed in the index received a total of nearly \$407 million in 2011, but experienced positive and negative changes in charitable giving throughout the year.

Generally speaking, this subsector maintained a positive monthly year-over-year change in giving in early spring through the three-month period ending in May, followed by an abrupt negative change in June and moderate changes in giving throughout the summer. The year-over-year change in giving to health organizations rose again in the three-month periods ending in October and in November, but declined sharply in the three-month period ending in December, when it fell 4.2 percent.

Online giving to health organizations stayed strong throughout most of 2011

Published results of the 2011 Blackbaud Index of Online Giving reported that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January

2012.¹¹ This analysis included 455 healthcare organizations receiving a combined total of over \$189 million in charitable donations through online platforms. The index compares year-to-year giving using the same three-month rolling average as the standard index. For healthcare organizations, the index revealed positive increases in giving, some significant, each month of 2011. These positive year-over-year changes ranged from 3.8 percent in the three-month period ending in December to 14 percent in the three-month period ending in July.

Charity “a-thons” report increases in giving in 2011, but still fall behind 2008 levels

In 2011, revenue from the top 30 charity “a-thon” events increased by 2.46 percent compared with 2010, according to the annual fundraising survey of the Run Walk Ride Fundraising Council.¹² This is the second straight year of fundraising growth following a difficult year in 2009, when revenue from events dropped by 7.6 percent.¹³ The majority of events

GOOD TO KNOW! Funders who address public health concerns in the U.S. continue to have much work ahead for them in 2012. The 2011 America’s Health Rankings report, issued by the United Health Association, shows that the country’s overall health rankings stagnated after three consecutive years of progress.¹⁴ Another report from the Commonwealth Fund reveals that U.S. health and healthcare quality, efficiency, and equity failed to improve between 2007 and 2009 when compared with other nations.¹⁵ Finally, chronic conditions such as diabetes and obesity continued to rise in 2011. A report from the Trust for America’s Health and the Robert Wood Johnson Foundation showed that adult obesity rates increased in 16 states between 2010 and 2011 and have doubled or nearly doubled in 17 states since 1995.¹⁶

Funders can play a strategic role in addressing some of the issues that have led to these statistics, especially by improving access to care and by promoting disease prevention initiatives.

documented in the annual survey are health related, with all of the top 10 highest grossing events in 2011 conducted by nonprofit health organizations. In total, 23 of the top 30 programs saw an increase in dollars raised in 2011, resulting in revenue of \$1.69 billion, compared with \$1.6 billion the year before.

The top five highest grossing a-thons in 2011 included:

- The American Cancer Society's "Relay for Life" at \$415 million, a 0.36 percent decline from 2010;
- The Susan G. Komen for the Cure's "Race for the Cure" at \$131.3 million, a 7.73 percent increase;
- The March of Dimes' "March for Babies" at \$105 million, a gain of 2.64 percent;
- The American Heart Association's Heart Walk at \$99.1 million, an increase of 9.73 percent; and
- The Leukemia & Lymphoma Society's "Team in Training" at \$87.5 million, a decrease of 9.78 percent.

Funders assist states during healthcare overhaul

As states seek to implement new federal laws regulating healthcare in the face of tight budgets, many are turning to foundations to help them fund and implement new policies. In California, a state with an estimated \$10.8 billion deficit in 2012, three major foundations (the California HealthCare Foundation, the Blue Shield of California Foundation, and the California Endowment) all contributed funds in 2011 to assist with

various projects, including developing an application for a health insurance exchange and the creation of a timeline guide for health initiatives.¹⁷

The Robert Wood Johnson Foundation announced an initiative in May 2011 to provide 10 states with resources necessary to implement health insurance coverage provisions of the Patient Protection and Affordable Care Act (PPACA).¹⁸ In the same month, five health philanthropies in Kansas committed \$450,000 to help organizations carry out activities that support federal health reform implementation throughout the state.¹⁹

Other reports on giving to the health subsector for prior years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving to the health subsector totaled \$24.09 billion in 2010, a 1.2 percent increase from 2009.²⁰ Many research organizations study charitable revenue and reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for prior years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

Median total giving to healthcare organizations increased 8.1 percent in fiscal year 2010 from fiscal year 2009, according to AHP

The Association for Healthcare Philanthropy (AHP) reports annually on giving trends among healthcare organizations in its *Report on Giving*.²¹

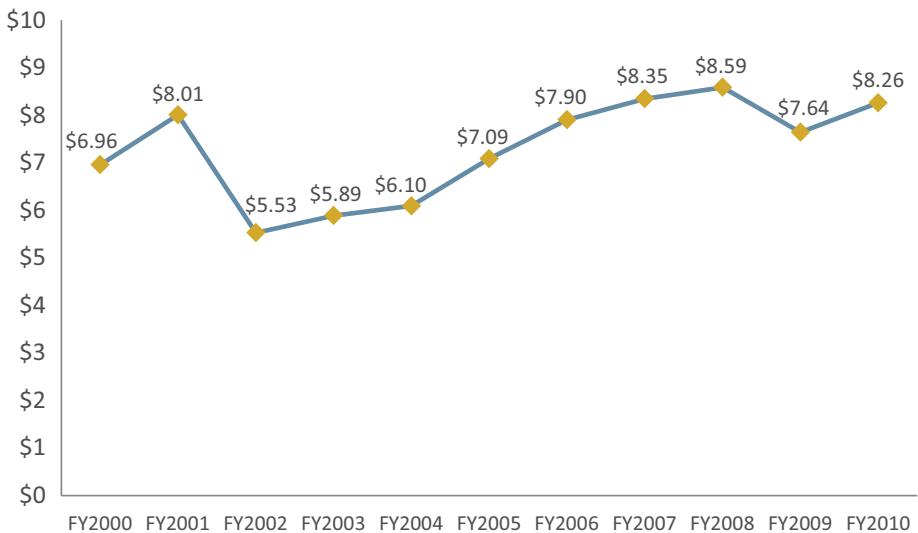
Member organizations, which consist of a range of nonprofit health institutions, report on a fiscal-year basis rather than on a calendar year like *Giving USA* does. For the majority of AHP members, the fiscal year ends prior to October for the reporting year.

In its fiscal year 2010 *Report on Giving*, AHP also reports on the 10-year trends in charitable contributions received by member institutions. Figure 1 displays these results, which suggest that the total median value of contributions received by member institutions in fiscal year 2010 was lower than the amount received in 2007, at \$8.26 billion (total median value) and \$8.35 billion, respectively. However, the total median

value was up by 8.1 percent between fiscal years 2009 and 2010—a substantial increase.

Overall, for fiscal year 2010, AHP members saw gains compared with fiscal year 2009. However, as AHP notes, the size of a reporting organization and the age of its development program were both contributing factors in how well these organizations performed in fiscal year 2010. Smaller hospitals with fewer than 100 beds, for example, generally rely more on cash gifts generated via annual giving and special events. These organizations saw smaller gains in fiscal year 2010. By contrast, larger hospitals with over 400 beds saw continued investments made in planned and major

Figure 1
Annual trends in giving to nonprofit healthcare organizations,
fiscal years 2000–2010
(median value for all institutions, in billions of dollars)



Note: This information was provided by AHP for *Giving USA* 2012
 Source: Association for Healthcare Philanthropy, FY2011 *Report on Giving, U.S.*, 2011, www.ahp.org

giving programs in prior years begin to pay off.

Foundation giving to health experienced a slight decline between 2009 and 2010

Giving to the health subsector by community, private/independent, corporate, and other types of foundations declined 11 percent between 2009 and 2010, from \$5 billion to \$4.45 billion, according to the Foundation Center.²² Results for 2010 foundation giving were released in early 2012. Despite this decrease, giving to the health subsector represented 21.7 percent of all foundation giving, second only to education (23.7 percent).²³

The Foundation Center also provides data on the top 50 foundation funders—including corporate, independent, and community—in four different classification areas of the healthcare subsector for 2010 in its Statistical Information Service.²⁴ These areas include giving to support medical research, public health, reproductive health, and mental health.

The data was drawn from a national sample of 1,330 foundations providing grants greater than \$10,000.

The top 50 foundation funders in the sample contributed over \$2.9 billion in 2010 through approximately 5,000 grants. Table 2 shows a breakdown of total grant numbers and amounts among the top 50 foundation funders in each healthcare subsector subject area.

The Bill & Melinda Gates Foundation continued to dominate overall funding to the health subsector, contributing over \$1.3 billion in health grants in 2010. The foundation also ranked as the top foundation funder in the areas of public health and medical research. The Susan Thompson Buffett Foundation ranked first in reproductive health, contributing \$151 million to support related initiatives, and the Bloomberg Family Foundation, Inc. ranked first in mental health. Other top foundations supporting health initiatives in 2010 included:

Table 2
Breakdown of total grant amounts and number of awards by the top 50 foundation funders in four health subject areas, 2010

Healthcare subsector subject area receiving funding in 2010	Total amount	Share of total amount from top 10 foundation funders		Share of total number from top 10 foundation funders	
		Share of total amount from top 10 foundation funders	Total number of grants	Share of total number from top 10 foundation funders	
Medical research	\$938.4 million	76 percent	841	48 percent	
Public health	\$865.3 million	89 percent	1,555	57 percent	
Reproductive health	\$280.3 million	93 percent	615	62 percent	
Mental health	\$192.0 million	71 percent	740	25 percent	

Data: Foundation Center, Statistical Information Service, accessed March 2012, www.foundationcenter.org

- The Robert Wood Johnson Foundation contributed \$245.2 million, of which the majority went to support public and mental health initiatives.
- The Leona M. and Harry B. Helmsley Charitable Trust contributed \$99.2 million, of which the majority went to support medical research.
- The California Endowment contributed \$86.3 million, of which the majority went to support public health initiatives.

Global health, disease-specific healthcare organizations, and a large healthcare system topped the list of health organizations receiving private support in recent years

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.²⁵ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources: individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations,

real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 64 charities that are classified as either “health” or “hospitals and medical centers.” The five health-related organizations with the greatest amount in private support include:²⁶

- Ranking 4th: The Task Force for Global Health, Decatur, GA, with \$1.14 billion in private contributions, an increase of 14.8 percent from the previous year;
- Ranking 8th: American Cancer Society, Atlanta, GA, with \$903.2 million in private contributions, an increase of 0.6 percent;
- Ranking 15th: American Lebanese Syrian Associated Charities/St. Jude Children’s Research Hospital, Memphis, TN, with \$659.4 million in private contributions, an increase of 0.2 percent;

GOOD TO KNOW! Large foundations are increasingly interested in supporting programs that address factors beyond the traditional healthcare system, including those that improve the well-being of residents in marginalized communities. In January 2011, the California Endowment pledged to spend \$1 billion by 2020 through its Building Healthy Communities initiative, which addresses social factors, such as lack of employment possibilities, unsafe housing, and failing schools. The Robert Wood Johnson Foundation has awarded \$23 million since 2005 to Oakland-based nonprofit Playworks, which seeks to increase physical activity in schools.²⁷

“The solution to the chronic disease epidemic is not in more clinical medicine,” said Anthony Iton, senior vice president of the Building Healthy Communities initiative. “That has been a failed solution that has driven up costs. The solution is in how we engineer our environment—looking at how we design our communities, or workplaces, and in how we educate our young people.”²⁸

- Ranking 22nd: American Heart Association, Dallas, TX, with \$527.9 million in private contributions, an increase of 16.1 percent; and
- Ranking 39th: Susan G. Komen for the Cure, Dallas, TX, with nearly \$350 million in private contributions, an increase of 45.2 percent.

Other health organizations making the top 100 included Leukemia and Lymphoma Society, ranking 71st; American Kidney Fund, ranking 76th; Make-A-Wish Foundation, ranking 80th; Health Research, ranking 86th; National Multiple Sclerosis Society, ranking 91st; March of Dimes Foundation, ranking 95th; and Juvenile Diabetes Research Foundation International, ranking 99th.

Giving to HIV/AIDS initiatives declined in 2010

A November 2011 study titled, “U.S. Philanthropic Support to Address HIV/AIDS in 2010,” reported that donations from U.S. foundations and corporations decreased by 7 percent from 2009 to 2010, falling from \$492 million to \$459 million.²⁹ The study included an analysis of grants that went to support HIV/AIDS treatment, prevention, advocacy, research, and other related

programs. The majority of HIV/AIDS funding was found to have been directed to the epidemic overseas, with 78 percent of 2010 funding going to international efforts.

Much of the 7 percent decline in funding was attributed to decreased funds from the Bill & Melinda Gates Foundation, which accounted for 47 percent of all HIV/AIDS-related grants from U.S. funders in 2010. However, some of this drop was explained by the Gates Foundation’s multi-year grant cycle process. Removing the Gates Foundation from the sample, overall funding fell 2 percent between 2009 and 2010.

Marginalized communities receive less than one-third of domestic health grants

In a study released in 2011, the National Committee on Responsive Philanthropy (NCRP) assessed the number of domestic health grants directed to low-income communities and to health-related advocacy work.³¹ The NCRP has challenged grantmakers to direct at least 50 percent of their grant dollars to benefit marginalized communities and at least 25 percent of their grant dollars for advocacy and engagement efforts, asserting that prioritizing traditionally

GOOD TO KNOW! A coalition of 17 major health research funders, including the Bill & Melinda Gates Foundation, the Doris Duke Charitable Foundation, and the Hewlett Foundation, signed a statement in January 2011 committing to working together to support responsible and timely sharing of health research data. Sharing data in the public health subsector is not yet the norm, but these funders hope to change the status quo and, in the process, generate three key benefits: faster progress in improving health, better value for money, and higher quality science.³⁰

underserved communities and promoting “collective empowerment” can have lasting, positive benefits on society.

The NCRP’s 2011 survey followed up on their challenge to grantmakers and examined 880 foundations that made grants to domestic health over a three-year period from 2007 to 2009.³² The NCRP found that 31 percent of the foundations included in the sample directed at least half of their grants to poor communities, while 4 percent gave at least a quarter of their health grants to advocacy or social justice work, the two criteria advocated by the NCRP.

Examining funders that donate a minimum of \$1 million annually for domestic healthcare, 22 foundations—or 6 percent of the sample—met both of the criteria. Examples include the California Endowment, the Annie E. Casey Foundation, the W.K. Kellogg Foundation, and the Rockefeller Foundation.

Hospitals and primary care facilities continued to receive majority of health subsector revenue in 2009

The Urban Institute’s 2011 “The Nonprofit Sector in Brief” report highlights important trends in the number and revenue mix of health organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990-EZ).³³ In 2009, there were 44,130 health non-

profits among *reporting* public charities, which was 12.2 percent of all registered nonprofits that year and an increase of 18.9 percent since 1999. In 2009, “other” healthcare organizations, which are those outside of hospitals and primary care facilities, comprised 74.5 percent of all health organizations. This was an increase of roughly 9 percentage points from 1999.

In 2009, health organizations accounted for 60.2 percent of all public charity revenue, with hospitals and primary care facilities accounting for 85 percent of all healthcare revenue (or 51.2 percent of all nonprofit revenue). In addition, hospitals and primary care facilities accounted for 49.9 percent of all public charity expenses and 33.3 percent of all public charity assets. Health organizations’ revenue grew 88.8 percent between 1999 and 2009. Hospitals and primary care facilities outpaced other types of healthcare organizations, with revenue growth of 92 percent and 72.4 percent, respectively.

Key findings from annual studies

Table 3 presents three years of data from studies released annually about giving to healthcare and health-related causes. Website addresses are provided so readers may access the complete reports.

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Table 3
Key findings from other studies about giving to health organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to health organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts from individuals to health organizations	8	12	23
Largest announced gift from an individual to a health organization	\$65 million pledge from Patrick Soon-Shiong and Michele Chan to St. John’s Health Center, Santa Monica, California, to support patient-doctor linkage with other health systems, to conduct research at the John Wayne Cancer Institute, and to recruit researchers and physicians	\$43 million from Juanita Kious Waugh to the Mayo Clinic to support educational programs	\$100 million from Richard O. Jacobson to the Mayo Clinic to help establish the multisite Mayo Clinic Proton Beam Therapy Program
Dollars to health organizations as a percentage of all gifts made, excluding those made to free-standing foundations	10 percent	5 percent	10 percent

Foundation Center’s <i>Foundation Giving Trends</i> Grants to health 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$260,710	\$241,736	\$223,273
Median grant amount	\$36,315	\$36,000	\$35,000
Health subsector funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	22.9 percent	22.6 percent	21.7 percent

IRS Statistics of Income Bulletin³⁴ Tax-exempt health organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number	36,199	34,464	36,468
Charitable revenue*	\$55.42 billion	\$60.16 billion	\$61.91 billion

* Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

- 1 The 2011 Million Dollar List, accessed May 30, 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 2 The model used to estimate charitable giving by recipient was tested in early 2008 by Partha Deb, an econometrician. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 3 This section written by the Center on Philanthropy. Same as note 1.
- 4 These figures are according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 5 NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 6 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 7 Nonprofit Research Collaborative, "March 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
- 8 Nonprofit Research Collaborative, "December 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
- 9 Nonprofit Research Collaborative, "April 2012 Nonprofit Fundraising Survey," 2012, www.nonprofitresearchcollaborative.org.
- 10 This section written by the Center on Philanthropy. "The Blackbaud Index of Charitable Giving," Blackbaud.com, accessed March and May 2012, <https://www.blackbaud.com/nonprofit-resources/charitable-giving-index.aspx#wrapUtility>.
- 11 This section written by the Center on Philanthropy. "The Blackbaud Index of Online Giving," Blackbaud.com, accessed March and May 2012, <https://www.blackbaud.com/page.aspx?pid=807>.
- 12 The Run Walk Ride Fundraising Council, "2011 Run Walk Ride Fundraising Summary," 2012, www.runwalkride.com.
- 13 The Run Walk Ride Fundraising Council, "2009 Run Walk Ride Fundraising Summary," 2011, www.runwalkride.com.
- 14 United Health Foundation, "America's Health Rankings: A Call to Action for Individuals and Their Communities," 2011 Edition, <http://www.americashealthrankings.org/SiteFiles/Reports/AHR%202011Edition.pdf>.
- 15 The Commonwealth Fund, "Why Not the Best? Results from the National Scorecard on U.S. Health System Performance, 2011," October 2011, http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2011/Oct/1500_WNTB_Nat_Scorecard_2011_web.pdf.
- 16 The Trust for America's Health, "F as in Fat: How Obesity Threatens America's Future," July 2011, <http://www.rwjf.org/files/research/tfahfasinfat2011a.pdf>.
- 17 Christopher Weaver, "States Turn to Foundations to Help Pay Costs of Health Overhaul," *Kaiser Health News*, June 5, 2011, www.kaiserhealthnews.org.
- 18 Robert Wood Johnson Foundation, "RWJF Seeks Coverage of 95 Percent of all Americans by 2020," May 6, 2011, www.rwjf.org.
- 19 Jennifer Sykes, "Kansas Foundations Establish Fund to Prepare State for Implementation of Health Reform Law," *Health Care Foundation of Greater Kansas City*, May 19, 2011, www.hcfc.org.
- 20 This figure is in current dollars and is according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 21 Information about contributions to AHP organizations in 2010 provided by AHP. AHP's *FY2011 Report on Giving* was not available to be included in the *Giving USA 2012* report. The *AHP Report on Giving* is published in the summer. For more details, visit AHP's website at www.ahp.org.
- 22 This section written by the Center on Philanthropy. Foundation Center, "Distribution of Foundation Grants by Subject Categories, circa 2010," Statistical Information Service, accessed March 2012, http://foundationcenter.org/findfunders/statistics/pdf/04_fund_sub/2010/10_10.pdf.
- 23 Foundation Center, "Distribution of Foundation Grants by Subject Categories, circa 2010," Statistical Information Service, accessed March 2012, http://foundationcenter.org/findfunders/statistics/pdf/04_fund_

- sub/2010/10_10.pdf.
- 24 Foundation Center, "Grants Stats Table Index," Statistical Information Service, accessed April 2012, <http://foundationcenter.org/findfunders/statistics/listing02.html>.
 - 25 This section written by the Center on Philanthropy. Noelle Barton and Holly Hall, "America's Top Fund-Raising Groups Face Big Struggles," *The Chronicle of Philanthropy*, October 16, 2011, www.philanthropy.com.
 - 26 "Philanthropy 400," *The Chronicle of Philanthropy*, October 16, 2011, <http://philanthropy.com/section/Philanthropy-400/237/>.
 - 27 "Foundations spend millions to address 'social factors' that affect health," *Philanthropy News Digest*, March 8, 2011, www.foundationcenter.org.
 - 28 Same as note 27, para 5.
 - 29 Erika Baehr, "U.S. Philanthropic Support to Address HIV/AIDS in 2010," Funders Concerned About AIDS, March 2012, www.fcaids.org.
 - 30 Wellcome Trust, "Sharing Research Data to Improve Public Health: Joint Statement of Purpose," January 10, 2011, www.wellcome.ac.uk.
 - 31 Terri Langston, "Towards Transformative Change in Health Care: High Impact Strategies for Health Care," The National Committee on Responsive Philanthropy, 2011, http://www.ncrp.org/files/publications/Towards_Transformative_Change_In_Health_Care.pdf.
 - 32 The report "examined 880 foundations that made grants to domestic health over a three-year period from 2007-2009. NCRP worked with custom datasets developed with the Foundation Center, which include detailed information on more than 1,200 of the largest foundations in the United States. The search sets are based on the Foundation Center's grants sample database, which includes all grants of \$10,000 or more awarded to organizations by a matched sample of 880 larger foundations for circa 2007-2009 that made grants classified as supporting health. For community foundations, only discretionary and donor advised grants are included. Grants to individuals are not included in the data. The Foundation Center's grants sample database represents at least 50 percent of U.S. grantmaking, allowing for broad field-wide trends to be gauged."
 - 33 This section written by the Center on Philanthropy. Katie Roeger, Amy Blackwood, and Sarah Pettijohn, "The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering," The Urban Institute, September 2011, www.urban.org.
 - 34 Paul Arnsberger and Mike Graham, "Charities, Social Clubs, and Other Tax-Exempt Organizations, 2008," *IRS Statistics of Income Bulletin*, Fall 2010, <http://www.irs.gov/pub/irs-soi/07eocharteobull.pdf>.

12

GIVING TO PUBLIC-SOCIETY BENEFIT

- Contributions to the public-society benefit subsector increased from 2010 by an estimated 4.0 percent in 2011 to \$21.37 billion.
- Adjusted for inflation, giving to public-society benefit organizations held flat at 0.9 percent growth between 2010 and 2011.
- While foundations are included in the public-society benefit subsector according to the National Center for Charitable Statistics (NCCS) and the IRS, *Giving USA* tabulates giving to foundations separately.
- Free-standing donor-advised funds are included in the estimate for this subsector. The three largest donor-advised fund administrators—Fidelity Charitable Gift Fund, Schwab Charitable Fund, and Vanguard Charitable Endowment Program—realized average growth in received contributions of 77 percent between 2010 and 2011.¹
- Over the last four decades (1971–2011), inflation-adjusted giving to the public-society benefit subsector has increased at a faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 7.0 percent.

***Giving USA* findings for giving to public-society benefit organizations in 2011**

Giving USA's tabulation of giving to the public-society benefit subsector includes donations of cash, securities, and in-kind gifts, such as property and other items of value. Organizations within the public-society benefit subsector include those related to voter education, civil rights, and civil liberties; consumer rights; and community and economic development. Public-society benefit organizations also include free-standing research institutions that focus on biological, physical, and social sciences, as well as public policy research; those that promote philanthropy; and those that raise funds to distribute to nonprofits,

such as United Ways, the Combined Federal Campaign, and Jewish federations. Freestanding donor-advised funds are also included in this subsector.

Technically, using the Urban Institute's National Center for Charitable Statistics' (NCCS) NTEE coding system, as *Giving USA* does in classifying recipients of gifts, foundations are classified under the public-society benefit subsector. However, *Giving USA* separates out foundations, both as sources of giving and as recipients of donations.

The 2011 estimate for giving to the public-society benefit subsector is based on a tested model incorporating economic variables from 2011 and historical giving to public-society benefit organizations.²

In 2011, the Center on Philanthropy incorporated a new NCCS dataset into the estimation model that provides the most up-to-date information available about giving to public-society benefit organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>) for more information about how public-society benefit organizations are categorized within the subsectors using NTEE codes, and see the "Brief summary of methods used" section in this report for information about estimating giving to this subsector.

Largest announced gifts to the public-society benefit subsector in 2011

According to the 2011 Million Dollar List, there were 27 gifts of \$1 million or more to the public-society benefit subsector by individuals in 2011, totaling \$141 million.³ This represents a decrease of \$15 million in announced gifts since 2010. Some of the more notable large gifts from both individuals and other types of donors, both in size and area of interest, include:

- Stanley Medical Research Institute gave the Broad Institute's Stanley Center for Psychiatric Research \$50 million to help unlock the genetic mysteries of schizophrenia, bipolar disorder, and other mental illnesses, and to translate these findings into new treatments for patients.
- The Bill & Melinda Gates Foundation provided \$12 million in funding to the Sabin Vaccine Institute in Washington, D.C. The gift will help develop a vaccine to prevent hookworm infection, which affects 600 million

people worldwide, primarily in sub-Saharan Africa, Southeast Asia, and Latin America.

- George P. Mitchell donated \$25 million for the construction of the Giant Magellan Telescope, an instrument that will be the largest ever built. Scheduled to be completed in 2019 and operational in Chile's Atacama Desert, the telescope will have 10 times the resolution of the Hubble Space Telescope.
- Charles Simonyi and James H. Simons gave \$100 million as part of a matching grant to ensure the future of the Princeton, N.J.-based Institute for Advanced Study. Over the years, 26 Nobel Laureates have been a part of the institute, with Albert Einstein among its most notable scholars.

Surveys and reports on giving to public-society benefit organizations in 2011

Based on studies and surveys conducted in 2011 and early 2012 on various aspects of fundraising, public-society benefit organizations realized mixed results in fundraising revenue in 2011. While *Giving USA* estimates an increase of 4.0 percent in contributions for 2011 for these organizations, the growth realized that year is lower than in 2010, when contributions rose 7.1 percent from 2009.⁴ Giving to the public-society benefit subsector has traditionally been volatile, with large year-to-year increases and declines. The composition of organizations in this subsector contributes to this volatility. Giving to umbrella organizations, such as United Ways and the Combined Federal Campaign,

appears to be particularly sensitive to changes in the economy, as is giving to donor-advised funds. Various surveys and studies on giving to public-society benefit organizations are summarized in the following sections to provide context for giving to this subsector in 2011.

Over 50 percent of surveyed public-society benefit organizations experienced an increase in charitable giving between 2010 and 2011

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.⁵ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.⁶ Between the NRC’s December 2010 and December 2011 surveys, the share of responding charities in the public-society benefit subsector reporting increased charitable contributions increased, probably reflecting more successful public-society benefit campaign outreach in 2011.

As of late 2010, less than half (44 percent) of respondents from public-society

benefit organizations reported they had received more in that year than in the prior year.⁷ By late 2011, more than half (56 percent) reported increased charitable contributions for the 2011 fiscal year.⁸ See Table 1 for more specific results from the survey.

Among organizations in the public-society benefit subsector, there were no significant areas of difference between these organizations and total NRC results related to board member giving, which was covered in the NRC study released in April 2012.⁹ For all respondents, just 35 percent of surveyed organizations required a board member gift, and the average amount required, when there was a specified minimum, was \$4,977. The most frequent response (the mode) was \$1,000 as a minimum board member gift.

Charitable revenue for public-society benefit organizations fell in latter half of 2011 compared with 2010

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable

Table 1
Survey results for public-society benefit organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Direction of change	Percentage of respondents	
		All of 2010	All of 2011
Charitable receipts to public-society benefit organizations	Up	44	56
	Same	27	18
	Down	39	30

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

revenue of approximately 1,300 non-profit organizations situated across all nonprofit subsectors, including 94 public-society benefit organizations.¹⁰ Donations to all organizations reporting to the index amounted to \$2.76 billion for the one-year period ending January 2012. Organizations within the public-society benefit category analyzed in the index received a total of nearly \$179 million in 2011.

Public-society benefit organizations experienced volatility in charitable receipts throughout 2011, with sustained declines throughout the last half of the year.¹¹ These organizations, as a whole, saw the greatest positive increase in the three-month period ending in March 2011, at 7.3 percent. The year-over-year change in giving from April through June 2011 was essentially flat. Year-over-year giving declined in the three-month period ending in August by 5.8 percent. By December, the year-over-year change in giving saw a decline of 10.3 percent.

Public-society benefit organizations realized strong online giving in the latter half of 2011

Published results of the 2011 Blackbaud Index of Online Giving reported that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.¹² This analysis included 102 public-society benefit organizations receiving a combined total of over \$13 million in charitable donations through online platforms. The index compares year-to-

year giving using the same three-month rolling average as the standard index.

For public-society benefit organizations, unlike the standard index, the online giving index revealed strong and consistently positive increases throughout the latter months of 2011.¹³ From September to December 2011, there was a steady increase in contributions, ranging from a 7.1 percent year-over-year change in giving in the three-month period ending in September, to a 15.4 percent year-over-year change in giving in the three-month period ending in December.

Donor-advised fund trends in 2011 and recent years

The Pension Protection Act of 2006 defines a donor-advised fund as “a fund or account owned and controlled by a sponsoring organization, which is separately identified by reference to contributions of a donor or donors, and with respect to which the donor, or any person appointed or designated by such donor (“donor advisor”), has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of the funds.”¹⁴ A range of charitable organizations administer donor-advised funds, including:

- Public charities affiliated with commercial financial institutions whose primary purpose is the administration of donor-advised funds (these are often referred to as “national” or “private” donor-advised funds);
- Community foundations;
- Supporting organizations;

- Colleges and universities; and
- Other types of nonprofit organizations.

Organizations offering donor-advised funds vary considerably as to the number of individual donor-advised funds they administer, the size of those funds, and the range of services provided to donor-advised fund holders.

Giving to a donor-advised fund offers donors a particular set of benefits in contrast with other giving vehicles. Donor-advised funds are commonly cited as a less costly alternative to private foundations. In addition, donor-advised funds tend to be more accessible to a larger range of donors with minimum fund requirements—as little as \$5,000 in some cases. Other advantages include the ability to make non-cash gifts and gifts that include complex assets, as well as a simplified process for reporting gifts on taxes.

Summaries in trends in both giving to and grants from donor-advised funds in 2011 and recent years, as well as studies impacting donor-advised fund activity, are included in the following sections.

Notable donor-advised fund activity in 2011

Year-end reports from the three largest administrators of donor-advised funds indicate dramatic growth in giving to these funds in 2011:

- Fidelity Charitable Gift Fund showed a notable increase in revenue received in 2011 compared with 2010, at nearly \$2.9 billion in new contributions. This is compared with \$1.6 billion in

2010—an increase of 81 percent. Donors made 71 percent of their gifts in the form of appreciated securities in 2011, compared with 51 percent in 2010. In addition, gifts of complex assets rose 30 percent in 2011 from 2010.¹⁵

- Schwab Charitable Fund experienced growth in contributions of 76 percent from January through November 2011, compared with the same eleven-month period in 2010.¹⁶
- Vanguard Charitable Endowment Program received gifts totaling more than \$859 million in 2011, up 75 percent from 2010. Corporate and foundation cash contributions represented 70 percent of total dollars given. Donors established 987 new funds in 2011, almost tripling previous rates for new fund creation, which the Vanguard Charitable Endowment Program attributed to donors' desire to make gifts of appreciated securities.¹⁷

All three organizations saw giving to donor-advised funds from private foundations nearly double in the fiscal year ending June 30, 2011 compared with the previous fiscal year.¹⁸ Fidelity Charitable Gift Fund reported that private foundations contributed approximately \$30 million to donor-advised funds. This is in contrast with the \$16 million in fiscal year 2010. Schwab Charitable Fund showed \$28 million in gifts to funds from private foundations, twice the amount of the prior year. The Vanguard Charitable Endowment Program received \$34 million from 82 private foundations in fiscal year 2011,

up from the \$15 million that 51 private foundations gave in fiscal year 2010.

New data show robust growth in giving to donor-advised funds in 2010

Donor-advised funds demonstrated robust growth and have nearly recovered to pre-recession strength by several measures, according to the National Philanthropic Trust's 2011 Donor-Advised Fund Report on 2010 giving.¹⁹ The report is based on 2010 fiscal year data compiled during the second and third quarters of 2011 from more than 475 nonprofit organizations that administer donor-advised funds. Key findings include:

- Giving to donor-advised funds rose to \$7.77 billion in 2010, amounting to 2.6 percent of all charitable donations. While showing 25 percent growth over 2009 giving, contributions to donor-advised funds remained below 2008 levels in 2010.
- Donor-advised fund accounts held assets of \$29.96 billion in 2010, nearly recapturing the previous high of \$30.2 billion in 2008.
- Upward and downward movement in giving to donor-advised funds in each year from 2007 to 2010 corresponded to the previous year's movement in the Dow Jones Industrial Average.

Grants from donor-advised funds remained steady throughout and after the Great Recession

Despite the recent recession, donor-advised funds have continued to distribute at relatively stable levels according to the National Philanthropic Trust's 2011

Donor-Advised Fund Report.²⁰ Using the same methodology for investigating giving to donor-advised funds, the report's investigation of grantmaking from donor-advised funds is based on 2010 fiscal year data compiled during the second and third quarters of 2011 from more than 475 nonprofit organizations that administer donor-advised funds. Key findings include:

- Donor-advised funds distributed over \$6.18 billion in 2010, up 1.8 percent from 2009. This marked the third straight year in which giving from donor-advised funds exceeded \$6 billion.
- The average annual payout rate for donor-advised funds in 2010 was 17.1 percent. Donor-advised fund payout rates have remained steadily above 16 percent for four consecutive years.

As the nation's largest administrator of donor-advised funds and the third largest charitable organization in the country, Fidelity Charitable Gift Fund's 2011 annual report, covering the fiscal year ending June 30, 2011, provides important insight into the geographic and nonprofit subsector distribution patterns of its donor-advised funds.²¹ New York, Massachusetts, and California were the top three destinations its donor-advised fund grants in 2010–2011, with each receiving over \$165 million. Donors directed more than half of their grant dollars to community and human services organizations (27.3 percent) and to educational organizations (23.8 percent).

Proposed legislation would extend the IRA charitable rollover incentive to donor-advised funds

The year 2011 saw new legislative efforts to advance inclusion of donor-advised funds for the IRA charitable rollover. Senator Charles Schumer (D-NY) introduced The Public Good IRA Rollover Act of 2011 (S. 557) in March, and Representatives Wally Heger of California (R-CA 2) and Earl Blumenauer of Oregon (D-OR 3) introduced a companion bill (H.R. 2502) in the House of Representatives in July.²² Both bills would allow for donors to make a direct charitable rollover from an IRA account to a donor-advised fund. As of this writing, the bills have been referred to the Senate Finance Committee and the House Ways and Means Committee.

Treasury report contends that calls for a required distribution rate for donor-advised funds are premature

With the Pension Protection Act of 2006, Congress charged the Department of the Treasury with preparing a report on the general administration of supporting organizations and donor-advised funds, as well as specific issues of concern to Congress, including whether an aggregate distribution requirement for all donor-advised funds in an organization or an individual fund distribution requirement would be appropriate.²⁴ The question of payout requirements was of interest to legislators, as donor-advised funds often serve as an alternative to private foundations, which have to pay an excise tax if less than 5 percent is distributed annually (including administrative costs). An aggregate

requirement would set a minimum average payout rate across all donor-advised funds held by a particular organization. An individual fund requirement would set a minimum payout rate for every donor-advised fund, making it the more stringent of the two options.

In its 2011 Report to Congress on Supporting Organizations and Donor Advised Funds, the Treasury Department refrained from recommending a minimum payout rate requirement for donor-advised funds, citing the need for additional study. The report noted that while aggregate distribution rates for donor-advised funds consistently surpassed the 5 percent payout rate currently required of private foundations, the Department needs more information on individual donor-advised fund distribution rates and long-term aggregate trends before making a final recommendation.

While the report did not recommend any changes to the current rules and regulations on giving by donor-advised funds, the Department did express that continued study of these questions would be prudent, particularly as longitudinal data specific to donor-advised funds accumulate through the use of revised IRS Forms 990.

At least one member of Congress publicly expressed his dissatisfaction with the Department of the Treasury's report.²⁵ Senator Charles Grassley (R-IA), a member of the Senate Finance Committee, faulted the report for not identifying any specific new ways to counter questionable or illegal practices in grantmaking by donor-advised

funds. Senator Grassley also noted that the Department of the Treasury could have incorporated more recent years' data beyond the 2006 IRS Form 990, given the delayed completion of the report.

Women's networks and giving through donor-advised funds

The 2011 Study of High Net Worth Women's Philanthropy and The Impact of Women's Giving Networks revealed the important role of giving networks (e.g., giving circles or associations) in women's contribution levels to charitable giving vehicles, including donor-advised funds.²⁶ The study, conducted by the Center on Philanthropy at Indiana University on behalf of Bank of America Merrill Lynch, is based on data collected on 2009 giving from more than 800 high-net-worth households for *The 2010 Study of High Net Worth Philanthropy*. This study collected additional data from members of the American Red Cross Tiffany Circle, who each make an annual contribution of at least \$10,000 to their local American Red Cross chapter.

The study found that 51 percent of networked, high-net-worth women directed all or part of their charitable giving to a giving vehicle, such as a donor-advised fund, private foundation, or trust. In contrast, high-net-worth women who did not consider themselves as part of a giving network directed 22 percent of their charitable contributions to these same three giving vehicles. It is notable that contributions to giving vehicles constituted the largest area of giving for both networked and non-networked individuals.

Recent studies on charitable giving trends in previous years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving to the public-society benefit subsector totaled \$20.54 billion in 2010, a 7.1 percent increase (in current dollars) from the \$19.17 billion given to this subsector in 2009. Many research organizations study charitable revenue from reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for previous years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

Foundation giving trends to public-society benefit organizations in 2010

In its Statistical Information Service, the Foundation Center provides data on the top 50 grantmaking foundations—including corporate, independent, and community—in each classification area of the public-society benefit subsector.²⁷ These areas include giving to support civil rights and social action; community improvement and development; philanthropy and voluntarism; public affairs; science and technology; and social sciences. For 2010, the Foundation Center drew its data from a national sample of 1,330 foundations providing grants of \$10,000 or more. This is the latest year for which comprehensive data are available for giving by foundations.

The data reveal that grant amounts from the top 50 U.S. foundations increased in three of six public-society benefit areas from 2009 to 2010 (see

Table 2
Giving data by top foundation funders in each public-society benefit classification area, 2010

Public-society benefit classification area	Total amount from top 50 foundation funders	Share of total amount from top 10 foundation funders
Civil rights/social action	\$279.7 million	73 percent
Community improvement and development	\$506.8 million	49 percent
Philanthropy and voluntarism	\$562.1 million	50 percent
Public affairs	\$1,387.4 million	48 percent
Science and technology	\$552.4 million	70 percent
Social sciences	\$163.5 million	55 percent

Data: Foundation Center, Statistical Information Service, accessed February 2012, www.foundationcenter.org

Table 2 for 2010 data).²⁸ Overall, public-society benefit organizations saw an increase of 2 percent from top funders, with the biggest increases coming from the top 10 funders (an 11 percent increase from 2009). Key findings include:

- Community improvement and development organizations saw the largest increase in funding at 22 percent (\$91.6 million) from 2009. The largest increases in funding came from the Ewing Marion Kauffman Foundation (\$28.2 million) and the Bill & Melinda Gates Foundation (\$26.3 million).
- The science and technology category saw the second largest increase in funding at 13 percent. In 2010, this category received a gift of \$115 million from the Eli & Edythe Broad Foundation and a \$50 million gift from the Hall Family Foundation—neither of which were among the top 50 U.S. foundations awarding grants in 2009.
- Civil rights and social action organizations realized a 2 percent increase in funding in 2010 from 2009.

However, half of the six public-society benefit areas saw a decline in gifts from top funders:

- Public affairs organizations saw a 5 percent decline, which was the largest drop in monetary dollars realized (a decline of \$69.6 million). The top 10 funders to these organizations in 2009 decreased awarded dollars by an average of \$27.4 million in 2010, with the largest decreases from the Bill & Melinda Gates Foundation (down \$81.8 million) and the Donald W. Reynolds Foundation (down \$76.9 million).
- The \$13.5 million decline in giving to social science organizations was the largest percentage decrease (8 percent) from top funders.
- Philanthropy and voluntarism organizations realized a decline of

\$13.4 million. Four of the top five funders in 2009 decreased their grants to these organizations by an average of about \$14 million. The largest decreases came from The Aspen Foundation (down \$25 million) and the Earl & Brenda Shapiro Foundation (down \$15.4 million).

The Statistical Information Service data for 2010 reveal that the *number* of grants to public-society benefit organizations from the top 50 U.S. foundations climbed 9 percent between 2009 and 2010 (see Table 3 for 2010 data). Key findings include:

- Civil rights and social action organizations received the largest percentage increase in the number of grants received in 2010, with an increase of 27 percent. The Arcus Foundation provided 55 more grants in 2010 than in 2009, and the Foundation to Promote Open Society provided 86 grants to these organizations in 2010 after not appearing on the list of top funders in 2009.
- The largest number of increased grants came from top funders to public affairs organizations. Overall, public affairs organizations received 456 more grants in 2010 than in 2009 (a 9 percent increase). The Foundation to Promote Open Society provided 159 grants to these organizations in 2010 after not appearing on the list of top funders in 2009. The Wells Fargo Foundation awarded 83 more grants to these organizations than in 2009.
- Social science organizations were the only type of public-society benefit organizations to receive fewer grants from top funders in 2010 than in 2009 (a 7 percent decrease).
- The percentage share of total grants from the top 10 funders to public-society benefit organizations decreased by nearly one-third (32 percent).
- Social science organizations and science and technology organizations realized the largest decreases, at 18 percent and 14 percent, respectively.

Table 3
Grants data by top foundation funders in each public-society benefit classification area, 2010

Public-society benefit classification area	Total number of grants from top 50 foundation funders	Share of total number from top 10 foundation funders
Civil rights/social action	1,444	50 percent
Community improvement and development	2,785	34 percent
Philanthropy and voluntarism	1,447	16 percent
Public affairs	5,471	32 percent
Science and technology	1,376	48 percent
Social sciences	692	39 percent

Data: Foundation Center, Statistical Information Service, accessed February 2012, www.foundationcenter.org

In summary, the number of grants from top funders to public-society benefit organizations increased, as did total dollars. Also, while the share of the total number of grants from the top 10 funders to these organizations decreased, total dollars from the top 10 funders increased.

Giving by the largest companies to public-society benefit organizations increased between 2009 and 2010

The Chronicle of Philanthropy annually tabulates direct charitable giving by the largest American corporations.²⁹ In early spring 2011, the *Chronicle* analyzed giving patterns of 180 surveyed corporations in 2010. The survey found that 30 corporations (17 percent) decreased total cash donations by 15 percent between 2009 and 2010. However, as a whole, cash and product donations increased across companies by approximately 26 percent. This suggests that a majority subset of corporations increased their philanthropic efforts by a strong margin compared with 2009.

The *Chronicle* does not divide corporate giving by subsector or NTEE code, but categorizes by purpose. Categories of purpose that most closely align with the public-society benefit subsector include giving to support community and economic development; civic affairs; science and technology; entrepreneurship training; public policy; human rights; and others. In 2010, the largest corporations gave a combined \$10.87 billion to support organizations working within these areas. This amount was an increase over the \$10.37 billion given by the 162 corporations surveyed in 2009, or a 4.8 percent increase. This means that

giving by these corporations to support activities associated with public-society benefit organizations in 2010 grew much more slowly than did corporate giving to nonprofit organizations as a whole.

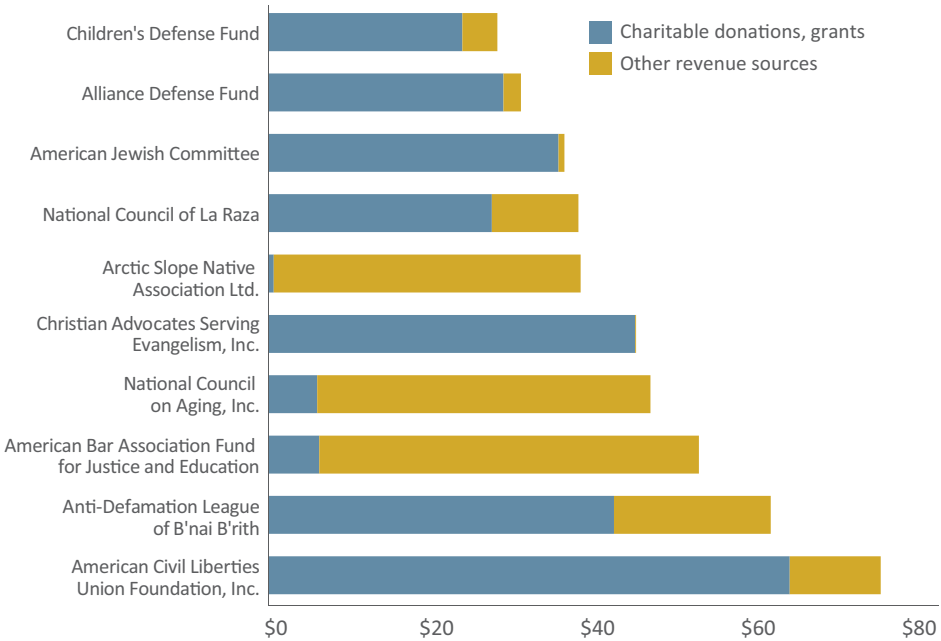
Nearly 15 percent of corporate foundation funding in 2010 went to public-society benefit organizations

Each year, public-society benefit organizations are among the greatest recipients of corporate foundations' charitable dollars, according to foundation giving data provided by the Foundation Center.³⁰ In 2010, 14.9 percent of all corporate foundation dollars provided by a nationally representative sample of 1,330 large U.S. foundations went to support public-society benefit organizations, which was substantially lower than the share of corporate foundation giving to public-society benefit organizations in 2009 (20.3 percent). This share of giving was greater than that given to human services organizations in 2010 and was 15.4 percentage points below giving to educational organizations. Total giving to public-society benefit organizations in 2010 amounted to just over \$3 million, with federated funds receiving 2.3 percent of those dollars.

Nearly 90 percent of revenue for "public affairs" charities came from private support in 2009

Analysis of Form 990 data, as posted by the National Center for Charitable Statistics (NCCS) on its website, reveals that the top 10 "public affairs" charities' total revenue for 2009 was \$513 million, of which \$450.5 million (88 percent) derived from charitable donations.³¹ This amount was much higher than the

Figure 1
Total revenue and the share of charitable dollars for the top 20 public-society benefit organizations, 2009
 (in millions of dollars)



Data: Urban Institute's National Center for Charitable Statistics database, accessed February 2012, <http://nccs.urban.org>

\$272 million (62 percent) figure for 2008 when revenue totaled \$441 million. Figure 1 shows charitable dollars as a share of total revenue for each of the top 10 public affairs organizations in 2009 (the latest year for which Form 990 data are available for all organizations). The listed organizations varied significantly in terms of the receipt of charitable dollars as a share of total revenue, ranging from 100 percent for the Christian Advocates Serving Evangelism to 24 percent for American Bar Association Fund for Justice and Education.

Over 40 public-society benefit organizations made the Chronicle's "Top 400" list in 2011

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.³² The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 28 community foundations, 10 Jewish Federations, and three public affairs organizations for a total of 41 public-society benefit organizations, including United Way Worldwide (using the *Giving USA* classification). Three public-society benefit organizations were listed in the top 100 with one appearing in the top 10. The top five public-society benefit organizations with the greatest amount in private support include:³³

- Ranking 1st: United Way Worldwide, Alexandria, VA, with over \$4.2 billion in private contributions, an increase of 0.4 percent from the previous year;
- Ranking 57th: Jewish Federations of North America, New York, NY, with \$282.7 million in private contributions, a decline of 11.7 percent;
- Ranking 82nd: Greater Kansas City Community Foundation, MO, with \$213.2 million in private contributions, an increase of 51.1 percent;
- Ranking 112th: Foundation for the Carolinas, Charlotte, NC, with \$174.4 million in private contributions, an increase of 72.3 percent; and
- Ranking 113th: United Jewish Appeal-Federation of Jewish Philanthropies of New York, NY, with \$173.8 million

in private contributions, an increase of 8.8 percent.

Public-society benefit organizations exhibit significant growth in number and revenue

Each year the Urban Institute publishes “The Nonprofit Sector in Brief,” which outlines key data and trends in the sector. The 2011 edition provides various data for the years 1999 through 2009.³⁴ The report revealed that public-society benefit organizations accounted for 12.1 percent of the 362,926 reporting public charities in 2009. That year, these organizations reported \$70.6 billion in revenue, or 5 percent of the revenue across all subsectors. Counting reporting charities only, the number of organizations in the public-society benefit subsector grew by 44.4 percent between 1999 and 2009, from 30,293 to 43,735 organizations. During this time period, this subsector’s revenue grew 10.7 percent, making it the slowest-growing subsector.

Key findings from annual studies

Table 4 presents three years of data from studies released annually about contributions to organizations in the public-society benefit subsector. Website addresses are provided so readers can access the full reports.

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Table 4
Key findings from other studies about giving to public-society benefit organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to public-society benefit organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to public-society benefit organizations	6	1	5
Largest announced gift from an individual to a public-society benefit organization	\$20 million from Albert Stone to the City of Townsend, MA toward the development of a public library, senior center, and other public buildings	\$50 million from T. Denny Sanford to Sanford-Burnham Medical Research Institute to support the institute's endowment and new initiatives	\$100 million from the Simons Foundation and the Charles and Lisa Simonyi Fund for Arts and Sciences to the Institute for Advanced Study to support the institute's endowment
Dollars to public-society benefit organizations as a percentage of all announced gifts, excluding those made to free-standing foundations	5 percent	1 percent	3 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to public-society benefit organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$137,189	\$148,415	\$137,811
Median grant amount	\$30,000	\$30,000	\$32,000
Public-society benefit funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	10.0 percent	11.8 percent	12.3 percent

Jewish Federations of North America Combined results of all campaigns: 2009–2011 www.jewishfederations.org			
	2009	2010	2011
Total raised	\$938 million	\$925 million	\$910 million
Endowment giving (additional amount)	\$1.7 billion	\$1.5 billion	\$1.3 billion

Office of Personnel Management Combined Federal Campaign results: 2008–2010 www.opm.gov/cfc			
	2008	2009	2010
Total raised	\$275.9 million	\$282.6 million	\$281.5 million

IRS Statistics of Income Bulletin ³⁵ Tax-exempt public-society benefit organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number	27,534	29,445	29,154
Charitable revenue*	\$45.15 billion	\$44.65 billion	\$42.88 billion

* Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

- 1 "Fidelity Charitable Reports Record-Breaking Year in Both Grants to Nonprofits and New Charitable Contributions," Fidelity Charitable Gift Fund, January 24, 2012, www.fidelitycharitable.org; "Schwab Charitable Sees Increased Level of Giving and Granting," Schwab Charitable Fund, December 14, 2011, www.schwabcharitable.org; "Vanguard Charitable Reports Record Contributions and Rise in Corporate and Private Foundation Participation for Calendar Year 2011," Vanguard Charitable Endowment Program, January 25, 2012, www.vanguardcharitable.org.
- 2 The model used to estimate charitable giving by recipient type was tested in early 2008 by Partha Deb, an econometrician at. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 3 This section written by the Center on Philanthropy. The 2011 Million Dollar List, accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data are constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 4 This percentage change is in current dollars. This is according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 5 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 6 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The three reports are based on convenience samples of different sample sizes, which are not nationally representative.
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- 8 Nonprofit Research Collaborative, "April 2012 Nonprofit Fundraising Survey," 2012, www.nonprofitresearchcollaborative.org.
- 9 Same as note 8.
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- 16 Charles Schwab, "Schwab Charitable Sees Increased Level of Giving and Granting," December 14, 2011, www.schwabcharitable.org.
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- 18 L. Skinner, "Small Foundations Eye Donor-Advised Funds," Investment News, July 17, 2011, www.investmentnews.com.
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- 20 Same as note 19.
- 21 Same as note 15.
- 22 Council on Foundations, "Permanent Extension for IRA Charitable Rollover Would Encourage More Giving, Greater Impact," press release, 2011, www.cof.org.
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- 24 United States Department of the Treasury, "Report to Congress on Supporting Organizations and Donor Advised Funds," December 2011, www.treasury.gov/resource-center/tax-policy/Documents/Supporting-Organizations-and-Donor-Advised-Funds-12-5-11.pdf.

- 25 The Office of Senator Chuck Grassley, Iowa, “Grassley: Treasury Misses the Mark on Chance to Shut Down Charitable Loopholes,” December 6, 2011, www.grassley.senate.gov.
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- 27 Foundation Center, Statistical Information Service, accessed February 2012, <http://foundationcenter.org/findfunders/statistics/>.
- 28 Same as note 26.
- 29 Charitable Giving at Major Corporations, Searchable Database, *The Chronicle of Philanthropy*, accessed March 2012, www.philanthropy.com.
- 30 Statistic tables retrieved from Foundation Center’s Statistical Information Service, accessed March 2012, <http://foundationcenter.org/findfunders/statistics/>. Data include giving to support civil rights groups, community improvement organizations, federated funds, philanthropic organizations, and public administration organizations.
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13

GIVING TO ARTS, CULTURE, AND HUMANITIES

- Charitable giving to arts, culture, and humanities organizations is estimated to have increased 4.1 percent in 2011 from 2010, with \$13.12 billion in total contributions.
- Adjusted for inflation, giving to the arts, culture, and humanities subsector is estimated to have increased 1.0 percent.
- According to the 2011 Million Dollar List, there were 58 announced gifts of \$1 million or more to the arts, culture, and humanities subsector from individuals in 2011, totaling \$712 million.¹
- Over the last four decades (1971–2011), inflation-adjusted giving to the arts, culture, and humanities subsector has increased at a slightly faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 4.6 percent.

Giving USA findings for giving to arts, culture, and humanities organizations in 2011

Giving USA's tabulation of giving to the arts, culture, and humanities subsector includes giving to support museums; the performing arts; visual arts; historical societies; nonprofit media and communication organizations, including public broadcasting (with the exception of organizations that are religion oriented); humanities organizations; and other arts-related organizations. *Giving USA's* estimates include donations of cash, securities, and in-kind gifts, such as artwork, land, and other items of value. Some gifts made for arts, culture, and humanities purposes are actually made to educational organizations or foundations.

The 2011 estimate for giving to the arts, culture, and humanities subsector is

based on a tested model incorporating economic variables from 2011 and historical giving to arts organizations.² In 2011, the Center on Philanthropy incorporated a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to arts, culture, and humanities organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>) for more information about how arts organizations are categorized within the subsectors using NTEE codes, and see the "Brief summary of methods used" section in this report for information about estimating giving to this subsector.

Largest announced gifts to the arts, culture, and humanities subsector in 2011

According to the 2011 Million Dollar List, there were 58 announced gifts of \$1 million or more to the arts, culture, and humanities subsector from individuals in 2011, totaling \$712 million.³ This represents a decrease of \$8 million from the previous year. The arts, culture, and humanities subsector received most of its revenue from foundations, but individuals also ranked high in giving to arts in 2011. Some notable gifts from the 2011 Million Dollar List to this subsector include:

- One of the last links to the Gilded Age, Huguette Clark, heiress to a copper fortune, died in May 2011 at 104 years of age. Upon her death, Clark bequeathed a total of \$400 million to establish the Belloguardo Foundation and to convert her former home into a permanent art museum. In addition to the money, Clark left her Santa Barbara mansion and other property, most of her art collection, musical instruments, and a rare book collection to the Belloguardo Foundation. Ms. Clark's art collection included pieces by Claude Monet and Pierre-Auguste Renoir, financial investments, property assets, and a large doll collection.⁴
- David M. Rubenstein, co-founder of The Carlyle Group, a global private equity firm, donated \$13.5 million to the Foundation for the National Archives. The donation will fund a conservation effort for the *Magna Carta*, as well as prepare the 714-year-old document for a future exhibit.

- While the lion's share of million-dollar gifts in the arts, culture, and humanities subsector went to the construction of museums, four large gifts were made to the Martin Luther King, Jr. National Memorial Project Foundation. Volkswagen, the National Football League, and Best Buy Children's Foundation each donated \$1 million, while Aetna Insurance donated \$1.3 million.
- Several million-dollar-and-up gifts were donated to offset entrance fees to arts organizations. Easton Corporation and Baker Hostetler each gave \$1 million to provide free or discounted entrance to the Cleveland Orchestra performances, and Wal-Mart Stores gave \$20 million to Crystal Bridges Museum of American Art to preclude the museum from charging patrons admission fees.

Buildings inspire million-dollar-and-up donations in 2011

Large private foundations, community groups, and individual donors funded the construction of performance halls and museums across the country in 2011. Examples of these projects announced through various media sources include:

- The Metropolitan Museum of Art, New York City, received a \$10 million dollar gift from Lizzie and Jonathan Tisch to construct a 4,200-square-foot home for its Costume Institute.⁵

- Amazon.com founder, Jeff Bezos, donated \$10 million to support the construction of the Center for Innovation at the Museum of History and Industry in Seattle.⁶
- A \$100 million gift from Margie Petersen and the Margie & Robert E. Petersen Foundation included a 300,000-square-foot building to house an extensive collection of automobiles for a new museum dedicated to the donor's love of fast cars.⁷
- Citizens in Colorado geared up for the opening of multiple performing arts centers in 2011. Totaling \$61.4 million, donations poured into the Denver region from an unlikely alliance of diverse business, government, and cultural interests that recognize the potential mutual benefits of arts and commerce working in tandem. The donations will support the refurbishment and expansion of local theatres and land on which to build new spaces and increase economic development.⁸
- Microsoft Corporation and businessman Kemper Freeman, Jr. each donated \$1 million to support construction of a new performing arts facility in Bellevue, Washington.⁹
- The Diller-von Furstenberg Family Foundation donated \$20 million to finish construction and support endowment of the New York City High Line cultural trail.¹⁰
- In 2011, The Speed Art Museum in Louisville, Kentucky announced that it will close the museum during renovation and construction of a new exhibition space after reaching \$43 million toward its campaign goal of \$50 million.¹¹

Some large arts organizations implemented emergency fundraising plans to stay afloat in 2011

In 2011, museums, symphonies, and opera companies resorted to emergency fundraising strategies in the face of mixed returns from conventional strategies for philanthropic support.

GOOD TO KNOW! In 2011, the Arts & Science Council of Charlotte, North Carolina began an online crowd-funding website called power2give.org, raising more than \$150,000 in the first seven weeks for various nonprofits in the area.¹² As of October 2011, the website had attracted over 650 donors who helped to fully fund 37 projects at arts organizations.

Power2give.org raises funds through micro-giving (hundreds or thousands of small donations) and crowd funding (concentrated, strategic giving to support a specific cause using, in many cases, micro-giving) via an online platform similar to donorschoose.org and kiva.org. This platform provides the opportunity for donors to choose specific organizations or initiatives to support and allows donating to multiple organizations at once at the click of a button.

To be successful, use of this strategy requires compelling and unique projects that connect with the community, as well as a broader strategy to appeal to donors of all types.

Examples of some of these initiatives are included below:

- The Detroit Science Center began a \$5 million emergency fundraising campaign in order to reopen in October 2011. The campaign was a call for contributions primarily targeted at previous donors. As of early 2012, the museum was closed.¹³
 - The Colorado Symphony Orchestra brought back its former CEO in an effort to improve declining donations during the mid to latter months of 2011. The organization's board of directors cited the CEO's familiarity with the symphony orchestra and its past donors as the main reason for the rehiring. As of late 2011, the Colorado Symphony Orchestra was still trying to climb back from a \$1.2 million deficit for the 2010–2011 fiscal year.¹⁴
 - In November 2011, the Intiman Theater in Seattle, Washington announced a 'do or die' fundraising campaign in order to overcome fundraising shortfalls in earlier 2011 campaigns. In February 2011, the theater's board of directors announced the immediate need for \$500,000 and another \$250,000 in June and September to cover unpaid bills and remain open. As of February 2012, the Intiman Theater had raised over \$1 million in pledges and planned to remain open for a full schedule throughout 2012.¹⁵
 - The Mary Brogan Museum of Art and Science publicized a piece of stolen art from World War II to initiate a \$500,000 fundraising campaign to keep the museum open to the public.
- As of early 2012, the museum was closed, but specific museum programming was available.¹⁶
- The Syracuse Symphony Orchestra in New York filed for Chapter 7 bankruptcy in April 2011. As of early 2012, the Syracuse Symphony Orchestra had still not emerged from court-protected bankruptcy. Efforts to form alternative professional symphony organizations, led primarily by former Orchestra musicians, have also failed. Nevertheless, funding from Syracuse University and individual donors saved the collapse of the Syracuse Symphony Orchestra's youth development program.¹⁷
 - After filing for bankruptcy at the end of 2010, the Louisville Orchestra emerged from bankruptcy with a court-approved reorganization plan in August 2011. Under the plan, the Orchestra will make payments to a majority of its debt commitments. In early 2012, the Orchestra reached a one-year labor agreement with its musicians, an issue that compounded the organization's bankruptcy filing and finances in 2011. As of May 2012, the Orchestra planned to continue its fall and winter programs beginning in September 2012. The organization is also continuing to ask for contributions through traditional methods of fundraising.¹⁸

Surveys and reports on giving to arts, culture, and humanities organizations in 2011

Based on studies and surveys conducted in 2011 and in early 2012 on various aspects of fundraising, the majority of

arts, culture, and humanities organizations reported an increase in overall fundraising revenue in 2011. By and large, contributions to arts, culture, and humanities organizations continue to strengthen since the very large decline seen in 2008. That year, *Giving USA* estimates a decline of 17.1 percent in contributions to these organizations.¹⁹ The increase of 4.1 percent in giving in 2011 shows promise, generally speaking, that donors may be feeling more comfortable about supporting arts organizations following the recent recession. However, giving has still not returned to the levels seen in 2006 and 2007, which was the peak period for giving to these organizations.

Nevertheless, the increase in 2011 giving continues a growth trend that began in 2010. Summaries of surveys and studies discussing fundraising trends in the arts, culture, and humanities subsector are included in the following sections.

Trends in giving to arts, culture, and humanities organizations throughout 2011 were mixed

The Nonprofit Research Collaborative (NRC), a partnership of organizations

engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.²⁰ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.²¹

As of the June 2011 NRC survey, there had been little change in charitable receipts for arts, culture, and humanities organizations from 2010. Forty-five percent of arts-organization respondents reported growth in charitable receipts between the first six months of 2010 and the first six months of 2011.²² Not quite a third (31 percent) reported a decrease when comparing those two half-year periods, and 23 percent reported that giving remained the same.

In early 2012, the NRC surveyed nonprofit leaders about fundraising success for all of 2011.²³ About 51 percent of respondents from arts organizations reported an increase in charitable giving compared with all of 2010. However, 31 percent saw a decrease. Very few (18 percent) arts-organization respondents experienced no change at all over the year. See Table 1 for more specific results from this survey.

Table 1
Survey results for arts organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
Direction of change		
Up	41	51
Same	21	18
Down	38	31

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

Respondents from arts organizations were more likely to require board member gifts and had a higher average amount for the minimum board member gift required, compared with respondents from the overall nonprofit sector, although neither result was statistically significant.²⁴

- A higher percentage of arts, culture, and humanities organizations required gifts from board members (57 percent, compared with 35 percent overall).²⁵
- Arts, culture, and humanities organizations in the NRC survey reported a higher expected minimum for board member gifts (\$5,655, compared with \$4,977 among all respondents).²⁶

Arts organizations report increased charitable revenue for most months in 2011, compared with 2010

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 nonprofit organizations situated across all nonprofit subsectors, including 151 arts and cultural organizations.²⁷ Donations to all organizations reporting to the index amounted to \$2.76 billion in for the one-year period ending in January 2012.

Organizations within the arts and cultural category analyzed in the index received a total of nearly \$310 million in 2011. For most months of the year, arts organizations saw positive year-over-year changes in revenue.²⁸ Generally, early spring and the winter months saw the lowest increases in charitable revenue for these organizations, and the subsector saw a year-over-year decline

of 4.6 percent in the three-month period ending in April. The positive changes in revenue varied considerably throughout the year, ranging from a positive change of less than one percent in the three-month period ending in May, to a high of 17.1 percent for the three-month period ending in October.

Summer was not so hot for arts organizations raising funds online in 2011, compared with 2010

Published results of the 2011 Blackbaud Index of Online Giving reported that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.²⁹ This analysis included 160 arts and cultural organizations receiving a combined total of over \$20 million in charitable donations through online platforms. The index compares year-to-year giving using the same three-month rolling average as the standard index.

Generally, arts and cultural organizations fared much better in the early and late months of 2011, and the index revealed that the lowest measures of giving were limited to the summer months of June, July, August, and September.³⁰ The three-month period ending in March 2011 saw the largest increase in contributions, at a 32.2 percent year-over-year positive change.

Collaborative funding efforts to support the arts in 2011

Nine of the largest foundations in America collaborated with the National Endowment for the Arts (NEA) and multiple federal agencies to form “ArtPlace.”³¹ The goal of this collabora-

tion is to use the expertise of artists and arts organizations to enhance efforts in community development, transportation, and job creation. According to the ArtPlace website, “ArtPlace supports creative placemaking with grants and loans, research and advocacy.”³² In 2011, ArtPlace granted \$11.5 million to arts organizations across the country with the goal of supporting economic development in those communities. An additional \$12 million in loans from private corporations will support the funding of recipient organizations in the long term.

Weakened state support threatens the vitality of the arts world

State governments struggled to balance budgets with decreasing revenues in 2011. Kansas eliminated its Arts Commission, resulting in a loss of matching funds from the National Endowment for the Arts (NEA).³³ Other states, including New Jersey and Wisconsin, decreased arts funding by as much as 70 percent.³⁴ Meanwhile, the Governor of South Carolina sought to eliminate all arts funding, but was challenged with bipartisan legislative support to maintain cultural funds for the state.³⁵

Recent studies on charitable giving trends in previous years

Revised giving estimates as released by *Giving USA* in this edition show that giving to the arts subsector totaled \$12.60 billion in 2010, a 4.1 percent increase (in current dollars) from the \$12.10 billion in contributions in 2009. The year 2011 provided several important research studies following the giving trends and habits of businesses, founda-

tions, and individuals to the arts subsector, as well as overall funding and growth of arts subsector organizations. Summaries of some of these studies are provided in the following sections.

Expanded research into the nonprofit arts sector challenges foundations on funding

In October 2011, the National Committee for Responsive Philanthropy (NCRP) released a study reporting on the impact of philanthropy and social change on the arts.³⁶ This study documented the funding patterns of foundations to arts and culture organizations in 2009. The findings suggest that much of foundation funding to the arts is not addressing the changing demographic landscapes of the communities the arts serve. Key results from this study include:

- The majority (55%) of foundation funding to the arts in 2009 went directly to large organizations with budgets of \$5 million or more, which account for approximately 2 percent of the universe of arts and culture organizations.
- Only 10 percent of grant dollars were made with a primary or secondary purpose of supporting the arts that explicitly benefited underserved communities.
- Less than 4 percent of funding focused on social justice themes in the arts.

Despite decreases in corporate and foundation giving, individual giving to arts and culture organizations increased slightly from 2009 to 2010

In spring 2012, Americans for the Arts released its annual *National Arts Index*.³⁹ The report provides updated data on

GOOD TO KNOW! *Innovative programming pays off for the Met's bottom line*

As an example of creative revenue generation to supplement private donations, beginning in December 2006, to broaden their audience and revenue base, the Metropolitan Opera, based in New York City, took their performances to big screens around the globe.³⁷ Today, more than 1,600 HD cinemas in over 54 countries show various Metropolitan Opera performances year-round. While these screenings have helped struggling cinema houses worldwide, the Metropolitan Opera has experienced the greatest benefit.³⁸

Preliminary estimates released in late 2011 showed the Met brought in \$182 million in revenue, 50 percent more than it generated in the previous year. The 2011 revenue estimate, as well as the newly balanced budget, was due in large part to the approximate \$11 million in profits generated from HD cinema transmissions between 2010 and 2011. Furthermore, HD screening revenue growth has outpaced traditional Met box office revenue growth, which has remained steady or flat since 2008.

a variety of measures that gauge the status of arts and culture organizations. Included in the 2012 report is updated information about giving from foundations, corporations, and individuals (termed here as “private”) to arts organizations in 2009 and 2010. In order to standardize the data, the National Arts Index sets the baseline year at 2003 (the index value for 2003 is set to 1.00), which provides a reference for the growth or decline in giving to this subsector for each year relative to 2003.

Foundation giving to arts and culture organizations spiked at a high of 1.51 in 2008. However, since then, foundation funding has decreased each year—to 1.12 in 2009 and 1.07 in 2010—representing a decrease of 29 percent from 2008 and 2010 (adjusted for inflation). However, giving in 2010 was still 27 percent above the 2003 level. See Figure 1 for this analysis.

In addition to foundation funding, the National Arts Index 2012 provides

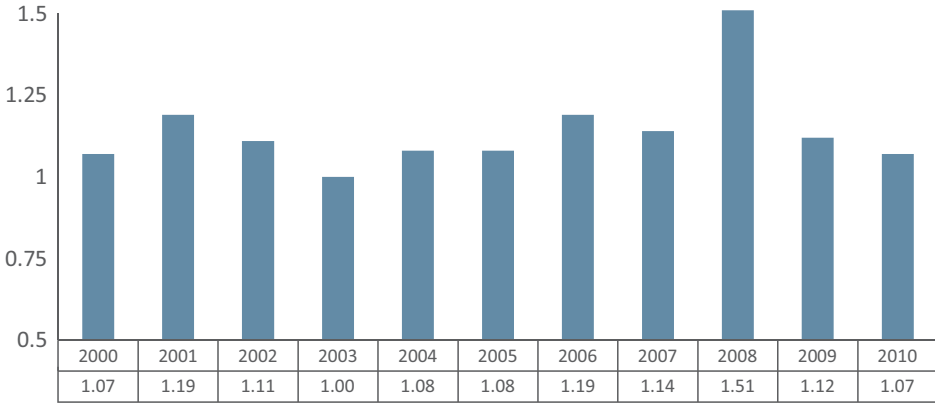
updated data on giving by individuals. Private giving held steady in 2009 with a slight increase in 2010. The 2010 private giving index was 1.03 (representing a value of \$13.11 billion after adjusting for inflation), an increase of 6.5 percent over 2009. See Figure 2 for this analysis.

While private giving grew slowly and foundation giving declined only slightly in 2010, corporate giving decreased significantly from 2007. Likely the result of the recession, corporate giving to arts and culture organizations was 48 percent less in 2010 than in 2007. See Figure 3 for this analysis.

Foundation grants to arts, culture, and humanities showed a slight decline between 2009 and 2010

Giving to the arts, culture, and humanities subsector by community, private/independent, and corporate foundations showed a slight decline from 2009 to 2010 for all three types of foundations.⁴⁰

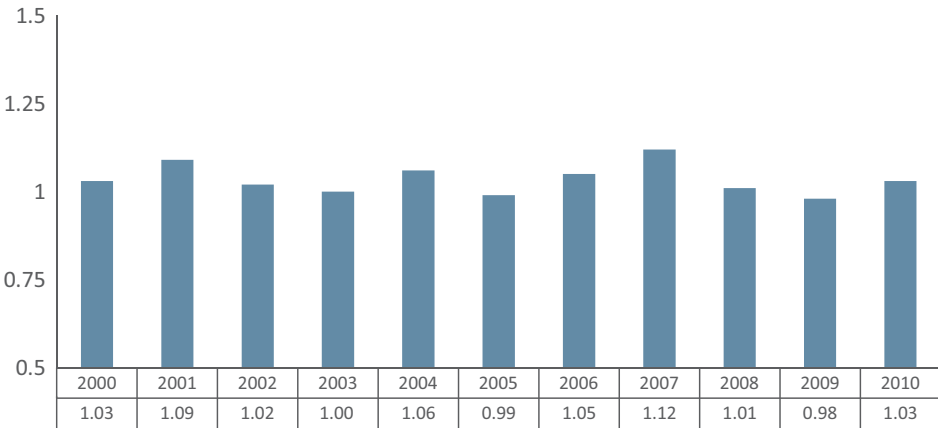
Figure 1
Foundation giving to arts and culture organizations between 2000 and 2010



Note: The year 2003 is set at 1.00, and increases and declines in giving to arts organizations are relative to the 1.00 index point in 2003.

Data: Americans for the Arts, National Arts Index 2012, www.artsindexusa.org

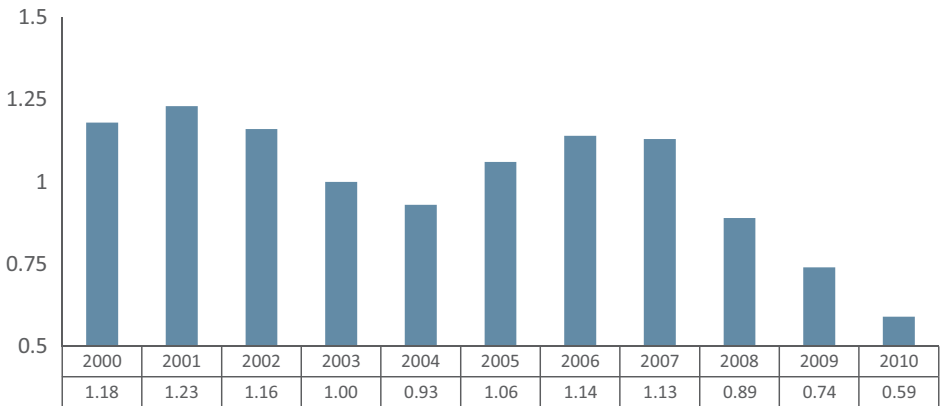
Figure 2
Private giving to arts and culture organizations between 2000 and 2010



Note: The year 2003 is set at 1.00, and increases and declines in giving to arts organizations are relative to the 1.00 index point in 2003.

Data: Americans for the Arts, National Arts Index 2012, www.artsindexusa.org

Figure 3
Corporate giving to arts and culture organizations between 2000 and 2010



Note: The year 2003 is set at 1.00, and increases and declines in giving to arts organizations are relative to the 1.00 index point in 2003.

Data: Americans for the Arts, National Arts Index 2012, www.artsindexusa.org

According to the Foundation Center's Statistical Information Service, median grant amounts to arts organizations remained at \$25,000 in both years, while the average grant amount in 2010 declined by just over \$2,000 from 2009—a 26 percent decrease. Arts organizations experienced a 2 percent decrease in the total number of foundation grants received from 2009 to 2010.

Independent foundations slightly decreased the number of grants given to arts organizations from 2009 to 2010; however, these same foundations increased the dollar amount given to arts organizations by 3.6 percent. Similar to 2009, in 2010 independent foundations accounted for the largest percentage of foundation type giving to arts organizations. Community foundations increased the number of grants given to the arts, culture, and humanities subsector between 2009 and 2010, as well as the amount of dollars given,

by 6 percent. Corporate foundations were the only type of foundation that decreased both the number of grants and the amount of dollars given to arts organizations between 2009 and 2010. Museums and historical societies experienced the greatest benefit from foundation grants in 2010, receiving nearly 5,800 grants and over \$917 million.

Public broadcasting and art museums lead arts and cultural organizations in private donations

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁴¹ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle*

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

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included seven arts and culture organizations, nine museums and libraries, and eight public broadcasting organizations. Only one of the organizations in this category appeared in the top 100. The top five arts and culture organizations, which included museums, libraries, and public broadcasting organizations with the greatest amount in private support, were:⁴²

- Ranking 58th: Public Broadcasting Service, Arlington, VA, with \$282.5 million in private contributions, an increase of 2 percent from the previous year;
- Ranking 116th: Smithsonian Institution, Washington, D.C., with \$170.4 million in private contributions, an increase of 29.4 percent;
- Ranking 146th: Metropolitan Museum of Art, New York, NY, with \$131 million in private contributions, a decline of 5.3 percent;
- Ranking 150th: Metropolitan Opera Association, New York, NY, with \$126.7 million in private contributions, an increase of 21.7 percent; and
- Ranking 188th: WGBH Educational Foundation, Boston, MA, with \$105.5 million in private contributions, a decline of 29.7 percent.

Other museums and libraries included in the top 300 were the Smith Center for the Performing Arts, Las Vegas, ranking 259th; New York Public Library, ranking 262nd; Museum of Modern Art, New York, ranking 267th; Museum of Fine Arts, Houston, ranking 278th; and the American Museum of Natural History, New York, ranking 282nd.

The number of registered arts, culture, and humanities organizations increased nearly 50 percent from 1999 to 2009

The Urban Institute's 2011 "The Nonprofit Sector in Brief" report highlights important trends in the number and revenue mix of arts, culture, and humanities organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990-EZ).⁴³ In 2009, there were 39,719 arts, culture, and humanities organizations among *reporting* public charities, which was 10.9 percent of all registered nonprofits that year and an increase of 47.8 percent since 1999. In 2009, arts subsector organizations received 2.1 percent of all public charity revenue, with total revenue having grown 36.7 percent since 1999.

Key data from annual studies summarized

Table 2 presents three years of data from several studies appearing annually about giving to arts, culture, and humanities organizations. Website addresses are provided so readers can access the full reports.

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 2**Key findings from other studies about giving to arts, culture, and humanities organizations**

Million Dollar List \$10 million and above (2009–2011) from individuals to arts, culture, and humanities organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to arts, culture, and humanities organizations	5	12	16
Largest announced gift from an individual to an arts, culture, or humanities organization	\$85 million from Louise Dieterle Nippert to the Cincinnati Symphony Orchestra, Ballet, and Opera	\$250 million worth of Early American furniture and Dutch and American artwork from George M. and Linda H. Kaufman to the National Gallery of Art, Washington, D.C.	\$13.5 million from David M. Rubenstein to the Foundation for the National Archives to conserve the Magna Carta and prepare the document for exhibition
Dollars to arts, culture, and humanities organizations as a percentage of all announced gifts, excluding those made to free-standing foundations	7 percent	18 percent	10 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to arts, culture, and humanities organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$137,800	\$112,747	\$110,646
Median grant amount	\$25,000	\$25,000	\$25,000
Arts funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	12.5 percent	10.5 percent	11.1 percent

Association of Art Museum Directors State of North America's Art Museums Survey: 2010, 2011, and 2012 editions www.aamd.org			
	2008	2009	2010
Overall revenue, percent of AAMD members reporting:			
Increase (from previous year)	55%	15%	23%
Decrease	17%	61%	58%
No change	28%	24%	19%

Association of Art Museum Directors State of North America's Art Museums Survey: 2010, 2011, and 2012 editions www.aamd.org			
	2008	2009	2010
Gifts from individuals, percent reporting:			
Increase	67%	28%	31%
Decrease	10%	41%	47%
No change	23%	31%	22%
Foundations, percent reporting:			
Increase	45%	24%	28%
Decrease	13%	34%	41%
No change	42%	42%	31%
Corporations, percent reporting:			
Increase	31%	14%	16%
Decrease	31%	60%	60%
No change	38%	26%	24%

Theatre Communications Group Theatre Facts: 2010, 2011, and 2012 editions www.tcg.org			
	2008	2009	2010
Total private contributions to 113 trend theatres	\$2.92 million	\$3.17 million	\$2.80 million
Contributions as a share of all private support from:*			
Individuals	11%	11%	10%
Foundations	7%	10%	7%
Corporations	4%	4%	4%
Trustees	6%	6%	5%
Contributions as a percentage of net income in trend theatres**	39%	45%	43%

IRS Statistics of Income Bulletin ⁴⁴ Tax-exempt arts organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number (of returns)	30,579	31,791	33,805
Charitable revenue***	\$17.47 billion	\$18.53 billion	\$16.78 billion

*Other private sources are not included here, therefore percentages will not add to 100%.

**Trend theatres are 113 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.

***Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

- 1 The 2011 Million Dollar List, accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 2 The model used to estimate charitable giving by recipient was tested in early 2008 by Partha Deb, an econometrician. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 3 This section written by the Center on Philanthropy. Same as note 1 for details about the Million Dollar List.
- 4 Note that these gifts technically fell into the “giving to foundations” category in the 2011 *Giving USA* estimates. Should the gifts be re-gifted to museums or other arts organizations, they will be included in the arts, culture, and humanities subsector totals in future years.
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- 6 C. Bermudez, “Amazon.com CEO Pledges \$10-Million to Museum,” *The Chronicle of Philanthropy*, September 18, 2011, www.philanthropy.com.
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- 14 Ray Mark Rinaldi, “Embattled Colorado Symphony turns to ex-chief,” *The Denver Post*, October 13, 2011, www.denverpost.com.
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- 16 Patricia Cohen, “Museum Welcomes Dispute Over Work,” *The New York Times*, October 11, 2011, www.nytimes.com.
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- 18 Dan Klepal, “Louisville Orchestra, Musicians Reach a 1-Year Deal,” *The Courier Journal*, April 26, 2012, www.courierjournal.com; See also, “In the Arts: Louisville Orchestra Musicians Protest Management Offer,” *Philanthropy Today* blog, *The Chronicle of Philanthropy*, July 14, 2011, <http://philanthropy.com/blogs/philanthropytoday/in-the-arts-louisville-orchestra-musiciansprotestmanagement-offer/37423>.
- 19 This percentage change is in current dollars. This is according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 20 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 21 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.
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- 41 This section written by the Center on Philanthropy. Noelle Barton and Holly Hall, "America's Top Fund-Raising Groups Face Big Struggles," *The Chronicle of Philanthropy*, October 16, 2011, www.philanthropy.com.
- 42 Philanthropy 400 database, *The Chronicle of Philanthropy*, October 2011, www.philanthropy.com.
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- 44 Paul Arnsberger and Mark Graham, "Charities, Fraternal Beneficiary Societies, and Other Tax-Exempt Organizations, 2008," Statistics of Income Bulletin, Fall 2011, www.irs.gov/pub/irs-soi/11eolfallbulteorg.pdf.

14

GIVING TO INTERNATIONAL AFFAIRS

- Charitable giving to international aid, development, and relief organizations (international affairs subsector) is estimated to be \$22.68 billion in 2011, an increase of 7.6 percent from 2010.
- Adjusted for inflation, giving to international affairs organizations is estimated to have risen 4.4 percent in 2011 from 2010.
- Donations to the international affairs subsector amounted to 8 percent of all donations across the subsectors in 2011—three percentage points higher than reported in *Giving USA* 2011.
- Since 1987, inflation-adjusted giving to the international subsector has grown at a much faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 9.4 percent. This growth is substantially due to the rise in the number of international organizations, especially in recent years. The Urban Institute's 2011 "The Nonprofit Sector in Brief" reported an increase of 79.6 percent in the number of international organizations between 1999 and 2009 and growth in total revenue of 154.4 percent in the same time period, making international affairs the fastest growing subsector.¹

Giving USA findings for giving to international affairs in 2011

Giving USA's estimate of giving to the international affairs subsector includes giving to organizations working in international aid, development or relief; those that promote international understanding; and organizations working on international peace and security issues. This subsector also includes research institutes devoted to foreign policy and analysis, as well as organizations working in the domain of international human rights. *Giving USA's* estimates include donations of cash, securities, and in-kind gifts, such as food, medicine, equipment, and other items of value. In-kind gifts are especially

prevalent in this subsector. Some gifts made for international purposes are actually made to environmental, health, human services, or religious organizations, as well as foundations and educational institutions.

Gifts made directly to organizations located abroad are not included in *Giving USA* estimates for giving to international organizations because the amount is not known—the gifts are not eligible for a tax deduction under U.S. tax law. However, in the case of giving by foundations, the amount going to organizations based in other countries is known. This amount is included in the "unallocated" portion of *Giving USA* estimates.

The 2011 estimate for giving to the international affairs subsector is based on a tested model incorporating economic variables from 2011 and historical giving to international affairs organizations.² In 2011, the Center on Philanthropy incorporated a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to international affairs organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>) for more information about how international affairs organizations are categorized within the subsectors using NTEE codes, and see the "Brief summary of methods used" section in this report for information about estimating giving to this subsector.

Million-dollar-and-up gifts to the international affairs subsector in 2011

According to the 2011 Million Dollar List, there were only four gifts from individuals of \$1 million or more to international affairs organizations announced in 2011, totaling \$15 million.³ This represents less than one-tenth of the Million Dollar List total for 2010 of \$172 million. Even if two very large gifts made in 2010—\$50 million from Warren Buffet and \$80 million from Ted Turner—are subtracted from total donations made that year, million-dollar-plus donations for 2011 are still about 35 percent of the previous year's total.

Despite lower giving from individuals, corporations and foundations made large gifts to this subsector in 2011. Two themes stand out on the 2011

Million Dollar List about giving to international affairs organizations:⁴

- The first quarter of 2011 saw a surge in disaster relief for Japan. The Tōhoku earthquake and tsunami struck Japan on March 11, 2011, followed by an outpouring of million-dollar gifts from corporations that had significant interests in the country. Gifts for relief from corporate and other sources totaled \$27.5 million for the first quarter of 2011.
 - Coca-Cola pledged 600 million Japanese yen (US \$7.3 million) in cash and product donations to the relief effort. That contribution included more than 7 million bottles of needed beverages, such as water, tea, and sports drinks.
 - The Walt Disney Company donated \$2.5 million to the American Red Cross and Save the Children for relief by matching cast and employee donations.
 - Actress Sandra Bullock and musician and fashion designer Gwen Stefani each donated \$1 million to support Japanese relief efforts.⁵
- Clean water initiatives ranked high on the agenda for the international subsector, representing one out of every seven gifts in 2011.
 - Coca-Cola donated \$2 million to the United Nations Development Programme and \$2 million to the World Wildlife Fund, both for water stewardship in China.
 - Coca-Cola donated an additional \$6 million to Pan Africa for water stewardship in Africa and

\$1.5 million to the Ocean Conservancy for the Trash Free Seas Initiative.

- Tyco gave a \$2 million gift to ACF International to launch the Clean Water Access Initiative, a global public-private partnership designed to make safe drinking water available to some of the world's most vulnerable communities.
- PepsiCo Foundation donated \$5 million to AquaFund, a fund launched by the Inter-American Development Bank to facilitate investment in water supply and sanitation, water resources, and wastewater treatment in Latin America.
- Other notable million-dollar-and-up gifts to organizations in the international subsector in 2011 include:
 - A \$10 million donation by the Bill & Melinda Gates Foundation to the International Rice Research Institute. The donation will develop Golden Rice, a type of rice containing beta carotene, which the body converts to vitamin A—a vital nutrient that more than 90 million children in Southeast Asia lack.
 - The John D. and Catherine T. MacArthur Foundation donated \$1 million to the Nuclear Threat Initiative. The gift will support efforts to reduce the threat posed by nuclear weapons, including the launch of a nuclear materials security benchmarking project

that will produce an index assessing the level of materials security on a country-by-country basis.

Surveys and indices on giving to international affairs organizations in 2011

Charitable gifts to organizations in the international subsector vary significantly in years with major natural disasters, especially when those occur in poorer regions of the world. Thus, giving rose substantially in 2010 following an earthquake that devastated Haiti. By contrast, three of the natural disasters of 2011 occurred in developed nations—Japan, New Zealand, and Australia. U.S. donors supported relief efforts, but to a lesser extent than they did following the Haitian earthquake of 2010 or after the tsunami struck in the Indian Ocean in late 2004.

Because most surveys and indices released about giving in 2011 compare giving that year with 2010, international charitable receipts are showing weaker returns in 2011 than in 2010 because of giving to support Haiti relief efforts. The following sections provide context for giving trends to international organizations in 2011.

2011 contributions to a sample of organizations in the international subsector down compared with 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.⁶ Each report is based on a survey that used a convenience sample of between

Table 1
Survey results for international affairs organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
Direction of change		
Up	63	48
Same	18	22
Down	19	30

Charitable receipts to international affairs organizations*

*Note: The sample size in both years is less than 30. Results should be used with caution.
 Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

813 and 1,602 staff from a range of non-profit organizations.⁷ Between the NRC’s December 2010 and December 2011 surveys, the share of responding charities in the international subsector reporting increased charitable contributions dropped, possibly reflecting the high level of giving in early 2010 after the Haitian earthquake.

As of late 2010, nearly two-thirds (63 percent) of respondents from international affairs organizations reported they had received more in 2010 than in 2009.⁸ By late 2011, less than half (48 percent) reported increased charitable contributions for the 2011 fiscal year.⁹ This suggests that fewer organizations received funds for relief after the Japanese tsunami of 2011 than they did after the Haitian earthquake. That is consistent with reports that Japanese officials refused international aid, at least initially.¹⁰ See Table 1 for more specific results from the survey.

Among organizations in the international subsector, there were no statistically significant areas of difference between

overall NRC and international subsector results related to board member giving, which was covered in the NRC study released in April 2012.¹¹ For all respondents, just 35 percent of surveyed organizations required a board member gift, and the average amount required, when there was a specified minimum, was \$4,977. The most frequent response (the mode) was \$1,000 as a minimum board member gift.

Giving to international organizations strongest in summer and early fall in 2011, compared with 2010

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 nonprofit organizations situated across all nonprofit subsectors, including 18 international affairs organizations.¹² Donations to all organizations reporting to the index amounted to about \$3 billion for the one-year period ending January 2012. Organizations within the international affairs category

analyzed in the index received a total of nearly \$524 million in 2011.

International organizations analyzed in the index saw large declines in spring 2011, especially in March, when the year-over-year decline was 40.8 percent.¹³ This was the result of the difference between the large sums received in 2010 for Haiti earthquake support versus more normal giving levels in 2011. Giving began to strengthen in May and maintained positive levels through the three-month period ending in October. The highest positive change was realized in the three-month period ending in August, with a year-over-year increase of 32.8 percent. Giving was sluggish at the year's end, with a year-over-year decline of 1.8 percent in the three-month period ending in December.

Blackbaud Index of Online Giving reflects lower giving early in 2011; picks up later in year

Published results of the 2011 Blackbaud Index of Online Giving revealed that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.¹⁴ This analysis included 52 international affairs organizations receiving a combined total of over \$28 million in charitable donations through online platforms. The index compares year-to-year giving using the same three-month rolling average that is used in the standard index.

For international organizations, the index revealed a staggering decline in online charitable giving during the three months ending in March 2011, with a drop of

87.3 percent compared with the same three-month period in 2010.¹⁵ The international affairs subsector began to see increases in online giving in the three-month period ending in May 2011, compared with the same period in 2010, with an increase of 2.9 percent. By the three-month period ending in August 2011, online contributions to international affairs organizations realized a 46.8 percent year-over-year increase. Online giving stayed in the positive range through the rest of the year.

Global disasters in 2011 were the costliest in history

As recovery efforts slowly continued in the wake of the 2010 Haiti earthquake, major global disasters struck again in 2011, prompting an additional outpouring of philanthropic support. But while the Haiti earthquake took a massive human and infrastructural toll, economic fallout from the 2011 disasters was unparalleled.

Munich RE, one of the world's leading reinsurance companies, reported that 2011 was the costliest year in history for losses due to natural disasters.¹⁶ Headlines from the "2011 Natural Catastrophe Year in Review" outlining the year's major disaster events, prepared by Ernst Rauch, Head of Corporate Climate Center at Munich RE, include: 820 catastrophic events, \$380 billion in direct losses, \$105 billion in insured losses, and 27,000 fatalities.¹⁷

Despite significant loss events stemming from the earthquake and tsunami in Japan, earthquakes in New Zealand and

Table 2
Worldwide natural catastrophes in 2011 and 2010, and 10-year and 30-year averages

	2011	2010	10-year average	30-year average
Number of events	820	970	790	630
Overall losses (in billions of dollars)	\$380	\$152	\$113	\$75
Insured losses (in billions of dollars)	\$105	\$42	\$35	\$19
Fatalities (in thousands)	27	296	106	69

Data: Munich RE, 2011 Natural Catastrophe Year in Review, January 4, 2012, www.munichreamerica.com

floods in Thailand and Australia added significantly to total losses. These and other events are summarized in Table 2, which include the Haiti earthquake in 2010. While 2011 shows significant financial loss, the relative loss of human life was remarkably low compared with the previous year.

2011 Japan disaster the worst nuclear event since Chernobyl

Alone, the Japan earthquake and tsunami was the single costliest disaster in modern history, with \$210 million in overall losses.¹⁸ It also accounted for 58.7 percent of all disaster-related fatalities in 2011. While most people survived the 9.0 magnitude earthquake, the subsequent tsunami “engulfed the northeast, wiped out entire towns, and inundated the Fukushima nuclear power plant, triggering the worst nuclear event since Chernobyl.”¹⁹ In response, millions of individuals, and thousands of foundations and corporations stepped up to provide funding to support relief and recovery efforts. News reports from 2011 about Japan relief efforts are summarized in the following sections.²⁰

Initial U.S. donation response to the 2011 Japan disaster subdued in comparison to Haiti earthquake

Though shocking scenes of devastation and the threat of a nuclear meltdown dominated the 24/7 media cycle, the U.S. donation response was “oddly subdued” immediately following the earthquake and tsunami. In the first six days after the Japan disaster, Americans donated only \$66.5 million. This is in contrast to the \$296 million raised in the week following the Haiti earthquake just one year earlier.²¹

Several factors may have led to the limited response. Since Japan is a wealthy nation, American donors may have perceived less of a need than for an impoverished country like Haiti. Despite strong media coverage, which normally results in higher giving, American donors might have hesitated to give relief aid to the world’s third-largest economy.²²

Also, some disaster relief organizations, like Doctors Without Borders, made decisions *not* to proactively raise restricted funds in the days following the event, as they felt they would not

be able to actually use them, given the ability of the Japanese government to respond to the crisis. This also contrasts with Haiti, whose government was nearly destroyed.²³ Another organization, World Vision, determined the \$7 million it raised in the month following the disaster was sufficient to sustain its work in Japan for two years, and the organization subsequently directed donors to contribute to World Vision's general fund to help it prepare for other disasters.²⁴

Frightening images of Geiger counters, hazmat suits, radiation clouds, and the very real possibility of a Chernobyl-like nuclear catastrophe, as compared to heart-stirring scenes of Haitian people in need, evoked more fear than sympathy. This, in turn, may have led to donor hesitation, as it was unclear if or when donations would be helpful.²⁵

Finally, the Japanese themselves discouraged potential donors from giving. Four days after the event, the Japanese Red Cross issued a statement saying they had “determined that external assistance is not required, and [are] therefore not seeking funding or other assistance from donors at this time.”²⁶ Even the Japanese government turned down official foreign assistance, accepting aid from only 15 of 102 countries that initially offered it.²⁷

Strong philanthropic response to the 2011 Japan disaster from Japanese donors

Domestic giving by Japanese people following the disaster was swift and strong. As reported by Gillian Yeoh in the Give2Asia report titled, “Lessons

Learned: The 2011 Disasters in Tohoku, Japan,” Japanese citizens donated over 230 billion yen (US \$3.1 billion) to the Japanese Red Cross, the Central Community Chest of Japan, and other nonprofits in the weeks and months following the earthquake and tsunami.²⁸

By the end of January 2012, the Japanese Red Cross collected 53 billion yen (US \$688 million) for its relief and early recovery activities and an additional 308.4 billion yen (US \$4 billion) from traditional governmental entities (gienkin) to distribute cash payments to survivors.²⁹

Total U.S. giving for the 2011 Japan disaster largest ever to developed nation; third most generous response for any overseas disaster

Despite a slow start, U.S. philanthropic response to Japan ended on a very strong note. A survey conducted by the Japan Center for International Exchange (JCIE) estimated that Americans donated over \$630 million to aid victims of Japan's disaster. The American Red Cross collected the bulk of all U.S. donations, as outlined in Table 3.³⁰

The Japanese disaster response ranks as the largest U.S. philanthropic outpouring ever for a disaster in another developed nation and the third most generous American charitable response in history for any overseas disaster, behind Haiti in 2010 and the Asian tsunami that occurred in late 2004.³¹

Table 3
Top 10 recipients of U.S. donations for 2011 Japan disaster
 (in millions of dollars)

Organization	Amount
American Red Cross	\$312.0
Save the Children	\$26.2
World Vision	\$14.0
Mercy Corps	\$13.8
Latter-day Saints Charities	\$13.0
Japan Society of New York	\$12.5
United Methodist Committee on Relief	\$12.1
Salvation Army	\$9.6
AmeriCares	\$8.5
GlobalGiving	\$8.4
Total	\$430.1

Data: Civil Society Monitor, JCIE Special Report, March 2012, www.jcie.org

Global business response for Japan disaster faster than and twice as high as for Haiti earthquake, but trails Indian Ocean response

The pace of the business sector response to the 2011 Japan disaster was far more rapid than the response to the Haiti earthquake. As reported by the U.S. Chamber of Commerce's Business Civic Leadership Center, corporations donated over \$137 million within three business days of the Japan disaster, whereas the business community took nearly 10 days to top \$100 million following the earthquake in Haiti.³²

As detailed in Table 4, corporate support for the Japan disaster was twice as high as for the Haiti earthquake.³³ As noted in the JCIE report, one reason for the strong business response is that "many U.S. businesses have subsidiaries, clients, or suppliers in Japan."³⁴

However, aid from U.S. corporations following the 2004 tsunami in the Indian Ocean surpassed reported contributions following the Japanese crises.

To aid Japan, several hundred companies made gifts of cash, gave products in-kind, waived fees for donations to relief organizations, and matched employee donations. For example, corporations like Coca-Cola, Medtronic, and Nukepills.com donated and distributed products, including beverages, medical devices, and potassium iodide pills, to the people living near the damaged Fukushima nuclear plant.³⁵

Drought and famine in Somalia and East Africa leave tens of thousands dead

Severe drought and continued political instability contributed to famine in Somalia, Kenya, Ethiopia, Djibouti, and

Table 4**Aid for major overseas disasters by multinational and U.S.-based companies, 2004–2011*****(in millions of dollars)**

Overseas disaster (year of event)	Amount
Indian Ocean Tsunami (2004)	\$566.0
Japan Earthquake & Tsunami (2011)	\$301.2
Haiti Earthquake (2010)	\$146.8
Kashmir Earthquake (2005)	\$116.0
Sichuan Earthquake (2008)	\$110.0
Horn of Africa Famine (2011)	\$77.0
Australia Floods (2011)	\$34.0
Thailand Floods (2011)	\$27.8
Pakistan Floods (2010)	\$24.0
Myanmar Cyclone (2008)	\$6.0
New Zealand Earthquake (2011)	\$5.0
Philippines Typhoon (2009)	\$4.2
Peru Earthquake (2007)	\$1.0

*Note: Includes data from U.S. Chamber of Commerce members as well as non-members.

Data: U.S. Chamber of Commerce, Business Civic Leadership Center, Comparison of Business Aid for Disasters Chart, 2011, www.uschamber.com

parts of Uganda and the new South Sudan.³⁶ On July 20, 2011, the United Nations' humanitarian coordinator for Somalia officially declared that the country had the highest childhood malnutrition rates in the world at more than 50 percent.³⁷ Yet, tragically, delivery of humanitarian aid in Somalia, in particular, slowed as an Islamist group, al-Shabaab, interfered with international nongovernmental organizations and United Nations' agencies working there.³⁸ By October, however, the International Red Cross negotiated with al-Shabaab to regain access to Somalia to deliver food and seeds.³⁹

Through government agencies, the United States gave more than \$1.1 billion

in famine aid in 2011 and was the largest relief donor to the region, followed by Britain, then Japan.⁴⁰ In private contributions, however, U.S. donors per capita lagged those of other countries. As of August 2011, U.S. donations to the top 20 relief agencies working in the region reached a reported \$23.8 million,⁴¹ and by October 2011 total U.S. contributions reached an estimated \$60 million, according to InterAction.⁴² The U.S. Chamber of Commerce reported \$77 million in aid from U.S. firms for famine relief, some of which might be included in the amounts reported by the relief charities. By contrast, in Britain, private contributions to the East Africa appeal topped £72 million by year-end.⁴³ Using May 2012 currency

conversion rates, this amount is approximately \$117 million (US).⁴⁴

The British Department for International Development used United Nations data to estimate that in 2011, between 50,000 and 100,000 people died in the Horn of Africa because of the drought. The department anticipated as many as 13 million people would continue to need aid in 2012.⁴⁵

Giving for other global disasters in 2011 far less than for Japan

The triple disasters in Japan were by far the the largest disaster events in 2011, bearing the brunt of total economic damages along with the greatest loss of human life. Disasters occurred elsewhere, but giving to international organizations for those did not approach the levels of relief for Japan. News reports from 2011 about relief efforts for these events are summarized in the following sections.

Despite being costliest, 2011 was a “below average” year based on number of overall disasters and deaths

The Centre for Research on the Epidemiology of Disasters (CRED) recorded 302 country-level disasters in 2011, down from 373 in 2010 and a yearly average of 384 over the past 10 years.⁴⁶ Loss of human life was well below the previous decade’s yearly average—29,782 versus 106,887. CRED also reported that economic losses from 2011 were the highest on record—\$366 billion, in line with the Munich RE estimates noted previously.

Both the lower human impact cost and the higher economic cost of the 2011 disasters were the result of major events occurring in high- and middle-income countries. These locations had superior resources for disaster prevention, leading to lowered human impact, but more expensive infrastructure, leading to higher economic damages.

Earthquakes in New Zealand inspire worldwide contributions

A New Zealand geological monitoring project called GeoNet reported an earthquake of magnitude 6.3 on February 22, 2011 with severe damage and casualties.⁴⁷ The New Zealand Red Cross reported 181 dead and thousands injured.⁴⁸ It was the most severe of more than 20 earthquakes of magnitude 5 or above in the same region during the year,⁴⁹ impairing recovery efforts by the Red Cross and other agencies.⁵⁰

Aid came from several sources. The New Zealand Red Cross reported total contributions of more than NZ\$89 million.⁵¹ In the U.S., corporations gave a reported \$5 million to various relief efforts, including to the New Zealand Red Cross.⁵² Among the many nongovernmental organizations responding were several with strong operations and fundraising in the United States, including Salvation Army, World Vision, Adventist Development and Relief Agency, and Christian World Service.⁵³ Several other U.S.-based charitable organizations partnered for recovery and rebuilding, including Save the Children⁵⁴ and Habitat for Humanity.⁵⁵

Floods in Thailand damage infrastructure, crops, and lives

Thailand experienced its worst monsoon season in more than 50 years in the fall of 2011.⁵⁶ The rains devastated portions of many South Asian nations, killing more than 800 and disrupting the lives of more than 8 million, according to records from the United Nations Office for the Coordination of Humanitarian Affairs.⁵⁷ By November, InterAction, a U.S. consortium of humanitarian aid groups, reported more than 500 dead in Thailand and 2.45 million Thais affected.⁵⁸ The Thai Red Cross reported contributions from donors worldwide, including from Thais in the U.S.⁵⁹ The U.S. Chamber of Commerce reported more than \$27.8 million in aid from U.S.-based corporations for relief from the floods, as shown in Table 4.⁶⁰ Among the many responding non-governmental organizations were Adventist Development and Relief Agency (ADRA),⁶¹ Catholic Relief Services,⁶² and Caritas Thailand.⁶³ Habitat for Humanity Thailand committed about \$2.4 million in rebuilding aid, with support from U.S.-based and Thai companies and other donors.⁶⁴ UNICEF budgeted about \$1.2 million, appealing to donors in Thailand and elsewhere to provide emergency aid for children, who were most susceptible to water-borne illness.⁶⁵

Update on Haiti relief and recovery

The Chronicle of Philanthropy posted a list in early January 2012 that showed how much 15 charitable organizations received in contributions following the Haitian earthquake of January 2010,

and how much they had expended to date.⁶⁶ These are a subset of more than 60 organizations that raised more than \$2 billion, according to the *Chronicle*. Overall, these charitable organizations had expended two-thirds of received amounts, leaving little for the continuing needs of the ravaged nation and its people.⁶⁷ Other reports released in 2011 and 2012 related to Haiti giving are included in the following sections.

Donors who texted gifts for Haitian relief likely to text gifts for other disaster aid

The Pew Internet & American Life Project reported in January 2012 that 9 percent of adult Americans had used their mobile telephones to text a charitable contribution.⁶⁸ In a further analysis of donors who used “Text to Haiti” in 2010, the study found the vast majority (73 percent) sent the text as a “spur-of-the-moment decision.” Leveraging their own gifts, 46 percent of the “Text to Haiti” donors reported that they encouraged others to give to the campaign, most often doing so through face-to-face conversation. Loyalty to texting as a giving method for relief aid endured, as 80 percent of the text donors did not give for Haitian relief in any other way, and 56 percent of the Haiti donors texted gifts for relief efforts after the 2011 tsunami in Japan. Text donors in the study were found to have given to causes in other ways, yet 25 percent preferred text donations, compared with 24 percent preferring online and 22 percent identifying mail as their preferred method.

Post-Haiti earthquake concerns

Discussion of criticism leveled at Haiti relief organizations in 2010 continued through 2011. Cholera spread quickly and extensively in Haiti beginning in fall 2010, due to poor sanitation, crowded living conditions, and—some allege—insufficient attention from relief organizations.⁶⁹ The disease continued to spread through the summer of 2011. In a nation with very little potable water, directing donated funding to creating safe drinking water should be a continued priority, according to the Center for Economic and Policy Research, a Washington, D.C.-based think tank.⁷⁰

In a study released October 2011, the World Bank examined patterns of aid distribution just after the earthquake and five months later.⁷¹ The study surveyed a random sample of 933 Haitian households about their level of food security/insecurity, livelihoods, and receipt of charitable aid. The researchers found that the people most likely to receive food aid in the first weeks after January 2010 had lost their residences and were sleeping in humanitarian camps.

However, by June 2010, that effect was much weaker. By June, members of agricultural organizations were found to be more likely to be receiving general assistance and food aid than non-members. By contrast, households headed by women were the least likely to be receiving general assistance, and households that included disabled individuals were among the least likely to be receiving food aid. The authors concluded, “Assistance programs alloca-

tion prove not to have been effective in targeting the most vulnerable people in the directly affected area.”⁷²

Following Japan disaster, Americans under 40 just as likely to make donations to disaster relief organizations via digital means as traditional means

In recent years, electronic fundraising and the Internet have sped disaster relief donations as donors turn increasingly to social media and mobile technology. Reports released in 2011 show growth in the percentage of people using online or text giving and growth in search terms for disaster relief contributions.

The Pew Internet & American Life Project’s March survey asked over 1,000 American adults about the methods they used to donate to Japanese disaster relief. About one-quarter (26 percent) of surveyed American adults under age 40 gave for disaster relief after the March 2011 tsunami in Japan.⁷³ Of those, just under half (or 12 percent of the total) gave electronically, either online or through text. About the same percentage (12 percent of the total) gave over the telephone, in person, or by postal mail. Another 4 percent gave in another way.

The percentage of 18–39 year olds who gave via any type of giving vehicle after the Japanese disaster was about the same as the share who gave after the 2004 tsunami in the Indian Ocean. However, the shift toward online giving was a change for 18–39 year olds, growing to 12 percent of the age-cohort

in 2011 compared with just 5 percent of the 18–39 year olds who gave after the earlier disaster.⁷⁴

One contributing factor to the online giving jump might be the ease of online searches, which may also be done by mobile telephones enabled with internet connections. Google reported that “donation to Japan,” “Red Cross Japan,” and “Japan relief” were the top three of the 10 fastest-rising charitable search terms in its list for 2011.⁷⁵

Another contributing factor could have been a direct appeal from President Obama during a segment on ESPN, when he filled in his picks for winners of the college basketball tournament organized by the National Collegiate Athletic Association (NCAA). In this “March Madness” statement, the President said, “This is a great tradition, we have fun every year doing it. But while you’re doing it, if you’re on your laptop, et cetera, go to usaid.gov—U-S-A-I-D dot G-O-V—and that’s going to list a whole range of charities where you can potentially contribute to help the people who have been devastated in Japan.”⁷⁶

Recent studies on charitable giving trends in previous years

Revised giving estimates, as released by *Giving USA* in this edition, show that giving to the international affairs subsector totaled \$21.07 billion in 2010. This amount was 7.1 percent higher than the revised total of \$19.68 billion in 2009. Annual reports on charitable giving trends in the international subsector released in 2011 about previous

years are summarized below, providing additional explanation for the revised estimates for giving to this subsector.

Global humanitarian aid rose in 2010

Private spending for global food and other humanitarian aid reached an estimated \$4.3 billion in 2010 according to Global Humanitarian Assistance.⁷⁷ The group tracks charitable giving and governmental spending for humanitarian aid. In that tally, the U.S. expended \$4.81 billion for 2010 and \$4.38 billion for 2009 for the purposes of humanitarian aid. The country receiving the largest amount of aid for both 2009 and 2010 was Sudan. Note that humanitarian aid is only a portion of the type of contribution tracked in the international subsector, which also includes organizations related to international peace and security, international exchanges, and other activities.

United States’ philanthropic support to developing countries increased between 2009 and 2010

The Hudson Institute’s Center on Global Prosperity released its annual edition of *The Index of Global Philanthropy and Remittances* in May 2012.⁷⁸ The index provides estimates of the international development activities of Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) countries, which includes the United States. The index measures official development assistance (ODA), private philanthropy, remittances, and private capital flows from these member countries to developing countries.

“U.S. net economic engagement with developing countries” totaled \$326.4 billion in 2010, a marked increase from the \$226.2 billion reported by the same study for 2009. A large portion of the funds for 2010 (29 percent) sent internationally was in the form of remittances (i.e., funds sent by migrants to their home countries), followed by private capital flows (49 percent). Private philanthropic funds totaled \$39 billion, up from the 2009 estimate of \$37.5 billion. The 2010 value equates to 12 percent of total support, while U.S. ODA amounted to \$30.4 billion, or 9 percent of total support.

Private philanthropic support, excluding the value of volunteer time, decreased 6 percent in 2010, from \$37.5 billion in 2009 to \$35.3 billion in 2010. Corporate giving to developing countries totaled \$8.9 billion in 2009 and dropped to \$7.6 billion in 2010, a decline of 15 percent.⁷⁹ Of these amounts, the majority (as much as 90 percent in 2009) was given by pharmaceutical companies in the form of cash and in-

kind medicines and supplies. Table 5 shows the breakdown of charitable giving by private sources in the three most recent editions of the index (excluding volunteerism).

The U.S. ranks high in generosity compared with other nations across the globe

The annual *World Giving Index*, compiled by the Charities Aid Foundation, uses data from the Gallup WorldView World Poll and tabulates statistics about the philanthropic behavior of citizens in different nations across the globe—including donating money, volunteering time, and helping strangers.⁸⁰ In collecting data, Gallup used survey methodology from representative samples of individuals living in urban centers. When averaging measures of charitable giving, volunteering, and helping behavior from the previous month, the United States ranked first out of 159 countries. Using these average measures, Table 6 provides a list of the top 5 countries ranked on the index.

Table 5
Private assistance flows from U.S. donors to other countries, 2008–2010
(in billions of dollars)

Source of aid	2008	2009	2010
Foundations	\$4.3	\$4.6	\$4.6
Corporations	\$7.7	\$8.9	\$7.6
Private voluntary organizations	\$11.8	\$12.0	\$14
Colleges and universities	\$1.7	\$1.8	\$1.9
Religious organizations	\$8.2	\$7.2	\$7.2
Total	\$33.7	\$34.5	\$35.3

Data: Hudson Institute’s Center on Global Prosperity, *The Index of Global Philanthropy and Remittances*, 2010, 2011, and 2012, www.hudson.org

Table 6
The top five countries listed on the World Giving Index 2011

2011 Ranking	Country	2011 WGI Score	2010 WGI Score
1	United States	60	55
2	Ireland	59	56
3	Australia	58	57
4	New Zealand	57	57
5	United Kingdom	57	53

Data: Charities Aid Foundation, The World Giving Index, 2011, www.cafonline.org

Note that when comparing the 2011 scores to the 2010 scores, the U.S. rose in the overall score from 55 to 60, and that lifted it to first rank. In the 2010 study, the U.S. was ranked fifth.

The Philanthropy 400's listing for international organizations shows drops in 2010 contributions

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.⁸¹ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 57 international organizations. The top five international organizations with the greatest amount in private support include:⁸²

- Ranking 6th: Food for the Poor, Coconut Creek, FL, with over \$1 billion in private contributions, a decline of 3.7 percent from the previous year;
- Ranking 9th: AmeriCares Foundation, Stamford, CT, with \$794.6 million in private contributions, a decline of 33.5 percent;
- Ranking 11th: World Vision, Federal Way, WA, with nearly \$780 million in private contributions, a decline of 10.4 percent;
- Ranking 25th: Feed the Children, Oklahoma City, OK, with \$516.1 million in private contributions, a decline of 56.7 percent; and
- Ranking 26th: Compassion International, Colorado Springs, CO, with \$506 million in private contributions, an increase of 25.1 percent.

The number of reporting international and foreign affairs charities grew 80 percent between 1999 and 2009

The Urban Institute's 2011 "The Nonprofit Sector in Brief" report highlights important trends in the number

and revenue mix of international and foreign affairs organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990 EZ).⁸³ According to the report, there were 7,218 international and foreign affairs organizations among *reporting* public charities in 2009, accounting for just 2 percent of all registered nonprofits that year. Between 1999 and 2009, the number of these organizations grew 79.6 percent. In addition, in 2009, international and foreign affairs organizations

accounted for 2.1 percent of all public charity revenue, with total revenue having grown 154.4 percent since 1999.

Key findings from annual studies summarized

Table 7 presents three years of data from studies released annually about contributions to international aid, development, and relief organizations. Website addresses are provided so readers can access the full reports.

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Table 7
Key findings from other studies about giving to international organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to international organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to international organizations	0	1	1
Largest announced gift from an individual to an international organization	No gift from an individual greater than \$10 million. The largest confirmed gift was in the amount of \$1 million to Worldfund, New York, from Steve Shindler to support education efforts in Latin America	\$80 million to the United Nations Foundation, Washington, D.C., from Ted Turner to fund polio and measles eradication initiatives in Nigeria	\$10 million from Joan and Sanford I. Weill to the American Friends of Rambam Medical Center. The donation is to support pediatric care at the Rambam Health Care Campus in Haifa, Israel
Dollars to international organizations as a percentage of all gifts, excluding those made to free-standing foundations, \$10 million and greater	0 percent	4 percent	1 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to international organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$327,794	\$311,376	\$177,851
Median grant amount	\$50,000	\$50,000	\$45,000
International funding as a percentage of grant dollars (sampled foundations, including corporate foundations)	5.7 percent	5.5 percent	3.5 percent

IRS Statistics of Income Bulletin ⁸⁴ Tax-exempt international affairs organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number of returns	5,007	5,086	6,136
Charitable revenue*	\$18.0 billion	\$19.6 billion	\$25.54 billion

*Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions).

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15

GIVING TO ENVIRONMENT/ANIMALS

- Giving to environmental and animal organizations in 2011 is estimated to have increased 4.6 percent from 2010 to \$7.81 billion in total contributions.
- Adjusted for inflation, donations to the environment/animals subsector are estimated to have increased 1.4 percent from 2010.
- According to the Center on Philanthropy at Indiana University's 2011 Million Dollar List, there were 13 announced gifts of \$1 million or more to the environment/animals subsector in 2011 by individuals, totaling \$59.4 million.¹ This represents an increase of 360 percent from 2010, largely due to continued cleanup efforts following the early 2010 oil spill in the Gulf of Mexico.
- Since 1987, inflation-adjusted giving to the environment/animals subsector has grown at a faster rate than the average annual rate of inflation (4.4 percent), with average annual growth of 6.3 percent.

Giving USA findings for giving to environmental and animal organizations in 2011

Giving USA's tabulation of giving to the environment/animals subsector includes giving to zoos and aquariums; botanical gardens and horticultural programs; humane societies and other animal rescue organizations; wildlife and habitat preservation groups; organizations working for pollution abatement and control; environmental education programs; outdoor survival programs; and beautification of open spaces. *Giving USA's* estimates include donations of cash, securities, and in-kind gifts, such as equipment, land, and other items of value. Some gifts made for environmental purposes are actually made to international organizations, foundations, or institutions of higher education.

The 2011 estimate for giving to the environment/animals subsector is based on a tested model incorporating economic variables from 2011 and historical giving to environmental and animal organizations.² In 2011, the Center on Philanthropy incorporated a new National Center for Charitable Statistics (NCCS) dataset into the estimation model that provides the most up-to-date information available about giving to environmental and animal organizations. Refer to the Urban Institute's NCCS webpage (<http://nccs.urban.org/>) for more information about how environmental and animal organizations are categorized within the subsectors using NTEE codes, and see the "Brief summary of methods used" section in this report for information about estimating giving to this subsector.

Largest announced gifts to the environment/animals subsector in 2011

According to the 2011 Million Dollar List, there were 13 announced gifts of \$1 million or more from individuals to the environment/animals subsector in 2011, totaling \$59.4 million.³ This represents an increase of 360 percent from 2010, largely due to continued cleanup efforts following the early 2010 oil spill in the Gulf of Mexico.

The environmental subsector receives most of its largest gifts from foundations, as individuals and couples on the list tend to donate to animal causes within their own communities. Some notable large gifts to animal-related organizations on the 2011 Million Dollar List include:

- The San Diego Zoo received a \$15 million gift from Conrad Prebys for a redesign of its Big Cat Trail and Outback areas, making it the largest gift ever received by the zoo. Prebys previously donated \$10.1 million to the zoo after visiting in 2007 and feeling a connection with a polar bear. The new Polar Bear Plunge “bears” his name.
- Many of the 2011 Million Dollar List gifts made by individuals include donations to local humane societies, for instance:
 - Stanley J. Walker of Reno, Nevada donated \$5 million for a new animal shelter in his community.
 - Thomas Mackey of Grosse Point Farms, Michigan donated \$1 million to the Michigan Humane Society.

- Robert and Teresa Kay of Vernal, Utah donated \$1 million for the improvement of kennels at the Utah Humane Society in Murray, Utah.

Some other zoos in the U.S. received large gifts for the construction of new facilities to expand or to replace aging exhibits. Larger mammals require ample space to roam within their exhibits and, hence, require larger investments than small species. Donors on the 2011 Million Dollar List also trended funding toward large animal exhibits:

- The Lilly Endowment gave \$5 million to the Indianapolis Zoological Society to support the International Great Ape Center.
- An anonymous donor gave \$4 million to the Woodland Park Zoo in Seattle, Washington, for the Asian tropical forest exhibit that will house tigers and bears.
- State Farm Insurance of Bloomington, Illinois donated \$1.4 million to keep the popular Kids Farm exhibit open at the National Zoo in Washington, D.C.

Large gifts to support environmental efforts generally fell under two themes:

Restoration following the Deepwater Horizon oil spill in the Gulf of Mexico

- British Petroleum (BP), the company deemed responsible for the oil disaster, gave \$14.4 million to Texas A&M University for the Gulf of Mexico Research Initiative. The program is to help industry and government better understand and predict the chemical interactions of petroleum in the deep ocean.

- The National Fish and Wildlife Foundation gave \$1.1 million to The Nature Conservancy in Washington, D.C. to restore oyster reefs in Louisiana, Mississippi, and Alabama.

Innovation and conservation

- Billionaire Michael Bloomberg's Bloomberg Philanthropies donated \$50 million to the Sierra Club. The donation is to support the Sierra Club's nationwide campaign to eliminate coal-fired power plants.
- Toyota U.S.A. Foundation gave \$3.1 million to The Nature Conservancy to expand the foundation's Leaders in Environmental Action for the Future program.
- The David and Lucile Packard Foundation donated \$1.05 million for the Sustainable Seafood Initiative at the Monterey Bay Aquarium Foundation.
- The Joseph & Vera Long Foundation funded \$1.1 million to The Nature Conservancy of Hawaii to expand its use of technology in conservation efforts. The agency plans to use a portion of the funds on the aerial mapping of invasive weeds and to

develop a web portal that will allow land managers across the state access to real-time conservation data.

More environmental and animal organizations see growth in 2011 compared with 2010; online giving especially strong

Based on studies and surveys conducted in 2011 and early 2012 on various aspects of fundraising, the majority of environmental and animal organizations reported an increase in fundraising revenue in 2011. By and large, contributions to these organizations continue to strengthen since declines that began in 2008. That year, *Giving USA* estimates a decline of 3.5 percent in contributions and, in 2009, a decline of 6.7 percent.⁵ As noted in the previous section, gifts to this subsector have been bolstered most recently by aid to support clean-up efforts following the Gulf oil spill in 2010. However, it could be that as the economy recovers, donors are returning to their "normal" giving behavior—that is, giving less to support immediate needs and a return to pre-recession giving levels. Various surveys and studies on giving to environmental and animal organizations are summarized in the

GOOD TO KNOW! In September 2011, the African Wildlife Foundation was awarded a 4-star rating from Charity Navigator for the 10th consecutive year.⁴ African Wildlife Foundation is a leading international conservation organization focused solely on Africa. For over 50 years, the Washington, D.C.-based organization has worked to protect and conserve wildlife in Uganda, Kenya, Namibia, South Africa, Benin, and other Sub-Saharan African nations. The Charity Navigator award demonstrates how the African Wildlife Foundation has ensured that donors' contributions are used wisely in achieving the organization's mission. The award emphasizes the importance of an organization's adherence to good governance and commitment to accountability and transparency.

Table 1
Survey results for environmental and animal organizations, Nonprofit Research Collaborative, year-end 2010 compared with year-end 2011

	Percentage of respondents	
	All of 2010	All of 2011
Direction of change		
Up	41	51
Same	29	16
Down	30	33

Data: NRC March 2011 and NRC April 2012, www.nonprofitresearchcollaborative.org

following sections to provide context for giving to this subsector in 2011.

A greater share of environmental and animal organizations see increased donations in 2011 compared with 2010

The Nonprofit Research Collaborative (NRC), a partnership of organizations engaged in research about the nonprofit sector, issued three reports about changes in charitable receipts in 2011.⁶ Each report is based on a survey that used a convenience sample of between 813 and 1,602 staff from a range of nonprofit organizations.⁷ Between the NRC’s December 2010 and December 2011 surveys, the share of responding charities in the environment/animals subsector reporting increased charitable contributions rose.

As of late 2010, just 41 percent of respondents from environment/animals organizations reported they had received more in all of 2010 than in the prior year.⁸ By late 2011, over half (51 percent) reported increased charitable contributions for the 2011 fiscal year.⁹ The results for all of 2011 show improvement compared with 2010. See Table 1

for more specific results from the survey.

There were no statistically significant areas of difference between results from all NRC respondents and those from the environment/animals subsector related to board member giving, which was covered in the NRC study released in April 2012.¹⁰ For all respondents, just 35 percent of surveyed organizations required a board member gift, and the average amount required, when there was a specified minimum, was \$4,977. The most frequent response (the mode) was \$1,000 as a minimum board member gift.

Charitable contributions to environmental and animal organizations realized moderate ups and downs throughout the months of 2011

The 2011 Blackbaud Index of Charitable Giving assesses changes in charitable giving from year to year using a three-month rolling average of the charitable revenue of approximately 1,300 nonprofit organizations situated across all nonprofit subsectors, including 151 environmental and animal welfare

organizations.¹¹ Donations to all organizations reporting to the index amounted to \$2.76 billion for the one-year period ending January 2012. Organizations within the environmental and animal welfare category analyzed in the index received a total of nearly \$465 million in 2011.

Organizations within the environment/animals subsector experienced increases and decreases in charitable giving throughout the year.¹² Generally, the year-over-year change in giving to these organizations was more moderate than most of the other subsectors in 2011. The three-month period ending in October saw the largest increase, at a 6.7 percent year-over-year change, while the three-month period ending in September saw the largest decline, at a negative 3.7 percent year-over-year change.

Environmental and animal organizations realize steady, strong increases in online giving throughout 2011

Published results of the 2011 Blackbaud Index of Online Giving revealed that nearly 1,900 U.S. nonprofit organizations received approximately \$423 million in online charitable contributions over a 12-month period ending in January 2012.¹³ This analysis included 106 environmental and animal organizations receiving a combined total of over \$18 million in charitable donations through online platforms. The index compares year-to-year giving using the same three-month rolling average as the standard index.

The online index shows healthy increases for most months of 2011, peaking at a

year-over-year increase of 21.9 percent in the three-month period ending in August 2011.¹⁴ The slowest period of growth, compared with the previous year, was in the spring. After a dip of 3 percent in the three-month period ending in May, giving stayed in the positive range into the new year.

Top animal organizations helped tens of thousands of animals in 2011

Although the environment/animals subsector may not be the largest, the progress shown through these organizations is increasingly substantial. The two leading animal organizations, the Humane Society of the United States (HSUS) and the American Society for the Prevention of Cruelty to Animals (ASPCA), are continuously improving the overall state of animal welfare within the United States, working on ending cruelty and violence toward animals.

The HSUS engages in countless efforts to bring life to their mission, “Celebrating Animals, Confronting Cruelty.”¹⁵ In 2011 alone, the HSUS’s Animal Rescue Team saved more than 8,000 animals from disasters or life-threatening cruelty. Additionally, the HSUS provided hands-on care for more than 60,000 animals in 2011 with the help of their broad network, including animal care centers and the Humane Society Veterinary Medical Association. In the year 2011, HSUS celebrated its one-millionth fan on its Facebook page (to date, the organization has nearly 1.2 million).

The ASPCA is continuously “working to provide effective means for the prevention of cruelty to animals throughout the United States.”¹⁶ In 2011, over 52,000 dogs and cats were saved during the ASPCA’s \$100K Challenge, with participation from animal shelters and rescue groups across the nation. This was an increase of nearly 9,000 dogs and cats compared with 2010. Following the Joplin, Missouri tornado disaster in May 2011, the ASPCA provided shelter for more than 1,300 animals, as well as food and supplies to more than 7,500 animals.

ASPCA has been very successful in advocacy on behalf of animals through federal, state, and local government, as evidenced by collaboration with animal welfare groups to get New York City officials to increase funding to public animal shelters to \$12 million by July 2014—77 percent more than the current budget. Like HSUS, ASPCA is also ever-present through the use of social networking with more than 1 million Facebook fans.

Environmental and animal organizations use social media venues more than other types of nonprofits

Like other types of charitable organizations, those in the environment/animals subsector are increasingly adopting the use of social media websites and other online platforms to share information about issues, especially as a means in engaging young people. A small-scale analysis led by Craig Newmark, founder of Craigslist and Craigconnects, a blog dedicated to the work of nonprofits, found high levels of social media interaction by environmental and animal organizations.¹⁷ Over an eight-week period in fall 2011, Newmark studied the social media behavior of a small sample of large nonprofit organizations from across the charitable subsectors.

Organizations in the environment/animals subsector, such as the Environmental Defense Fund and People for the Ethical Treatment of Animals (PETA), were found to be more likely than other types of organizations

GOOD TO KNOW! Numerous environmental and animal welfare organizations have used their websites and social media accounts to organize non-violent forms of activism and protest, in order to gain media attention and influence policymakers.¹⁸ Since 2005, the Energy Action Coalition, a collective of 50 youth-led environmental and social justice organizations, has used its partner organizations’ websites to organize collaborative campaigns on state, regional, and national levels in the United States and Canada. With the addition of social media, these organizations can now more easily communicate with each other and individuals who might be interested in supporting or donating to the Coalition’s causes. Emerging technologies are creating great opportunities to engage donors, which can result in deeper commitment, a new pool of volunteers, greater public awareness, and more generous giving.

to use social media, with 60 percent using social media websites, such as Facebook or Twitter. Comparatively, only 32 percent of religious organizations and 41 percent of organizations in the health subsector were found to use social media. On average, over that eight-week period, animal organizations posted 14 times per week on their Facebook pages and tweeted 134 times per week on Twitter, while environmental organizations posted 12 times per week on their Facebook pages and tweeted 88 times per week on Twitter.

Other reports on giving to the environment/animals subsector for prior years

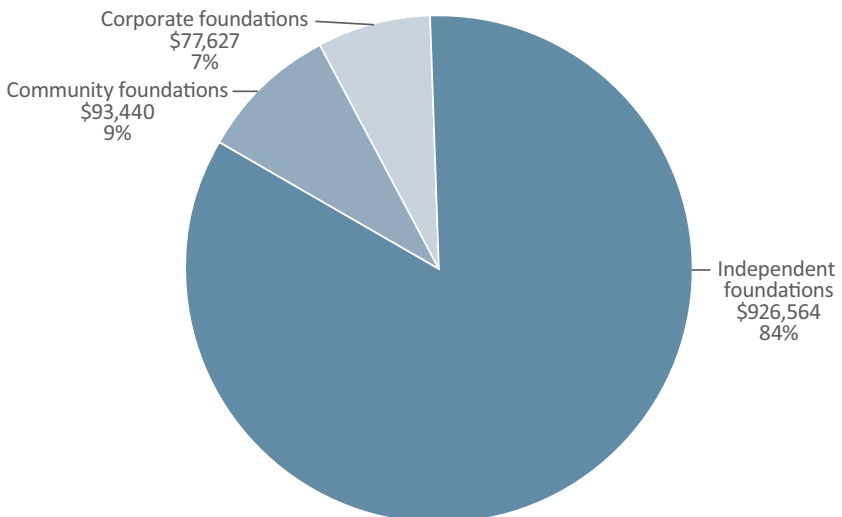
Revised giving estimates, as released by *Giving USA* in this edition, show that

giving to the environment/animals subsector totaled \$7.47 billion in 2010, a 3.9 percent increase from 2009. Many research organizations study charitable revenue and reports based on IRS Forms 990 or other data sources. In 2011, several studies were released about charitable giving and revenue trends for prior years, providing explanation for the revised estimates for giving to this subsector. Some of these reports are summarized below.

Foundation giving to the environment/animals subsector in 2010

Giving to the environment/animals subsector as a share of all giving by community, private/independent, and corporate foundations continued to decline in 2010, from 7.4 percent of

Figure 1
Distribution of charitable giving to environmental and animal organizations by foundation type, 2010
 (in thousands of dollars)



Note: Totals include grants to “animal/wildlife agencies” and to “environmental agencies.”
 Data: Foundation Center, Statistical Information Service, February 2012, www.foundationcenter.org

all giving in 2009 to 6.6 percent of all giving in 2010. However, according to the Foundation Center's Statistical Informational Service database, a lesser decline is noted in 2010 compared with 2009. Results for foundation giving in 2010 were released in early 2012.

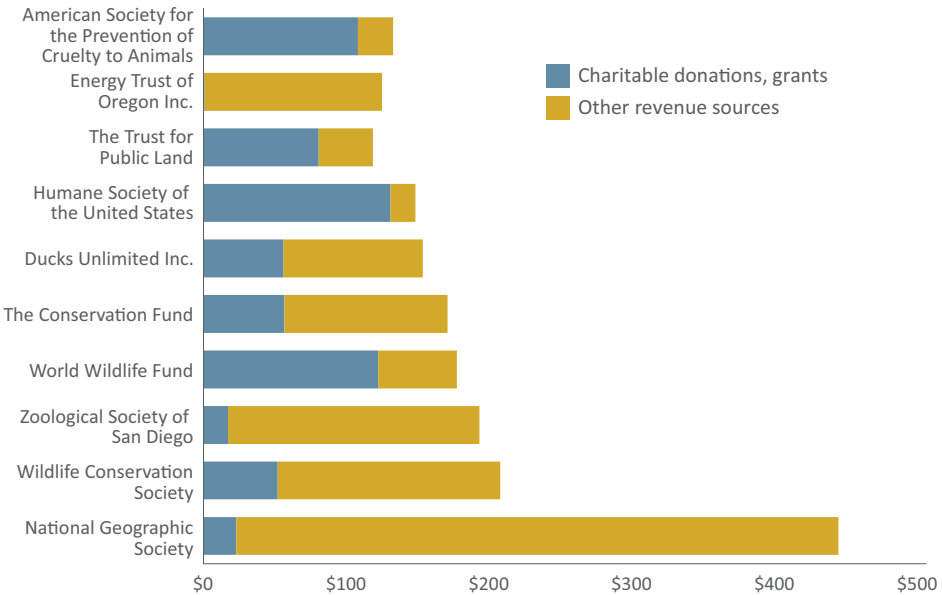
Figure 1 shows the distribution of charitable giving to environmental and animal organizations in 2010 by type of foundations. Overall, giving to these organizations by independent foundations declined from 7 percent of total giving by these foundations in 2009 to 5.8 percent in 2010. Similarly, giving by community foundations declined from

5.5 percent of total giving by these foundations in 2009 to 4.7 percent in 2010. Offsetting these declines, giving by corporate foundations to these organizations increased slightly from 3.2 percent of corporate foundations' total giving in 2009 to 3.3 percent in 2010.

The top three foundations awarding grants for environmental and animal organizations in 2010 include:

- The David and Lucile Packard Foundation provided \$119.56 million through 253 grants;
- The Gordon and Betty Moore Foundation gave \$84.96 million through 165 grants; and

Figure 2
Total revenue and the share of charitable dollars for the top 10 environmental and animal organizations, 2009
(in millions of dollars)



Data: Urban Institute's National Center for Charitable Statistics database, accessed February 2012, <http://nccs.urban.org>

- The Walton Family Foundation gave \$57.47 million through 64 grants.

Largest environmental and animal organizations in 2009

Analysis of Form 990 data, as posted by the Urban Institute's National Center for Charitable Statistics (NCCS), reveals that the top 10 environment/animal non-profits had total revenue of \$1.9 billion for fiscal year 2009, of which \$651 million, or 35 percent, derived from charitable donations.¹⁹ The share of charitable donations for all of the top 10 environmental and animal organizations in 2009 dropped from 2008, when it was 43 percent of the \$1.86 billion in total revenue. In comparison, for the year 2009, *Giving USA* estimates a drop of 6.7 percent in charitable contributions (in current dollars) to environmental and animal organizations from 2008.

Figure 2 shows both total revenue and the share of charitable dollars for each of the top 10 environment/animal organizations in 2009 (the last year for which Form 990 data are available for all organizations for a single year within the database). In 2009, these organizations varied significantly regarding the composition of their revenue. Only 5 percent of the National Geographic Society's revenue came from private, charitable sources, whereas the vast majority of revenue to the Humane Society of the United States and the American Society for the Prevention of Cruelty to Animals derived from private donations and grants (88 percent and 82 percent, respectively). Notably, the very top organizations tended to receive a greater proportion of non-

charitable revenue, especially in the form of government grants and contract fees.

Nature conservation and wildlife organizations lead environment/animals subsector in private donations in most recent Philanthropy 400 survey

The Chronicle of Philanthropy annually compiles a list of the top 400 public charities and private foundations.²⁰ The Philanthropy 400 ranks charities according to the level of private donations received in the previous fiscal year. Private donations include gifts from all private sources—individuals, corporations, and foundations. Gifts of cash, shares of stock, in-kind donations, real estate, and valuables are included. To determine the rankings, the *Chronicle* compiles information from IRS Forms 990, annual reports, financial statements, and a questionnaire.

Philanthropy 400 data issued in 2011 for giving in fiscal years ending 2009–2011 included 16 organizations that can be classified within the environment/animals subsector. The five environmental and animal organizations with the greatest amount in private contributions include:²¹

- Ranking 23rd: The Nature Conservancy, Arlington, Virginia, with \$527 million in private contributions, a 0.9 percent decline from the previous year;
- Ranking 145th: Humane Society of the United States, Washington, D.C. with \$131.2 million in private contributions, a 35.2 percent increase;
- Ranking 154th: World Wildlife Fund, Washington, D.C. with \$124.5 million in private contributions, a 9.9 percent increase;

- Ranking 171st: American Society for the Prevention of Cruelty to Animals, New York, with \$111.3 million in private contributions, a 10.2 percent increase; and
- Ranking 199th: Ducks Unlimited, Memphis, with \$98.7 million in private contributions, a 33 percent decline.

Environment/animals subsector among fastest growing by number and revenue

The Urban Institute's 2011 "The Nonprofit Sector in Brief" report highlights important trends in the number and revenue mix of environmental and animal organizations in 2009 (the most recent year for NCCS data from IRS Forms 990 and 990-EZ).²² The 2011 edition provides various data for the years 1999 through 2009. The report revealed that environmental and animal

organizations accounted for 4.4 percent of 362,926 *reporting* public charities in 2009. That year, these organizations reported \$13.2 billion in revenue, or 0.9 percent of the total revenue across all subsectors. Counting reporting charities only, the number of organizations in the environment/animals subsector grew from 8,499 in 1999 to 16,084 in 2009, an increase of 89.2 percent over the decade. During this time period, this subsector's revenue grew 78.4 percent.

Key findings from annual studies

Table 2 presents three years of data from studies released annually about contributions to organizations in the environment/animals subsector. Website addresses are provided so readers can access the full reports.

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Findings section and other portions written by The Center on Philanthropy at Indiana University.

Table 2
Key findings from other studies about giving to environmental and animal organizations

Million Dollar List \$10 million and above (2009–2011) from individuals to environmental and animal organizations www.milliondollarlist.org			
	2009	2010	2011
Number of announced gifts to environmental and animal organizations	1	1	2
Largest announced gift from an individual to an environmental or animal organization	\$10 million from Philip and Lisa Marie Falcone for the construction and operations of the High Line Park in New York City	\$35 million to the Montana Legacy Project from Hansjörg Wyss, a Swiss philanthropist, for land conservation efforts in Montana	\$20.75 million to the Riverfront Park in Cincinnati, OH, for support from an anonymous donor
Dollars to environmental and animal organizations as a percentage of all gifts, excluding those made to free-standing foundations	1 percent	1 percent	1 percent

Foundation Center's <i>Foundation Giving Trends</i> Grants to environmental and animal organizations: 2008–2010 www.foundationcenter.org			
	2008	2009	2010
Average grant amount	\$201,493	\$157,742	\$136,391
Median grant amount	\$34,563	\$35,000	\$35,000
Environment/animals funding as a percentage of grant dollars (surveyed foundations, including corporate foundations)	8.6 percent	7.4 percent	6.6 percent

IRS Statistics of Income Bulletin²³ Tax-exempt environmental and animal organizations: 2006–2008 www.irs.gov			
	2006	2007	2008
Number of returns	13,341	14,389	13,855
Charitable revenue*	\$8.95 billion	\$9.69 billion	\$9.75 billion

* Charitable revenue includes gifts and foundation grants (which is comparable to what *Giving USA* tracks), as well as grants and allocations from other nonprofit agencies, such as the United Way and United Jewish Communities (which are not included in *Giving USA* estimates for contributions)

- 1 The 2011 Million Dollar List, accessed February 2012, www.milliondollarlist.org. The Million Dollar List, because it is based on media reports, is not a scientific sample of gifts, nor does it include all gifts of \$1 million or more. It is estimated that the gifts on the Million Dollar List represent one-quarter of all donations of \$1 million or more. The Million Dollar List data is constantly being updated, and, therefore, data and figures can fluctuate from month to month.
- 2 The model used to estimate charitable giving by recipient was tested in early 2008 by Partha Deb, an econometrician. This method was found to be the most accurate method of predicting giving to this subsector. Periodically, methods for estimating charitable giving are revised.
- 3 This section written by the Center on Philanthropy. Same as note 1.
- 4 African Wildlife Foundation, "AWF Earns Coveted 4-Star Rating from Charity Navigator, for 10th Year in a Row," September 27, 2011, <http://www.awf.org/content/headline/detail/4552>.
- 5 This percentage change is in current dollars. This is according to revised estimates issued in this edition. See the data tables in the back of this report for more details.
- 6 The NRC summaries were written by Melissa Brown of Melissa S. Brown & Associates, LLC. For reports covering changes in giving in 2011, the partners included: Association of Fundraising Professionals, Blackbaud, Campbell Rinker, the Center on Philanthropy at Indiana University, Convio, the Foundation Center, Giving USA Foundation, GuideStar, Inc., and the National Center for Charitable Statistics at the Urban Institute.
- 7 Survey invitations were sent to membership and email lists of the partner organizations and invitations were distributed via social media and in newsletters. Each report presents a description of respondents for a specific survey. Consult the original materials posted at www.NonprofitResearchCollaborative.org for more information about the samples. The NRC reports are based on convenience samples of different sample sizes, which are not nationally representative.
- 8 Nonprofit Research Collaborative, "March 2011 Nonprofit Fundraising Survey," 2011, www.nonprofitresearchcollaborative.org.
- 9 Nonprofit Research Collaborative, "April 2012 Nonprofit Fundraising Survey," 2012, www.nonprofitresearchcollaborative.org.
- 10 Same as note 9.
- 11 This section written by the Center on Philanthropy. "The Blackbaud Index of Charitable Giving," Blackbaud.com, accessed March 2012, <https://www.blackbaud.com/nonprofit-resources/charitable-giving-index.aspx#wrapUtility>.
- 12 Data accessed in May 2012.
- 13 This section written by the Center on Philanthropy. "The Blackbaud Index of Online Giving," Blackbaud.com, accessed March 2012, <https://www.blackbaud.com/page.aspx?pid=807>.
- 14 Data accessed May 2012.
- 15 The Humane Society of the United States, "2011 Accomplishments," last modified December 29, 2011, http://www.humanesociety.org/about/overview/2011_accomplishments.html.
- 16 About the ASPCA, webpage accessed March 2012, <http://www.aspc.org/about-us/about-the-aspc.aspx>.
- 17 C. Switzer, "Animal-Welfare Charities Among the Most Popular Online," *The Chronicle of Philanthropy*, November 9, 2011, <http://philanthropy.com/blogs/social-philanthropy/animal-welfare-charities-among-the-most-popular-online/29616>.
- 18 Institute of Conservation Leadership, "Reality Check: How Grassroots Environmental Organizations Are (or Are Not) Raising Money Online," September 2011.
- 19 This section written by the Center on Philanthropy. Organizations' fiscal years vary, with some ending as late as fall 2010. Data retrieved from the National Center for Charitable Statistics database in February 2012 at <http://nccs.urban.org>. For this section, top organizations were pulled from the NCCS website and organizations' Forms 990 were reviewed. Charitable contributions include direct public support only (charitable donations and grants calculated by combining "fundraising events" and "all other contributions, gifts, grants, and similar amounts not included above" (1C & 1F found under Part VIII – statement of revenue).
- 20 This section written by the Center on Philanthropy. Philanthropy 400 database, *The Chronicle of Philanthropy*, accessed February 2012, www.philanthropy.com.
- 21 Philanthropy 400 database, *The Chronicle of Philanthropy*, October 2011, www.philanthropy.com.
- 22 This section written by the Center on Philanthropy. K. Roeger, A. Blackwood, and S. Pettijohn, "The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering," The Urban Institute, September 2011, www.urban.org.
- 23 Paul Arnsberger and Mark Graham, "Charities, Fraternal Beneficiary Societies, and Other Tax-Exempt Organizations, 2008," *Statistics of Income Bulletin*, Fall 2011, <http://www.irs.gov/pub/irs-soi/11eofallbulteorg.pdf>.

16

LEGAL AND LEGISLATIVE ISSUES

Summary of legal and legislative issues in 2011

The year 2011 saw some of the most diverse issues in the nonprofit sector in recent history. While the sector was proactively protecting itself and setting new standards for accountability and transparency, federal, state, and local governments were actively involved in nonprofit regulation.

In 2011, the federal government considered making changes to various nonprofit regulatory schemes. Proposals to reduce the charitable deduction, make personal ministries more accountable, end the electioneering prohibition for churches, and ignore the gift tax as it relates to 501(c)(4) organizations all appeared in 2011.

Over the years, the nonprofit sector has worked to create partnerships with governments that involve collaboration and discussion. In 2011, these efforts seem to have paid off. As the federal government has considered major changes to the sector, nonprofits have been invited to be part of the conversation. At the same time, state governments, most notably in Massachusetts and California, have been working to create associations with the nonprofit sector that allow for more services to flow to the citizens of their states.

Federal activity in 2011

Although there were very few major changes to federal laws and policies in 2011, talk about proposed changes was significant. Discussions regarding the charitable deduction, for instance, heightened and are expected to continue into future years. Changes to the charitable deduction won't occur in isolation; rather, they will occur in the context of changes to the federal tax system. Reports and articles about proposed changes at the federal level concerning the nonprofit sector are included in the following sections.

Congress considers proposals to change, reduce charitable deduction

In November 2010, the Bipartisan Policy Center released a report on debt reduction that included a proposal to eliminate the charitable deduction and give nonprofits a tax credit equal to 15 percent of any donation received.¹ Later, in December 2010, President Obama's National Commission on Fiscal Responsibility and Reform released a report, "The Moment of Truth," which called for a removal of itemized deductions while allowing a tax credit for individuals donating between 2 percent and 12 percent of their adjusted gross income.²

President Obama's 2012 budget proposal included a plan to cap the total value of deductions for individuals earning more

than \$200,000 (\$250,000 for families) at 28 percent.³ This includes deductions for charitable donations, state and local taxes, and mortgage interest. A number of organizations lobbied Congress on this issue, claiming that, “While Americans do not make charitable gifts only for tax reasons, tax incentives make more and larger gifts possible.”⁴ This cap was removed before the final budget was passed.

In August 2011, the President signed the Budget Control Act of 2011.⁵ The Act created a twelve-member bipartisan Joint Select Committee on Deficit Reduction. The Committee was tasked with finding \$1.5 trillion in deficit reductions by January 15, 2012. If the deficit reduction measures were not passed by that date, \$1.2 trillion in automatic cuts would have been triggered. On November 23, 2011, the Committee notified Congress that it was not able to agree on the deficit reduction measures.

In preparation for the Committee’s work, the President released “Living

Within Our Means and Investing in the Future: The President’s Plan for Economic Growth and Deficit Reduction” on September 9, 2011.⁶ This plan once again included the 28 percent cap on the total value of deductions for individuals earning more than \$200,000 (\$250,000 for families).

On October 18, 2011, the Senate Finance Committee—in order to provide more information to the Joint Select Committee—held a hearing on “Tax Reform Options: Incentives for Charitable Giving.”⁷ Over the day, the Committee heard from practitioners and scholars in the nonprofit field. However, as Congress was notified by the Joint Select Committee on Deficit Reduction that there would be no agreement on budget cuts, there was no change in the charitable deduction in 2011.

Senate Finance Committee requests guidance and suggestions on ministries

On January 6, 2011, Senator Charles Grassley (R-IA), the ranking member of

GOOD TO KNOW! A May 2011 U.S. Court of Appeals for the 7th Circuit decision struck down a previous decision by the Girl Scouts of the United States of America to terminate a local council of the organization. The Court used Wisconsin law to state that “From a commercial standpoint the Girl Scouts are not readily distinguishable from Dunkin’ Donuts.”⁸ Judge Richard Posner went on to define the commerciality of nonprofits: “The principal difference between the two types of firm is not that nonprofits eschew typical commercial activities such as the sale of services—they do not—but that a nonprofit enterprise is forbidden to distribute any surplus of revenues over expenses as dividends or other income to owners of the enterprise, but must apply the surplus to the enterprise’s mission.”⁹ While the case is very specific to charitable affiliates in Wisconsin, any organization that franchises or licenses its name should consider whether its protections are sufficient.

the Senate Finance Committee, released the results of an almost four-year review of media-based Christian ministries.¹⁰ The investigation looked into six large, media-based ministries, each of which was classified as a church, to consider what type of accountability measures are necessary and whether current accountability standards are sufficient. Four of the ministries provided little or no information in response to requests for information from the Senate Finance Committee.

Senator Grassley asked the Evangelical Council for Financial Accountability (ECFA) to provide input and suggestions on these issues. In response, the ECFA created the Commission on Accountability and Policy for Religious Organizations, which has been tasked with analyzing these issues and addressing key policy areas.¹¹ The Commission is scheduled to release its findings in 2014.

Grassley staff proposes repealing church electioneering ban

A January 2011 staff memo to Senator Grassley proposed that churches no longer be prohibited from electioneering, defined as communications that are meant to influence the outcome of an election.¹² The memo cites the difficulty of IRS enforcement. There has been no follow-up from the Senator or his committee or staff on this proposal as of early 2012.

Model framework on protection of charitable assets

In July 2011, the National Conference of Commissioners on Uniform State

Laws completed the Model Protection of Charitable Assets Act. This Act considers the role of a state's attorney general in protecting charitable assets. It also provides a framework of enforcement and reporting requirements for states to use. The Act was introduced for possible adoption in the legislatures of several states beginning in 2012. Significant provisions include:

- Articulation of the role states' attorneys general play in protecting charitable assets;
- Inventory of basic information that should be collected from charities, in a way that doesn't overburden the charities or the attorney general with excessive reporting requirements; and
- Listing of transactions and legal proceedings that require notice to the attorney general, and required specifics of annual reports.

Representative asks IRS for information on nonprofit audits, compliance

Representative Charles Boustany (R-LA) sent a letter to Internal Revenue Service (IRS) Commissioner Douglas Shulman on October 6, 2011.¹³ Rep. Boustany requested information on IRS audit and compliance procedures related to tax-exempt organizations.

Specifically, Rep. Boustany asked questions that touched on the number of audits completed and issues related to those audits, how the redesigned Form 990 has increased transparency and accountability, and how the IRS reviews allegations of excessive political campaign activity by tax-exempt

organizations. The letter cited the April 2011 House Ways and Means Committee's Subcommittees on Health and Oversight joint hearing on AARP, which included discussion on its exempt status. It noted that members of both subcommittees "expressed concern that other tax-exempt organizations may not be complying with the letter or the spirit of the tax-exempt regime, yet continue to enjoy the benefits of tax exemption." Commissioner Shulman responded to the letter by the October 20, 2011 deadline. By the end of 2011, there had been no further action taken by the Ways and Means Committee on this issue.

Advisory group recommends review of group exemption process

The 2011 report of the IRS Advisory Committee on Tax Exempt and Government Entities included recommendations on group exemptions.¹⁴ A group exemption is a way for a group of organizations to be recognized as tax exempt if they are affiliated with a central exempt organization. Group exemptions are often used by churches, fraternal groups, or other organizations where the central organization exerts some control over its affiliates.

The IRS Advisory Committee found several concerns regarding group exemptions. These concerns centered on the lack of "transparency, accountability, and responsibility" in the group exemption process. Recommendations included eliminating group returns (requiring each organization covered under the group exemption to file on its own) and requiring explanations of

how central organizations supervise or control their affiliates.

Rule proposed to allow federal employees to sit on nonprofit boards

In May 2011, the Office of Government Ethics proposed a rule that would allow federal employees to sit on nonprofit boards.¹⁵ Since 1996, government employees have been banned from sitting on nonprofit boards because of potential conflicts between the employee's job and responsibilities on the board. Waivers were available, but were rarely given. Comments on the rule were due in July 2011. As of the end of 2011, no action had been taken on the proposed rule.

IRS changes its mind on enforcement of gift tax

In May 2011, the IRS notified several donors to 501(c)(4) organizations that it would be considering whether they owed gift taxes based on their donations. Donors to these organizations, unlike 501(c)(3)s, are not able to receive charitable deductions for their donations. Once an individual has given away more than \$13,000 annually (or \$4 million over a lifetime), all subsequent gifts are subject to a gift tax. An individual who gives \$15,000 to a 501(c)(4), then, would be taxed on \$2,000 of the gift.

Prior to this year, the IRS had not enforced the law in its relationship to 501(c)(4)s. After the letters were received by these donors, many taxpayers requested clarification from the IRS. In July 2011, Steven Miller, Deputy Commissioner for Services and Enforcement, issued a memorandum

GOOD TO KNOW! There were interesting developments for charitable solicitation in the United Kingdom that could easily be adopted on this side of the Atlantic. Both the City of Edinburgh (Scotland) and the City of Manchester (England) have implemented codes of conduct for charitable solicitations. Each city now limits the days and times fundraisers may solicit contributions. In addition, Edinburgh now requires certain disclosures, while Manchester limits the number of individuals who may solicit.

stating that, effective immediately, all investigations into this area are closed, and no resources should be expended on investigation of these issues unless the Office of Chief Counsel decides these issues should be considered and notice is made to the public.¹⁶

State and municipal activity in 2011

In 2011, the nonprofit sector saw rising degrees of regulation. From the proposed passage of the Model Protection of Charitable Assets Act in many states, to reports, studies, and commissions to study the sector, governments are considering how charities use their assets. In some cases, governments and nonprofits are working together to address the bigger issues in the communities they serve.

Issues of taxation

In many years, the tax issues in states follow a theme. In 2010, for instance,

dozens of states and municipalities called for payments-in-lieu-of-taxes (PILOTs), while in 2009, states considered taxing nonprofit organizations directly. In 2011, there were very few themes that carried across the states, but there were many interesting tax issues:

- In North Dakota, a Senate bill proposing to exempt thrift stores owned and operated by nonprofit organizations from sales and use taxes was defeated.¹⁹
- Contrasting North Dakota, a California Assembly bill was passed extending sales and use tax exemptions in that state. The law, which was set to expire in 2012, but has been extended to 2018, exempts items from tax when sold by thrift stores operated by nonprofit organizations as long as the purpose of that thrift store is to obtain funding for medical, hospice, or social services provided to

GOOD TO KNOW! During times of economic distress, governments have long turned to the nonprofit sector to take responsibility for services otherwise provided by that government. In 2011, Governor Jerry Brown of California recognized the need for nonprofits to support the park system. The state had scheduled to close 70 parks in 2012 due to a budget deficit.¹⁷ Assembly Bill 42 authorizes the California Department of Parks and Recreation to transfer the responsibility for “development, improvement, restoration, care, maintenance, administration, or operation” of state parks to nonprofits, which have more leeway in fundraising and operations.¹⁸

individuals with HIV or AIDS.²⁰

California revenue laws require the state to reimburse counties and cities for loss of revenue due to state tax laws. In this case, the Assembly specifically stated no reimbursement would take place.

- The Oregon House of Representatives attempted to require exempt organizations to pay the state corporate excise tax in years when their expenditures on charitable purposes and activities do not exceed 30 percent. In essence, the House attempted to legislate the correct amount to be spent on charitable purposes. The bill did not move out of committee before the end of the legislative session.²¹
- The Providence, Rhode Island City Council and Mayor explored enforcing PILOTs from the nine largest nonprofits in the city—all hospitals and universities (Brown University, Johnson & Wales University, the Rhode Island School of Design, Providence College, Rhode Island Hospital, Women & Infants Hospital, Butler Hospital, Roger Williams Medical Center, and Miriam Hospital).²² Several of these institutions have already been paying. Brown University, for instance, voluntarily pays more than

a million dollars a year. No real action was taken by the end of the year, although there was speculation that as Providence College faced larger budget deficits, this discussion would resurface.

- In Colorado, a bill was signed into law that contrasts with the trends of increasing taxation on nonprofits.²³ Property owned and used by fraternal and veterans organizations had been generally exempt from property tax, other than when non-exempt purposes were occasional or resulted in more than \$10,000 annually in income for the organization. This bill removed the “occasional” stipulation and increased the income amount to \$25,000, allowing more organizations to use their property for non-exempt purposes without paying property taxes.

Issues of enforcement

Each state makes its own decisions on how it regulates nonprofits. This has led to some interesting laws. While there are no published examples of a nonprofit choosing to change its state of incorporation due to state law, it is quite conceivable that as states continue to change and tighten laws, organizations will consider which states are friendliest. Some changes in state laws and initiatives that took place in 2011 include:

GOOD TO KNOW! In Tulsa, Oklahoma there has never been any discussion of PILOTs. The reason for that may be the help that is already received by the city. The Tulsa Community Foundation donates approximately one percent (or \$1 million) of its giving to the City of Tulsa. Although the funding is directed to special projects, it fits within the IRS definition of “charitable” that includes “lessening the burdens of government.” Recent projects have included street lights, park security, and highway beautification.²⁴

- Michigan's legislature passed a law amending the Charitable Organizations and Solicitations Act. Most notably, it removed the requirement that charities be licensed by the Attorney General and now simply requires that they register with the state. In addition, it created civil fines (of up to \$10,000) for violations and enabled county prosecutors—rather than those just at the state level—to prosecute individuals under the Act.²⁵
- Governor Dannel P. Malloy of Connecticut created the Governor's Cabinet on Nonprofit Health and Human Services in September. The Cabinet's purpose is to analyze existing public-private partnerships with respect to the state's health and human services delivery systems and to make recommendations to enhance the effectiveness of those systems in regard to client outcomes, cost-effectiveness, accountability, and sustainability. It is also required to submit an annual report with recommendations for budget, policy, and statutory changes to improve the partnership between nonprofit providers of health and human services and the provision of health and human services under purchase of service contracts. The Cabinet is co-chaired by the Governor's Nonprofit Liaison and the CEO of a statewide community action agency.²⁶
- Mississippi amended its Nonprofit Corporation Act. The legislation takes a much deeper look at nonprofit governance. It defines when decisions of the organization are approved by the members and how members must be notified of certain proposals or decisions, as well as provides specifics on electronic communications. It also requires newly formed organizations to have no less than three directors.²⁷
- In Washington, the Senate failed to pass a bill that would have promoted transparency in nonprofit hospital administrator salaries. The bill would have required nonprofit hospitals that wanted to retain a property tax exemption to proactively demonstrate how they set their executive compensation. The information on how executive compensation and third-party contracts are set would have been submitted to the Department of Revenue, and all wage and non-wage compensation for the five highest paid officers would have been posted on a Washington State Hospital Association webpage.²⁸
- In April, Massachusetts Attorney General Martha Coakley released a report on the compensation of directors of nonprofit healthcare institutions (mainly insurance providers). Coakley found that compensation was often too high to be justified and immediately set new regulations that would require greater transparency in nonprofit compensation reporting. In addition, she co-sponsored a bill that would restrict nonprofits from paying volunteer board members any compensation.²⁹ The bill did not pass before the end of 2011.³⁰
- The North Carolina House introduced a bill that would have required nonprofits receiving any state funding to spend no more than 15 percent of

their total budget on administrative costs. In addition, the bill would have required these organizations to generate at least 35 percent of their funding from private sources. The bill failed.³¹

Fundraising regulations

The year 2011 brought very few changes in fundraising regulations at the state level. Several states passed laws that clarified their charitable solicitation laws, but most included very minor changes:

- In West Virginia, the House of Delegates voted against a bill that would prohibit charitable organizations from soliciting on public highways. The bill is directed at those organizations that send individuals with buckets and pamphlets to intersections to fundraise. Although the bill failed, it was again proposed in the first week of the 2012 legislative session.³²
- New Jersey's Division of Consumer Affairs, located in the Department of Law and Public Safety, would require charities that solicit for more than one program to include a notice that donors may designate to the program

of their choice and that choosing not to designate would allow contributions to be used for fundraising or administrative expenses. As of the end of 2011, the comment period was still open.³³

- The Governor of Hawaii signed a bill into law expanding its charitable solicitation laws. Beyond clarifying some details, it also gave the Attorney General the power to issue cease-and-desist orders to charities that break one of several specific laws.³⁴

The rise of benefit corporations

In 2011, California, Hawaii, New Jersey, New York, and Virginia joined Maryland and Vermont to become the only states in the nation recognizing benefit corporations.³⁵ Benefit corporations require board members to have non-monetary fiduciary responsibilities. Although these corporations may exist with a profit motive, they must also consider social and environmental performance standards. Because these types of organizations are so new, there is little data about their efficacy or the number of organizations that choose to operate under a benefit-corporation standard.

GOOD TO KNOW! In 2011, three college games came under scrutiny on tax-exemption issues.³⁶ The Fiesta Bowl (in Arizona), the Sugar Bowl (in Louisiana), and the Orange Bowl (in Florida) comprise three of the five games that together are the Bowl Championship Series (crowning a national college football champion team). The Fiesta Bowl and Sugar Bowl CEOs were each paid over \$600,000 in 2009, over \$300,000 more than the Orange Bowl CEO, raising questions of market-based executive salaries. Reports claim issues with lobbying expenditures, interest-free loans to directors, and payments to local "friendly" politicians. Near the end of 2011, a report was submitted to the IRS by a group of volunteer attorneys and accountants.³⁷

Summary

In considering the prominent legal and legislative issues, it is clear there are some emerging trends. Over the past few years, there has been at least one hearing called annually by a Congressional committee to consider issues related to the nonprofit sector. Each time, representatives of the sector have been called to give expert testimony. While the federal government is continually considering closer regulation of the sector, it is involving the sector in that decision making.

There has also been continued tweaking of nonprofit codes in states to make

rules that actually help state officials understand how to regulate nonprofits. The completed Model Protection of Charitable Assets Act will likely help states come to some type of parallel structure in how they oversee charities.

In 2011, there were many new ideas on nonprofit regulation, especially related to gubernatorial cabinets, the definition of “charitable,” property-tax exemption changes, and charitable deductibility. In many ways, however, the groundwork was only laid for these projects in 2011. It will be interesting to see how these proposals are implemented, replicated, or modified over the next few years.

Chapter written by:

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“Killer Bea” is fighting back against Parkinson’s Disease at Rock Steady Boxing, a nonprofit organization dedicated to improving the lives of people with Parkinson’s, located in Indianapolis, Indiana.

Pictured: Bea Fink and trainer, Christine Timberlake

Photographer: Jessica Fithen

Giving by source, 1971–2011 (in billions of current dollars)

	Total	Percent change	Corpora- tions	Percent change	Founda- tions	Percent change	Bequests	Percent change	Individuals	Percent change
1971	23.44	11.4	0.85	3.7	1.95	2.6	3.0	40.8	17.64	9.0
1972	24.44	4.3	0.97	14.1	2.00	2.6	2.10	-30.0	19.37	9.8
1973	25.59	4.7	1.06	9.3	2.00	0.0	2.00	-4.8	20.53	6.0
1974	26.88	5.0	1.10	3.8	2.11	5.5	2.07	3.5	21.60	5.2
1975	28.56	6.3	1.15	4.5	1.65	-21.8	2.23	7.7	23.53	8.9
1976	31.85	11.5	1.33	15.7	1.90	15.2	2.30	3.1	26.32	11.9
1977	35.21	10.5	1.54	15.8	2.00	5.3	2.12	-7.8	29.55	12.3
1978	38.57	9.5	1.70	10.4	2.17	8.5	2.60	22.6	32.10	8.6
1979	43.11	11.8	2.05	20.6	2.24	3.2	2.23	-14.2	36.59	14.0
1980	48.63	12.8	2.25	9.8	2.81	25.4	2.86	28.3	40.71	11.3
1981	55.28	13.7	2.64	17.3	3.07	9.3	3.58	25.2	45.99	13.0
1982	59.11	6.9	3.11	17.8	3.16	2.9	5.21	45.5	47.63	3.6
1983	63.21	6.9	3.67	18.0	3.60	13.9	3.88	-25.5	52.06	9.3
1984	68.58	8.5	4.13	12.5	3.95	9.7	4.04	4.1	56.46	8.5
1985	71.69	4.5	4.63	12.1	4.90	24.1	4.77	18.1	57.39	1.6
1986	83.25	16.1	5.03	8.6	5.43	10.8	5.70	19.5	67.09	16.9
1987	82.20	-1.3	5.21	3.6	5.88	8.3	6.58	15.4	64.53	-3.8
1988	88.04	7.1	5.34	2.5	6.15	4.6	6.57	-0.2	69.98	8.4
1989	98.30	11.7	5.46	2.2	6.55	6.5	6.84	4.1	79.45	13.5
1990	100.52	2.3	5.46	0.0	7.23	10.4	6.79	-0.7	81.04	2.0
1991	104.92	4.4	5.25	-3.8	7.72	6.8	7.68	13.1	84.27	4.0
1992	111.79	6.5	5.91	12.6	8.64	11.9	9.54	24.2	87.70	4.1
1993	116.86	4.5	6.47	9.5	9.53	10.3	8.86	-7.1	92.00	4.9
1994	120.29	2.9	6.98	7.9	9.66	1.4	11.13	25.6	92.52	0.6
1995	123.68	2.8	7.35	5.3	10.56	9.3	10.41	-6.5	95.36	3.1
1996	139.10	12.5	7.51	2.2	12.00	13.6	12.03	15.6	107.56	12.8
1997	162.99	17.2	8.62	14.8	13.92	16.0	16.25	35.1	124.20	15.5
1998	177.74	9.0	8.46	-1.9	17.01	22.2	13.92	-14.3	138.35	11.4
1999	202.74	14.1	10.23	20.9	20.51	20.6	17.11	22.9	154.63	11.8
2000	229.71	13.3	10.74	5.0	24.58	19.8	17.93	4.8	174.51	12.9
2001	232.25	1.1	11.66	8.6	27.22	10.7	20.01	11.6	173.36	-0.7
2002	230.79	-0.6	10.79	-7.5	26.98	-0.9	18.58	-7.1	174.44	0.6
2003	238.09	3.2	11.06	2.5	26.84	-0.5	18.22	-1.9	181.97	4.3
2004	262.51	10.3	11.36	2.7	28.41	5.8	19.77	8.5	202.97	11.5
2005	287.63	9.6	15.20	33.8	32.41	14.1	18.03	-8.8	221.99	9.4
2006	292.97	1.9	14.52	-4.5	34.91	7.7	18.78	4.2	224.76	1.2
2007	309.76	5.7	14.22	-2.1	40.00	14.6	22.43	19.4	233.11	3.7
2008	290.92	-6.1	12.40	-12.8	42.21	5.5	22.55	0.5	213.76	-8.3
2009	278.65	-4.2	13.79	11.2	41.09	-2.7	23.11	2.5	200.66	-6.1
2010	286.91	3.0	14.56	5.6	40.95	-0.3	21.76	-5.8	209.64	4.5
2011	298.42	4.0	14.55	-0.1	41.67	1.8	24.41	12.2	217.79	3.9

Notes: All figures are rounded. Data on giving by foundations provided by the Foundation Center. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.

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Giving by source, 1971–2011
(in billions of inflation-adjusted dollars)

	Total	Percent change	Corporations	Percent change	Foundations	Percent change	Bequests	Percent change	Individuals	Percent change
1971	130.22	7.1	4.72	-0.4	10.83	-1.4	16.67	35.4	98.00	4.7
1972	131.40	0.9	5.22	10.6	10.75	-0.7	11.29	-32.3	104.14	6.3
1973	129.89	-1.1	5.38	3.1	10.15	-5.6	10.15	-10.1	104.21	0.1
1974	122.73	-5.5	5.02	-6.7	9.63	-5.1	9.45	-6.9	98.63	-5.4
1975	119.49	-2.6	4.81	-4.2	6.90	-28.3	9.33	-1.3	98.45	-0.2
1976	125.89	5.4	5.26	9.4	7.51	8.8	9.09	-2.6	104.03	5.7
1977	130.88	4.0	5.72	8.7	7.43	-1.1	7.88	-13.3	109.85	5.6
1978	133.00	1.6	5.86	2.4	7.48	0.7	8.97	13.8	110.69	0.8
1979	133.46	0.3	6.35	8.4	6.93	-7.4	6.90	-23.1	113.28	2.3
1980	132.87	-0.4	6.15	-3.1	7.68	10.8	7.81	13.2	111.23	-1.8
1981	136.83	3.0	6.53	6.2	7.60	-1.0	8.86	13.4	113.84	2.3
1982	137.79	0.7	7.25	11.0	7.37	-3.0	12.14	37.0	111.03	-2.5
1983	142.69	3.6	8.28	14.2	8.13	10.3	8.76	-27.8	117.52	5.8
1984	148.44	4.0	8.94	8.0	8.55	5.2	8.74	-0.2	122.21	4.0
1985	149.98	1.0	9.69	8.4	10.25	19.9	9.98	14.2	120.06	-1.8
1986	170.60	13.7	10.31	6.4	11.13	8.6	11.68	17.0	137.48	14.5
1987	162.77	-4.6	10.32	0.1	11.64	4.6	13.03	11.6	127.78	-7.1
1988	167.37	2.8	10.15	-1.6	11.69	0.4	12.49	-4.1	133.04	4.1
1989	178.40	6.6	9.91	-2.4	11.89	1.7	12.41	-0.6	144.19	8.4
1990	173.01	-3.0	9.40	-5.1	12.44	4.6	11.69	-5.8	139.48	-3.3
1991	173.42	0.2	8.68	-7.7	12.76	2.6	12.69	8.6	139.29	-0.1
1992	179.15	3.3	9.47	9.1	13.85	8.5	15.29	20.5	140.54	0.9
1993	182.02	1.6	10.08	6.4	14.84	7.1	13.80	-9.7	143.30	2.0
1994	182.53	0.3	10.59	5.1	14.66	-1.2	16.89	22.4	140.39	-2.0
1995	182.70	0.1	10.86	2.5	15.60	6.4	15.38	-8.9	140.86	0.3
1996	199.57	9.2	10.77	-0.8	17.22	10.4	17.26	12.2	154.32	9.6
1997	228.28	14.4	12.07	12.1	19.50	13.2	22.76	31.9	173.95	12.7
1998	245.16	7.4	11.67	-3.3	23.46	20.3	19.20	-15.6	190.83	9.7
1999	273.26	11.5	13.81	18.3	27.68	18.0	23.09	20.3	208.68	9.4
2000	297.34	8.8	14.02	1.5	32.09	15.9	23.41	1.4	227.82	9.2
2001	295.12	-0.7	14.82	5.7	34.59	7.8	25.43	8.6	220.28	-3.3
2002	288.50	-2.2	13.49	-9.0	33.73	-2.5	23.23	-8.7	218.05	-1.0
2003	291.06	0.9	13.52	0.2	32.81	-2.7	22.27	-4.1	222.46	2.0
2004	312.51	7.4	13.52	0.0	33.82	3.1	23.54	5.7	241.63	8.6
2005	331.37	6.0	17.51	29.5	37.34	10.4	20.77	-11.8	255.75	5.8
2006	326.98	-1.3	16.21	-7.4	38.96	4.3	20.96	0.9	250.85	-1.9
2007	335.96	2.7	15.42	-4.9	43.38	11.3	24.33	16.1	252.83	0.8
2008	303.99	-9.5	12.96	-16.0	44.11	1.7	23.56	-3.2	223.36	-11.7
2009	292.08	-3.9	14.45	11.5	43.07	-2.4	24.22	2.8	210.34	-5.8
2010	295.78	1.3	15.01	3.9	42.22	-2.0	22.43	-7.4	216.12	2.7
2011	298.42	0.9	14.55	-3.1	41.67	-1.3	24.41	8.8	217.79	0.8

Notes: All notes in the giving by source (current dollar) table are applicable to this inflation-adjusted table. Inflation adjustment uses the Consumer Price Index calculator available at www.bls.gov. 2011 = 100. All figures are rounded. Data on giving by foundations provided by the Foundation Center. See the "Brief summary of methods used" section of the full report for revisions made to Giving USA data for years prior to 2011. Giving USA: The Annual Report on Philanthropy 2012 and other Giving USA products are available at www.GivingUSAreports.org. © 2012 Giving USA Foundation™

Contributions by type of recipient organization, 1971–2011 (in billions of current dollars)

	Total	Pct chg	Religion	Pct chg	Edu- cation	Pct chg	Human services	Pct chg	Health	Pct chg	Public- society benefit	Pct chg
1971	23.44	11.4	10.07	7.8	2.75	5.8	3.01	3.1	2.61	8.8	0.68	47.8
1972	24.44	4.3	10.10	0.3	2.98	8.4	3.16	5.0	2.80	7.3	0.82	20.6
1973	25.59	4.7	10.53	4.3	3.33	11.7	3.07	-2.8	3.10	10.7	0.62	-24.4
1974	26.88	5.0	11.84	12.4	3.38	1.5	3.90	27.0	3.53	13.9	0.89	43.5
1975	28.56	6.3	12.81	8.2	3.19	-5.6	3.92	0.5	3.66	3.7	1.22	37.1
1976	31.85	11.5	14.18	10.7	3.59	12.5	4.03	2.8	3.74	2.2	1.48	21.3
1977	35.21	10.5	16.98	19.7	3.89	8.4	4.10	1.7	3.93	5.1	1.29	-12.8
1978	38.57	9.5	18.35	8.1	4.32	11.1	4.22	2.9	4.10	4.3	1.50	16.3
1979	43.11	11.8	20.17	9.9	4.70	8.8	4.31	2.1	4.28	4.4	1.82	21.3
1980	48.63	12.8	22.23	10.2	5.07	7.9	4.45	3.2	4.48	4.7	2.28	25.3
1981	55.28	13.7	25.05	12.7	5.93	17.0	4.59	3.1	4.63	3.3	2.13	-6.6
1982	59.11	6.9	28.06	12.0	4.97	-16.2	2.90	-36.8	3.05	-34.1	3.08	44.8
1983	63.21	6.9	31.84	13.5	5.33	7.2	3.04	4.8	3.46	13.4	3.66	18.7
1984	68.58	8.5	35.55	11.7	6.38	19.7	3.35	10.2	3.87	11.8	4.58	25.1
1985	71.69	4.5	38.21	7.5	6.75	5.8	3.68	9.9	4.59	18.6	4.02	-12.2
1986	83.25	16.1	41.68	9.1	8.47	25.5	3.77	2.4	4.37	-4.8	7.57	88.3
1987	82.20	-1.3	43.51	4.4	8.09	-4.5	3.99	5.9	4.70	7.6	4.79	-36.7
1988	88.04	7.1	45.15	3.8	8.80	8.8	4.44	11.2	5.59	18.9	5.11	6.6
1989	98.30	11.7	47.77	5.8	11.31	28.5	6.53	47.1	6.43	15.0	6.27	22.7
1990	100.52	2.3	49.79	4.2	11.85	4.8	6.67	2.1	7.75	20.5	6.88	9.7
1991	104.92	4.4	50.00	0.4	12.10	2.1	7.47	12.0	7.62	-1.7	6.93	0.7
1992	111.79	6.5	50.95	1.9	13.21	9.2	9.06	21.3	8.52	11.8	7.45	7.5
1993	116.86	4.5	52.89	3.8	14.36	8.7	9.58	5.7	8.79	3.2	8.66	16.2
1994	120.29	2.9	56.43	6.7	14.09	-1.9	9.58	0.0	8.98	2.2	8.42	-2.8
1995	123.68	2.8	58.07	2.9	16.47	16.9	10.60	10.6	17.92	99.6	9.16	8.8
1996	139.10	12.5	61.90	6.6	17.95	9.0	11.90	12.3	18.34	2.3	9.68	5.7
1997	162.99	17.2	64.69	4.5	22.00	22.6	14.31	20.3	13.61	-25.8	11.37	17.5
1998	177.74	9.0	68.25	5.5	24.08	9.5	16.32	14.0	12.75	-6.3	12.56	10.5
1999	202.74	14.1	71.25	4.4	26.63	10.6	17.58	7.7	13.55	6.3	13.29	5.8
2000	229.71	13.3	76.95	8.0	28.81	8.2	20.78	18.2	15.30	12.9	14.64	10.2
2001	232.25	1.1	79.87	3.8	28.10	-2.5	24.27	16.8	16.43	7.4	16.48	12.6
2002	230.79	-0.6	82.98	3.9	27.27	-3.0	22.70	-6.5	15.65	-4.7	14.60	-11.4
2003	238.09	3.2	84.12	1.4	29.57	8.4	23.64	4.1	17.52	11.9	16.28	11.5
2004	262.51	10.3	87.51	4.0	31.73	7.3	26.34	11.4	18.58	6.1	17.98	10.4
2005	287.63	9.6	90.86	3.8	35.08	10.6	30.21	14.7	20.17	8.6	21.03	17.0
2006	292.97	1.9	94.63	4.1	40.14	14.4	30.76	1.8	23.90	18.5	23.92	13.7
2007	309.76	5.7	97.79	3.3	42.31	5.4	31.92	3.8	25.14	5.2	20.76	-13.2
2008	290.92	-6.1	98.22	0.4	35.83	-15.3	35.87	12.4	24.22	-3.7	18.65	-10.2
2009	278.65	-4.2	99.56	1.4	35.25	-1.6	31.49	-12.2	23.81	-1.7	19.17	2.8
2010	286.91	3.0	97.54	-2.0	37.38	6.0	34.54	9.7	24.09	1.2	20.54	7.1
2011	298.42	4.0	95.88	-1.7	38.87	4.0	35.39	2.5	24.75	2.7	21.37	4.0

Notes: All figures are rounded. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.

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Contributions by type of recipient organization, 1971–2011
(in billions of current dollars)

	Arts, culture, humanities	Pct chg	Inter- national affairs	Pct chg	Environ- ment/ animals	Pct chg	Gifts to found- ations	Pct chg	Gifts to indi- viduals	Unallocated
1971	1.01	53.0								3.31
1972	1.10	8.9								3.48
1973	1.26	14.5								3.68
1974	1.46	15.9								1.88
1975	1.49	2.1								2.27
1976	1.54	3.4								3.29
1977	1.84	19.5								3.18
1978	1.87	1.6					1.61			2.60
1979	1.98	5.9					2.21	37.3		3.64
1980	2.12	7.1					1.98	-10.4		6.02
1981	2.28	7.5					2.39	20.7		8.28
1982	0.97	-57.5					4.00	67.4		10.40
1983	1.41	45.4					2.71	-32.3		10.17
1984	1.69	19.9					3.36	24.0		7.98
1985	1.89	11.8					4.73	40.8		6.05
1986	2.49	31.7					4.96	4.9		7.66
1987	2.60	4.4	1.45		0.84		5.16	4.0		7.06
1988	3.01	15.8	1.44	-0.7	0.94	11.9	3.93	-23.8		9.63
1989	3.42	13.6	1.62	12.5	1.08	14.9	4.41	12.2		9.46
1990	3.69	7.9	2.06	27.2	1.29	19.4	3.83	-13.2		6.71
1991	3.82	3.5	1.62	-21.4	1.49	15.5	4.46	16.4		9.41
1992	4.16	8.9	2.12	30.9	1.59	6.7	5.01	12.3		9.72
1993	4.26	2.4	1.94	-8.5	1.79	12.6	6.26	25.0		8.33
1994	4.60	8.0	2.47	27.3	1.99	11.2	6.33	1.1		7.40
1995	5.22	13.5	2.63	6.5	2.23	12.1	8.46	33.6		-7.08
1996	5.98	14.6	2.99	13.7	2.60	16.6	12.63	49.3		-4.87
1997	7.18	20.1	3.14	5.0	2.95	13.5	13.96	10.5		9.78
1998	8.09	12.7	4.11	30.9	3.82	29.5	19.92	42.7		7.84
1999	8.80	8.8	5.35	30.2	4.55	19.1	28.76	44.4		12.98
2000	10.55	19.9	6.28	17.4	4.90	7.7	24.71	-14.1		26.79
2001	9.73	-7.8	6.68	6.4	5.32	8.6	25.67	3.9		19.70
2002	9.88	1.5	7.97	19.3	4.69	-11.8	19.16	-25.4		25.89
2003	11.10	12.3	9.48	18.9	5.04	7.5	21.62	12.8		19.72
2004	10.86	-2.2	11.53	21.6	5.90	17.1	20.32	-6.0	1.74	30.02
2005	12.43	14.5	12.62	9.5	6.55	11.0	24.46	20.4	3.11	31.11
2006	13.92	12.0	13.25	5.0	7.42	13.3	27.10	10.8	3.83	14.10
2007	14.78	6.2	14.91	12.5	7.99	7.7	37.67	39.0	3.37	13.12
2008	12.25	-17.1	19.97	33.9	7.71	-3.5	30.14	-20.0	3.60	4.46
2009	12.10	-1.2	19.68	-1.5	7.19	-6.7	32.39	7.5	4.20	-6.19
2010	12.60	4.1	21.07	7.1	7.47	3.9	27.51	-15.1	3.44	0.73
2011	13.12	4.1	22.68	7.6	7.81	4.6	25.83	-6.1	3.75	8.97

Notes: 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 revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.
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Contributions by type of recipient organization, 1971–2011 (in billions of inflation-adjusted dollars)

	Total	Pct chg	Religion	Pct chg	Edu- cation	Pct chg	Human services	Pct chg	Health	Pct chg	Public- society benefit	Pct chg
1971	130.22	7.1	55.94	3.6	15.28	1.7	16.72	-0.9	14.50	4.5	3.78	42.1
1972	131.40	0.9	54.30	-2.9	16.02	4.8	16.99	1.6	15.05	3.8	4.41	16.7
1973	129.90	-1.1	53.45	-1.6	16.90	5.5	15.58	-8.3	15.74	4.6	3.15	-28.6
1974	122.74	-5.5	54.06	1.1	15.43	-8.7	17.81	14.3	16.12	2.4	4.06	28.9
1975	119.50	-2.6	53.60	-0.9	13.35	-13.5	16.40	-7.9	15.31	-5.0	5.10	25.6
1976	125.89	5.3	56.05	4.6	14.19	6.3	15.93	-2.9	14.78	-3.5	5.85	14.7
1977	130.89	4.0	63.12	12.6	14.46	1.9	15.24	-4.3	14.61	-1.2	4.80	-17.9
1978	133.00	1.6	63.28	0.3	14.90	3.0	14.55	-4.5	14.14	-3.2	5.17	7.7
1979	133.47	0.4	62.45	-1.3	14.55	-2.3	13.34	-8.3	13.25	-6.3	5.63	8.9
1980	132.87	-0.4	60.74	-2.7	13.85	-4.8	12.16	-8.8	12.24	-7.6	6.23	10.7
1981	136.83	3.0	62.00	2.1	14.68	6.0	11.36	-6.6	11.46	-6.4	5.27	-15.4
1982	137.79	0.7	65.41	5.5	11.59	-21.0	6.76	-40.5	7.11	-38.0	7.19	36.4
1983	142.69	3.6	71.87	9.9	12.03	3.8	6.86	1.5	7.81	9.8	8.26	14.9
1984	148.44	4.0	76.95	7.1	13.81	14.8	7.25	5.7	8.38	7.3	9.91	20.0
1985	149.98	1.0	79.94	3.9	14.12	2.2	7.70	6.2	9.60	14.6	8.41	-15.1
1986	170.59	13.7	85.41	6.8	17.36	22.9	7.73	0.4	8.95	-6.8	15.51	84.4
1987	162.77	-4.6	86.16	0.9	16.02	-7.7	7.91	2.3	9.31	4.0	9.49	-38.8
1988	167.38	2.8	85.84	-0.4	16.73	4.4	8.44	6.7	10.63	14.2	\$9.71	2.3
1989	178.40	6.6	86.70	1.0	20.53	22.7	11.85	40.4	11.67	9.8	11.38	17.2
1990	173.01	-3.0	85.70	-1.2	20.40	-0.6	11.48	-3.1	13.34	14.3	11.84	4.0
1991	173.42	0.2	82.64	-3.6	20.00	-2.0	12.35	7.6	12.60	-5.5	11.45	-3.3
1992	179.15	3.3	81.65	-1.2	21.17	5.9	14.52	17.6	13.65	8.3	11.94	4.3
1993	182.02	1.6	82.38	0.9	22.37	5.7	14.92	2.8	13.69	0.3	13.49	13.0
1994	182.53	0.3	85.63	3.9	21.38	-4.4	14.54	-2.5	13.63	-0.4	12.78	-5.3
1995	182.69	0.1	85.78	0.2	24.33	13.8	15.66	7.7	26.47	94.2	13.53	5.9
1996	199.57	9.2	88.81	3.5	25.75	5.8	17.07	9.0	26.31	-0.6	13.89	2.7
1997	228.28	14.4	90.60	2.0	30.81	19.7	20.04	17.4	19.06	-27.6	15.92	14.6
1998	245.16	7.4	94.14	3.9	33.21	7.8	22.51	12.3	17.59	-7.7	17.32	8.8
1999	273.60	11.6	96.15	2.1	35.94	8.2	23.72	5.4	18.29	4.0	17.94	3.6
2000	299.88	9.6	100.46	4.5	37.61	4.6	27.13	14.4	19.97	9.2	19.11	6.5
2001	295.11	-1.6	101.49	1.0	35.71	-5.1	30.84	13.7	20.88	4.6	20.94	9.6
2002	288.49	-2.2	103.73	2.2	34.09	-4.5	28.38	-8.0	19.56	-6.3	18.25	-12.8
2003	291.06	0.9	102.84	-0.9	36.15	6.0	28.90	1.8	21.42	9.5	19.90	9.0
2004	312.51	7.4	104.18	1.3	37.77	4.5	31.36	8.5	22.12	3.3	21.40	7.5
2005	331.37	6.0	104.68	0.5	40.41	7.0	34.80	11.0	23.24	5.1	24.23	13.2
2006	326.98	-1.3	105.61	0.9	44.80	10.9	34.33	-1.4	26.67	14.8	26.70	10.2
2007	335.98	2.8	106.06	0.4	45.89	2.4	34.62	0.8	27.27	2.2	22.52	-15.7
2008	303.99	-9.5	102.63	-3.2	37.44	-18.4	37.48	8.3	25.31	-7.2	19.49	-13.5
2009	292.08	-3.9	104.36	1.7	36.95	-1.3	33.01	-11.9	24.96	-1.4	20.09	3.1
2010	295.80	1.3	100.56	-3.6	38.54	4.3	35.61	7.9	24.84	-0.5	21.18	5.4
2011	298.42	0.9	95.88	-4.7	38.87	0.9	35.39	-0.6	24.75	-0.4	21.37	0.9

Notes: All notes in the giving by recipient type (current dollar) table are applicable to this inflation-adjusted table. Inflation adjustment uses the Consumer Price Index calculator available at www.bls.gov. 2011 = 100. All figures are rounded. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy* 2012 and other *Giving USA* products are available at www.GivingUSAreports.org. © 2012 Giving USA Foundation™

Contributions by type of recipient organization, 1971–2011
(in billions of inflation-adjusted dollars)

	Arts, culture, humanities	Pct chg	Inter- national affairs	Pct chg	Environ- ment/ animals	Pct chg	Gifts to found- ations	Pct chg	Gifts to indi- viduals	Unallocated
1971	5.61	46.9								18.39
1972	5.91	5.3								18.71
1973	6.40	8.3								18.68
1974	6.67	4.2								8.58
1975	6.23	-6.6								9.50
1976	6.09	-2.2								13.00
1977	6.84	12.3								11.82
1978	6.45	-5.7					5.55			8.97
1979	6.13	-5.0					6.84	23.2		11.27
1980	5.79	-5.5					5.41	-20.9		16.45
1981	5.64	-2.6					5.92	9.4		20.50
1982	2.26	-59.9					9.32	57.4		24.24
1983	3.18	40.7					6.12	-34.3		22.96
1984	3.66	15.1					7.27	18.8		17.27
1985	3.95	7.9					9.90	36.2		12.66
1986	5.10	29.1					10.16	2.6		15.70
1987	5.15	1.0	2.87		1.66		10.22	0.6		13.98
1988	5.72	11.1	2.74	-4.5	1.79	7.8	7.47	-26.9		18.31
1989	6.21	8.6	2.94	7.3	1.96	9.5	8.00	7.1		17.17
1990	6.35	2.3	3.55	20.7	2.22	13.3	6.59	-17.6		11.55
1991	6.31	-0.6	2.68	-24.5	2.46	10.8	7.37	11.8		15.55
1992	6.67	5.7	3.40	26.9	2.55	3.7	8.03	9.0		15.58
1993	6.64	-0.4	3.02	-11.2	2.79	9.4	9.75	21.4		12.98
1994	6.98	5.1	3.75	24.2	3.02	8.2	9.61	-1.4		11.23
1995	7.71	10.5	3.88	3.5	3.29	8.9	12.50	30.1		-10.46
1996	8.58	11.3	4.29	10.6	3.73	13.4	18.12	45.0		-6.99
1997	10.06	17.2	4.40	2.6	4.13	10.7	19.55	7.9		13.70
1998	11.16	10.9	5.67	28.9	5.27	27.6	27.48	40.6		10.81
1999	11.88	6.5	7.22	27.3	6.14	16.5	38.81	41.2		17.52
2000	13.77	15.9	8.20	13.6	6.40	4.2	32.26	-16.9		34.97
2001	12.36	-10.2	8.49	3.5	6.76	5.6	32.62	1.1		25.03
2002	12.35	-0.1	9.96	17.3	5.86	-13.3	23.95	-26.6		32.36
2003	13.57	9.9	11.59	16.4	6.16	5.1	26.43	10.4		24.11
2004	12.93	-4.7	13.73	18.5	7.02	14.0	24.19	-8.5	2.07	35.74
2005	14.32	10.8	14.54	5.9	7.55	7.5	28.18	16.5	3.58	35.84
2006	15.54	8.5	14.79	1.7	8.28	9.7	30.25	7.3	4.27	15.74
2007	16.03	3.2	16.17	9.3	8.67	4.7	40.86	35.1	3.66	14.23
2008	12.80	-20.1	20.87	29.1	8.06	-7.0	31.49	-22.9	3.76	4.66
2009	12.68	-0.9	20.63	-1.1	7.54	-6.5	33.95	7.8	4.40	-6.49
2010	12.99	2.4	21.72	5.3	7.70	2.1	28.36	-16.5	3.55	0.75
2011	13.12	1.0	22.68	4.4	7.81	1.4	25.83	-8.9	3.75	8.97

Notes: All notes in the giving by recipient type (current dollar) table are applicable to this inflation-adjusted table. Inflation adjustment uses the Consumer Price Index calculator available at www.bls.gov. 2011 = 100. 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 revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org. © 2012 Giving USA Foundation™

Giving as a percentage of gross domestic product (GDP), 1971–2011 (in billions of inflation-adjusted dollars)

Year	Total giving	GDP	Giving as a percentage of GDP
1971	130.22	6,260.0	2.1
1972	131.40	6,655.4	2.0
1973	129.89	7,016.8	1.9
1974	122.73	6,847.0	1.8
1975	119.49	6,852.3	1.7
1976	125.89	7,211.9	1.7
1977	130.88	7,546.8	1.7
1978	133.00	7,909.7	1.7
1979	133.46	7,932.5	1.7
1980	132.87	7,617.8	1.7
1981	136.83	7,739.6	1.8
1982	137.79	7,583.2	1.8
1983	142.69	7,978.8	1.8
1984	148.44	8,508.4	1.7
1985	149.98	8,823.2	1.7
1986	170.60	9,139.5	1.9
1987	162.77	9,379.0	1.7
1988	167.37	9,696.6	1.7
1989	178.40	9,949.4	1.8
1990	173.01	9,983.6	1.7
1991	173.42	9,904.3	1.8
1992	179.15	10,163.9	1.8
1993	182.02	10,385.4	1.8
1994	182.53	10,751.4	1.7
1995	182.70	10,952.3	1.7
1996	199.57	11,246.1	1.8
1997	228.28	11,670.0	2.0
1998	245.16	12,129.0	2.0
1999	273.26	12,622.8	2.2
2000	297.34	12,991.5	2.3
2001	295.12	13,070.1	2.3
2002	288.50	13,302.9	2.2
2003	291.06	13,621.3	2.1
2004	312.51	14,111.1	2.2
2005	331.37	14,542.6	2.3
2006	326.98	14,929.9	2.2
2007	335.96	15,215.5	2.2
2008	303.99	14,933.6	2.0
2009	292.08	14,611.1	2.0
2010	295.78	14,975.8	2.0
2011	298.42	15,094.0	2.0

Notes: GDP data from: "Gross Domestic Product," Bureau of Economic Analysis, 2012, Table 1.1.5, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm. Inflation adjustment uses the Consumer Price Index calculator available at www.bls.gov. 2011 = 100. All figures are rounded. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.

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Individual giving as a percentage of disposable personal income, 1971–2011

Year	Individual giving	Disposable personal income (DPI)	Giving as a percentage of DPI
1971	17.64	801.40	2.2
1972	19.37	869.00	2.2
1973	20.53	978.10	2.1
1974	21.60	1,071.70	2.0
1975	23.53	1,187.30	2.0
1976	26.32	1,302.30	2.0
1977	29.55	1,435.00	2.1
1978	32.10	1,607.30	2.0
1979	36.59	1,790.90	2.0
1980	40.71	2,002.70	2.0
1981	45.99	2,237.10	2.1
1982	47.63	2,412.70	2.0
1983	52.06	2,599.80	2.0
1984	56.46	2,891.50	2.0
1985	57.39	3,079.30	1.9
1986	67.09	3,258.80	2.1
1987	64.53	3,435.30	1.9
1988	69.98	3,726.30	1.9
1989	79.45	3,991.40	2.0
1990	81.04	4,254.00	1.9
1991	84.27	4,444.90	1.9
1992	87.70	4,736.70	1.9
1993	92.00	4,921.60	1.9
1994	92.52	5,184.30	1.8
1995	95.36	5,457.00	1.7
1996	107.56	5,759.60	1.9
1997	124.20	6,074.60	2.0
1998	138.35	6,498.90	2.1
1999	154.63	6,803.30	2.3
2000	174.51	7,327.20	2.4
2001	173.36	7,648.50	2.3
2002	174.44	8,009.70	2.2
2003	181.97	8,377.80	2.2
2004	202.97	8,889.40	2.3
2005	221.99	9,277.30	2.4
2006	224.76	9,915.70	2.3
2007	233.11	10,423.60	2.2
2008	213.76	10,952.90	2.0
2009	200.66	10,788.80	1.9
2010	209.64	11,179.70	1.9
2011	217.79	11,604.90	1.9

Notes: Disposable personal income data from: Personal Income and its Disposition, Table 2.1, data accessed April 2011 at www.bea.gov. All figures are rounded. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.
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Corporate giving as a percentage of corporate pre-tax profits, 1971–2011 (in billions of inflation-adjusted dollars)

Year	Corporate giving	Corporate pre-tax profits	Giving as a percentage of corporate pre-tax profits
1971	4.72	516.00	0.9
1972	5.22	581.83	0.9
1973	5.38	685.13	0.8
1974	5.02	674.79	0.7
1975	4.81	608.95	0.8
1976	5.26	710.43	0.7
1977	5.72	782.57	0.7
1978	5.86	848.76	0.7
1979	6.35	842.51	0.8
1980	6.15	692.73	0.9
1981	6.53	603.32	1.1
1982	7.25	462.96	1.6
1983	8.28	528.22	1.6
1984	8.94	581.41	1.5
1985	9.69	538.62	1.8
1986	10.31	504.02	2.1
1987	10.32	639.80	1.6
1988	10.15	741.29	1.4
1989	9.91	708.62	1.4
1990	9.40	708.59	1.3
1991	8.68	703.12	1.2
1992	9.47	760.26	1.3
1993	10.08	808.44	1.3
1994	10.59	909.00	1.2
1995	10.86	1,010.78	1.1
1996	10.77	1,062.75	1.0
1997	12.07	1,122.91	1.1
1998	11.67	997.09	1.2
1999	13.81	1,053.32	1.3
2000	14.02	1,008.45	1.4
2001	14.82	905.62	1.6
2002	13.49	956.69	1.4
2003	13.52	1,104.49	1.2
2004	13.52	1,463.57	0.9
2005	17.51	1,889.59	0.9
2006	16.21	2,034.29	0.8
2007	15.42	1,885.42	0.8
2008	12.96	1,421.03	0.9
2009	14.45	1,525.89	1.0
2010	15.01	1,875.77	0.8
2011	14.55	1,896.30	0.8

Notes: Corporate pre-tax profits data from: "Corporate Profits Before Tax by Industry," Bureau of Economic Analysis, 2012, Table 6.17D, accessed May 2012 from http://www.bea.gov/iTable/index_nipa.cfm. Inflation adjustment uses the Consumer Price Index calculator available at www.bls.gov. 2011 = 100. All figures are rounded. See the "Brief summary of methods used" section of the full report for revisions made to *Giving USA* data for years prior to 2011. *Giving USA: The Annual Report on Philanthropy 2012* and other *Giving USA* products are available at www.GivingUSAreports.org.

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BRIEF SUMMARY OF METHODS USED

Overview of methodology for 2011 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 Center on Philanthropy at Indiana University prepares all of the estimates in *Giving USA* for the Giving USA Foundation™. 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), Foundation Center, Center on Philanthropy Panel Study, Council for Aid to Education (CAE), the Urban Institute's National Center for Charitable Statistics (NCCS), National Council of the Churches of Christ in the USA (NCCC), U.S. Census Bureau, and others. The methods for estimating giving to religious organizations and foundations are not based on econometric models.

All *Giving USA* estimates are developed before final tax data, some economic indicators, and demographic data for the year being estimated are available. The estimates are revised and updated as final versions of these data become available; for example, final tax return information about itemized deductions made by individuals, corporations, and estates. Publications for these statements are released about two full years from the tax filing year. For the years 2004 to 2009, the median percentage difference between the IRS's initial and final estimates for individual giving is 6.7 percent, with the year 2007 atypical, holding an 11 percent difference. The IRS tends to underestimate individual giving between its initial and revised estimates; thus, all differences are positive. Go to www.irs.gov/taxstats for more information.

The median difference between initial and revised total estimates released by *Giving USA* for the last six years for which final tax data are available (2004 to 2009) is 0.2 percent, with the absolute median (includes no negative changes) at 5.5 percent. The relationship between charitable giving and broader economic trends is less certain when people change their giving as a result of infrequent events—a tax law change, high mortgage foreclosure rates, extreme stock market volatility, and natural disasters, as examples. As a result, the difference between *Giving USA*'s initial

total estimates and revised total estimates for some years ranges outside of the norm. This is true for 2005, when contributions to support 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.¹ This is also true for years that fell during the recession, specifically the year 2009. As a result, the difference between the initial and revised total estimate for that year is larger than usual.

For 2007, a year when only one month was considered to be recessionary, *Giving USA's* revised estimates show a 1.1 percent positive difference between original and revised estimates for total giving, as released in this edition. For 2008, this difference is negative 5.4 percent. However, for 2009, this difference is negative 8.3 percent. Nevertheless, the total percentage difference in giving between initial estimates and “final” estimates for total giving across the last three years for which final giving data are available—2007 to 2009—is negative 4.2 percent.²

For 2009, the 8.3 percent difference between the initial and revised total giving estimates, as released in this edition, is largely attributable to the difference in the individual giving estimate, which realized a total change of 11.8 percent between *Giving USA* 2010 and *Giving USA* 2012. In 2011, *Giving USA* enhanced the model for estimating giving by individuals to more

effectively capture itemized giving by individuals during times of economic distress. As a result, the difference in the estimate for giving by individuals for 2010 as released in *Giving USA* 2011 and 2012 is only one percent. The percentage difference between *total* giving for 2010 as released in *Giving USA* 2011 and 2012 is just 1.4 percent.³

The following sections provide an overview of the methods used to develop the estimates for 2011, beginning with the sources of giving and followed by the recipients of giving by subsector.

Estimating giving by individuals

The *Giving USA* estimate for giving by itemizing individuals (and households) is based on a projection that incorporates historical trends in itemized giving and changes in economic variables related to personal income and wealth. These factors include personal consumption expenditures, the Standard & Poor's 500 Index, personal income-tax rates, and the Consumer Price Index. In spring 2011, Partha Deb, an econometrician, 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.⁴

In addition, for estimating *itemized* charitable giving by individuals in this year's edition for 2010 and 2011, *Giving USA* used a blended forecasting model to capture the most recent IRS data available, which was preliminary data on itemized giving for 2010. 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 for 2008–2011, *Giving USA* used the last dataset available from the Center on Philanthropy Panel Study (COPPS) series, which is part of a longitudinal study of more than 8,000 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. A new COPPS dataset was made available to *Giving USA* for the purposes of estimating individual giving in this edition. These data include giving by non-itemizing households through 2008, upon which *Giving USA* developed an estimate through 2011.

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 11th terrorist attacks, and Hurricane Katrina, among others. In 2011, there were no significant events that affected giving to U.S.-based nonprofits in this way. In addition, in some years, particular individuals make very large gifts to nonprofit organizations called “mega-gifts.” Mega-gifts are those that are large enough to move the rate of change of total giving by one percentage point or more. *Giving USA* 2012 includes a conservative estimate of \$2.73 billion for gifts of this magnitude that were likely paid in 2011. These mega-gifts are added into the individual giving estimate amount for 2011 because our estimation model cannot capture these very large gifts otherwise. Table 1 lists these gifts, while Table 2 shows the

Table 1
Mega-gifts announced in 2011 and likely paid in 2011, included in the *Giving USA* estimate for giving by individuals in 2011*

Donors	Amount of gift	Recipient
Paul Allen	\$373 million	Paul Allen Family Foundation
Anonymous	\$100 million	Western Michigan University
John and Laura Arnold	\$84 million	University of Southern California
Warren Buffett	\$1.5 billion	Bill & Melinda Gates Foundation
Porter Byrum	\$81 million	Wake Forest University
Robert E. and Dorothy King	\$155 million	Stanford University
Margie Peterson	\$100 million	Peterson Automotive Museum Foundation
George Soros	\$335 million	Open Society
Total	\$2.73 billion	

*Source: Various media sources, including *The Chronicle of Philanthropy's* 2011 list of the 50 “Most Generous,” www.philanthropy.com, and the Center on Philanthropy's 2011 Million Dollar List, www.milliondollarlist.org

Table 2
Estimates for giving by individuals, 2009 to 2011
(in billions of dollars)

2009

Itemized deductions for charitable contributions (using final IRS data)	158.02
Estimate for giving by non-itemizers (using COPPS 2009)	+42.64
Total estimated individual giving	200.66

2010

Predicted 2010 itemized contributions (using IRS preliminary data for itemized contributions in 2010)	168.80
Estimate for giving by non-itemizers (using COPPS 2009)	+40.84
Total estimated individual giving	209.64

2011

Predicted 2011 itemized contributions (using IRS preliminary data for itemized contributions in 2010)	173.04
Estimate for mega-gifts paid in 2011	+2.73
Estimate for giving by non-itemizers (using COPPS 2009)	+42.02
Total estimated individual giving	217.79

components of the estimates for giving by individuals in 2009, 2010, and 2011.

Estimating giving by bequest

The method for estimating contributions by bequest follows the procedure introduced in *Giving USA 2005*. The procedure uses data collected by the Council for Aid to Education (CAE) about bequests received at institutions of higher education to develop an estimate of the amount bequeathed to all charities by estates that file estate tax returns. To that estimate is added a value representing charitable bequests made by estates below the federal estate tax filing threshold.

The estimate for giving by bequest in 2011 is based on the reported \$2.31 billion given by bequest to institutions

of higher education as reported in CAE’s survey for giving in 2010–2011. For the 2011 estimate in *Giving USA*, the CAE amount is divided by 0.128 to get \$18.05 billion. The 0.128 figure is the five-year rolling average of the ratio of the CAE amount to IRS charitable deductions claimed on estate tax filings for each year. To that is added a supplement for “mega-bequests,” which are very large estate gifts that are likely to have completed the estate tax filing process in 2011. These mega-bequests are added into the giving by bequest estimate amount for 2011 because our estimation model cannot capture these very large gifts otherwise. These estates are identified by examining announced gifts reported as paid in 2011. Table 3 shows the mega-bequests added to

Table 3
Mega-bequests announced as paid in 2011, included in the *Giving USA* estimate for 2011*

Estate	Amount	Recipient(s)
Margaret A. Cargill	\$2.5 billion	Margaret A. Cargill Foundation and the Anne Ray Charitable Trust
Arthur G. and Margaret B. Glasgow	\$125 million	Virginia Museum of Fine Arts and Virginia Commonwealth University
Total	\$2.63 billion	

*Source: *The Chronicle of Philanthropy's* 2011 list of the 50 "Most Generous," www.philanthropy.com

Giving USA's estimate for bequest giving in 2011.

Added to the value resulting from the CAE estimate and mega-bequests is an estimate of contributions made by estates below the federal estate tax filing threshold of \$5 million for individuals or \$10 million for couples. The method used to estimate giving by estates below the filing threshold is deliberately conservative and is likely to underestimate total charitable bequests given in any 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 on the estimate. The estimate for contributions made by estates below the federal estate tax filing threshold relies on both known information and estimates. The known information includes:

- Number of deaths of adults aged 55 and above;
- Average net worth for adults aged 55 and above; and
- The average percentage of net estate value left to charity by adults aged 55 and above.

Table 4 shows the several components of the bequest estimate for 2011.

Table 4
Estimate for giving by bequest, 2011
(in billions of dollars)

Council for Aid to Education (CAE) findings: bequest receipts for higher education institutions, 2010-2011	2.31
CAE result divided by 0.128 (five-year rolling average) to yield estimate for giving by estates that filed estate tax returns in 2011	18.05
Supplemental "mega-bequests" paid in 2011	+2.63
Estimate of giving by estates that fell below the estate tax filing threshold in 2011 (\$5 million/\$10 million)	+3.73
Total estimated bequest giving	24.41

Table 5
Estimates for giving by corporations, 2009 to 2011
 (in billions of dollars)

2009	
2009 itemized deductions for corporate charitable contributions (from IRS)	13.07
Minus gifts to foundations in 2009 (from Foundation Center)	-3.97
Plus corporate foundation grants made in 2009 (from Foundation Center)	+4.69
Total estimated corporate giving in 2009	13.79
2010	
2009 itemized deductions for corporate charitable contributions (from IRS)	13.07
Estimated change in corporate giving, 2010	+1.98
Subtotal before adjustments for foundations	15.05
Minus gifts to foundations in 2010 (from Foundation Center)	-5.40
Plus corporate foundation grants made in 2010 (from Foundation Center)	+4.91
Total estimated corporate giving in 2010	14.56
2011	
2009 itemized deductions for corporate charitable contributions (from IRS)	13.07
Estimated change in corporate giving, 2010	+1.98
Estimated change in corporate giving, 2011	-0.55
Subtotal before adjustments for foundations	14.50
Minus estimated gifts to foundations in 2011*	-5.15
Plus corporate foundation grants made in 2011 (from Foundation Center)	+5.20
Total estimated corporate giving in 2011	14.55

*Calculated in 2011 by taking the three-year rolling average of the ratio of gifts by/gifts to corporate foundations

Adjustments for prior years for giving by bequest

This edition of *Giving USA* provides updated data for giving by bequest from 1998 to 2010. It is *Giving USA's* policy to use the latest data available from all sources used in *Giving USA's* estimation models. Recent updates to the economic and demographic data used in *Giving USA's* model for giving by bequest contributed to the changes made this year. The average rate of change between

giving by bequest estimates for the years 1998 to 2010 as published in *Giving USA* 2011 and this year's edition, in dollars, is negative \$0.04 billion, or an average of negative 4.4 percent. See the data tables in this report for revisions to giving by bequest for these years.

Estimating giving by foundations

Giving by foundations data are provided to *Giving USA* from the Foundation Center for giving by independent,

community, and operating foundations in 2011.⁵ The Foundation Center also provides estimates for giving by corporate foundations. That component is moved from the Foundation Center's estimate of giving by all types of foundations and calculated in the *Giving USA* estimate for giving by corporations. Go to www.foundationcenter.org for more information about the Foundation Center's estimates for giving by foundations in 2011 and prior years.

Estimating giving by corporations

The estimate for giving by corporations is based on the most recent data available for itemized contributions claimed by companies on federal tax returns, which is modified to:

- 1) Add changes in corporate giving found in the estimating procedure developed by *Giving USA* for at least the two most recent years;
- 2) Deduct corporate contributions to corporate foundations, as estimated by *Giving USA* for the most recent year, based on findings about giving by foundations in prior years released by the Foundation Center; and
- 3) Add the Foundation Center's estimate for giving by corporate foundations.

For estimating corporate giving in 2011, *Giving USA* used final IRS data about contributions itemized by corporations from years prior to 2010. The *Giving USA* estimate for giving by corporations is based on a projection that incorporates historical trends in corporate itemized giving and changes in Gross Domestic Product (GDP), corporate pre-tax profits, the Consumer Price Index, and the

corporate tax rate.⁶ Table 5 illustrates components of the estimate for giving by corporations for 2009, 2010, and 2011.⁷

Adjustments for prior years for giving by corporations

In addition to the revisions of estimates noted for the years 2009 and 2010 in Table 5, this edition of *Giving USA* provides updated data for giving by corporations from 2005 to 2008. It is *Giving USA's* policy to use the latest data available from all sources used in *Giving USA's* estimation models. Recent updates to the economic data used in *Giving USA's* model for giving by corporations contributed to the changes made this year. The average rate of change between the giving by corporations estimates for the years 2005 to 2008 as published in *Giving USA* 2011 and this year's edition, in dollars, is negative \$0.45 billion, or an average of negative 2.76 percent. See the data tables in this report for revisions for giving by corporations for these years.

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; arts, culture, and humanities; environment/animals; public-society benefit; and international affairs subsectors, as well as for giving to foundations. *Giving USA* has, with this edition, developed these estimates using modeling procedures similar to the ones used since 2002.

Table 6
Revised estimates for giving to the religion subsector, 2002–2010

	Revised rate of change for giving to reporting religious organizations	New estimate for giving to religious organizations (in billions of current dollars)
Rate of change for reporting organizations between 2001–02 for giving in 2002	3.9%	82.98
Rate of change for reporting organizations between 2002–03 for giving in 2003	1.4%	84.12
Rate of change for reporting organizations between 2003–04 for giving in 2004	4.0%	87.51
Rate of change for reporting organizations between 2004–05 for giving in 2005	3.8%	90.86
Rate of change for reporting organizations between 2005–06 for giving in 2006	4.1%	94.63
Rate of change for reporting organizations between 2006–07 for giving in 2007	3.3%	97.79
Rate of change for reporting organizations between 2007–08 for giving in 2008	0.4%	98.22
Rate of change for reporting organizations between 2008–09 for giving in 2009	1.4%	99.56
Rate of change for reporting organizations between 2009–10 for giving in 2010	-2.0%	97.54

The following sections briefly describe the data sources and methods used in developing estimates for recipient subsectors.

Estimating giving to the religion subsector

The estimate for giving to religious organizations relies on data from several sources:

- A baseline estimate from 1986 of \$50 billion in contributions to religious organizations that was developed separately by three different researchers.⁸
- A percentage change in giving to religious organizations developed

by summing contribution data released by the National Council of Churches of Christ in the USA (NCCC) and amounts reported by members of the Evangelical Council for Financial Accountability (ECFA).⁹

Methodology for estimating giving to religion in years prior to 2011:

For years prior to 2011, *Giving USA* incorporated the latest data available on giving to religious organizations tracked by NCCC and ECFA. The steps for calculating religious giving for these years include:

- Adding contributions to religious organizations provided by NCCC

and ECFA for each filing year between 2001 and 2010, including only those organizations that provided data for three consecutive years.

- Taking the percentage change in total giving for all organizations between each year.
- Beginning with the *Giving USA* estimate for 2001, adding an amount for giving to religious organizations based on the new rate of change for each year between 2002 and 2010.

Table 6 shows the revised rates of change and estimates for giving to the religion subsector for the years 2002 to 2010.

Methodology for estimating giving to religion in 2011

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 organiza-

tions for the last three years for which data are available: 2008 to 2010. In inflation-adjusted dollars, the three-year average is a decrease of 1.7 percent.

This 1.7 percent decrease is applied as the rate of change for current dollar giving to religion between 2010 and 2011, which results in \$95.88 billion to religion for 2011. The inflation-adjusted change in giving becomes -4.7 percent in 2011.

Estimating giving to foundations

Historically, *Giving USA* has relied solely on the Foundation Center's final data on giving to foundations for its estimate. More recently, since 2005, *Giving USA* has made adjustments for the following items:

- Adjusting for Warren Buffet'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 non-profit organizations across the sector.

Table 7
Calculations for giving to foundations, 2007–2010
(in billions of dollars)

	Foundation Center data for giving to foundations	Pharmaceutical gifts	Verified Warren Buffet gifts to the Bill & Melinda Gates Foundation	Final calculation
2007	42.43	-3.00*	-1.76	37.67
2008	34.94	-3.00*	-1.80	30.14
2009	36.90	-3.26*	-1.25	32.39
2010	32.55	-3.44^	-1.60	27.51

*This is a *Giving USA*-Foundation Center co-estimate.

^This is based on verified Forms 990 contributions paid to individuals via 11 top Patient Assistance Programs for 2010.

- Adding in mega-gifts made to foundations in particular years.
- Adjusting for pharmaceutical donations to operating foundations that are then redistributed to Patient Assistance Programs (i.e., individuals).

This year, *Giving USA* verified and made revisions, when necessary, to these items back to 2006. Using giving to foundation data from the Foundation Center as a base, through 2010, *Giving USA* made the adjustments as noted on Table 7.¹⁰

Methodology for estimating giving to foundations in 2011

Because Foundation Center data for giving to foundations for 2011 will not be available until 2013, using traditional *Giving USA* methodology used in prior years, *Giving USA* calculated giving to foundations using the following steps:

- Multiply the dollar amount for giving by itemizing estates by 50 percent (scholars estimate that filing estates give an average of 50 percent of all bequests to foundations). For 2011, *Giving USA* estimates this to be \$18.05 billion; therefore, 50 percent equals \$9.03 billion.
- Multiply the above figure (\$9.03 billion) by three (scholars estimate that one-third of gifts to foundations come from estates).
- Add total mega-bequest amount given to foundations for the year to the total in step 2 (\$29.58 billion). In 2011, the mega-bequest amount is \$2.5 billion from the estate of Margaret A. Cargill.

- Subtract pharmaceutical gifts that are passed on to individuals. This amount is estimated to be \$3.75 billion, based on research conducted on how much Patient Assistance Programs (PAPs) gave in 2010 (according to their Forms 990) and are expected to give in 2011 (based on media reports). The total for giving to foundations becomes \$25.83 billion in 2011.

Estimating giving to other subsectors

For estimating charitable contributions to all recipient subsectors other than religion and foundations, *Giving USA* relies upon data provided by the Urban Institute's National Center for Charitable Statistics (NCCS).¹¹ This dataset tabulates charitable contributions made to nonprofit organizations within each subsector. The data are based on organizations' Forms 990 and 990-EZ.

Periodically, NCCS refines its dataset provided to *Giving USA* to ensure accurate categorization of organizations across the subsectors. This is because charities can "move" from one subsector to another over time, following the National Taxonomy of Exempt Entities (NTEE) coding system. For 2011, *Giving USA* received a revised dataset from NCCS for tax years 1992 to 2008, including data for non-itemizing organizations. See the data tables in this report for revisions for giving to recipient organizations for these years. The years 1992 to 2008 are final data from NCCS, and the years 2009 to 2011 are derived from *Giving USA*'s econometric model for estimating giving to these organizations, as described below. See the NTEE code section of this

report for more details about how charities are organized by the NCCS.

The estimate for giving to each of these subsectors is based upon an econometric process that incorporates historical trends in charitable giving to organizations (as provided by NCCS) and changes in economic variables. The model predicts the dollar amount of change in giving to each subsector for 2009–2011 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).

The model was developed and tested by Partha Deb, an econometrician and a specialist in time-series forecasting. This model was first implemented with *Giving USA* 2008.

What is excluded from *Giving USA* estimates?

Giving USA researchers develop estimates for philanthropic giving to charitable organizations located in the United States. *Giving USA* does not estimate all forms of revenue to nonprofit organizations. Among the types of revenue not included in *Giving USA* are allocations to nonprofit organizations from other charitable organizations, such as United Ways or communal funds; fees for services; payments that are not tax deductible as gifts; gross proceeds from special events; and membership dues.

Why can't all giving be allocated to a recipient?

Each year, a portion of total charitable receipts reported by *Giving USA* is labeled as “unallocated,” meaning that *Giving USA* cannot attribute all giving to a subsector. Below are reasons why unallocated giving occurs:

- All *Giving USA* figures are estimates. *Giving USA* estimates giving for years when final tax, economic, or demographic data are not yet available.
- Estimates done in different ways should not match. It is not expected that the estimate for giving by source will exactly match the estimate for giving to recipients. Government agencies, such as those that release Gross Domestic Product figures, also acknowledge differences between estimates developed using one method and those developed using a different method.¹²
- Nonprofits formed since 2008 are not included in the IRS Form 990 and 990-EZ values used by *Giving USA* in this edition. In order to have a complete record that represents the nonprofit sector, *Giving USA* used data from the year 2008 and adjusted for the increase in the number of organizations formed since that time.
- Gifts made to government agencies are charitable contributions but are not tracked in *Giving USA*'s estimates. *Giving USA* does not track charitable gifts received by government agencies, such as school districts; parks and recreation departments; civic improvement programs; state institutions of higher education; and public libraries.

Brief summary of methods used

There is no single national list of public organizations that receive gifts. They cannot be identified and surveyed.

- The amount donated in recent years to school districts, especially by foundations, has grown significantly. *Giving USA* uses publicly reported large gifts (\$1 million or more) to public schools to supplement the estimate of giving to public schools. Other donations to public schools, such as school fundraisers, are not included.
- Foundation grants paid to organizations in other countries that are not registered as charities in the United States appear on the “sources” side but are not tracked by type of recipient. In 2008, grantmaking to organizations located overseas comprised 34 percent of all international grantmaking (in terms of dollars), according to the Foundation Center.¹³
- A gift in the calendar year will not appear in a fiscal year by a charity filing an IRS Form 990 or Form 990-EZ. *Giving USA* uses the data charities report as the basis for the estimates. Therefore, if a charity reports on a fiscal year rather than a calendar year, total annual charitable contributions for these organizations will not correspond with donors’ receipts, which are reported to the IRS on a calendar-year basis.
- Some donors make arrangements for significant deferred charitable gifts without telling the nonprofit. For instance, a donor can create a trust through a financial institution and take the allowed deduction subject to

IRS rules for valuing such gifts. Unless the donor informs the nonprofit organization that will ultimately receive some of the trust’s proceeds, the nonprofit is unaware of the gift and does not report it as revenue.

- A donor might claim a different amount for a deduction than a charity records as a receipt. This discrepancy can occur for an in-kind gift, in which the donor claims fair market value of an item, and the charity reports as charitable revenue the amount it received from the sale of the item or some other value based on a different scale than the one the donor used.

Why does *Giving USA* make revisions?

Giving USA’s results are a series of estimates that rely on econometric methodology and are not a tabulation of real charitable receipts from the prior year. The estimates are revised as additional information, such as final charitable receipts, becomes available. Government agencies, such as the Internal Revenue Service, the Bureau of Economic Analysis, and many others, routinely issue preliminary estimates that are revised as more data are obtained and analyzed. *Giving USA* uses this updated information in the estimation models for estimating both sources of giving and uses of giving each year.

- 1 The difference between the initial and “final” total giving estimates for the year 2005 as released in this edition is 10.5 percent.
- 2 In each edition of *Giving USA*, revisions are made to at least the last two years of estimates for sources of giving. Sometimes changes are also made to the estimates for earlier years if new data become available. This is true for this edition. Thus, the total percentage difference between initial estimates and revised estimates has changed for some years prior to 2009. In *Giving USA* 2011, *Giving USA* reported a total percentage change of negative 0.26 percent between the initial and revised estimates for giving between 2006 and 2008. Due to revisions in some of the sources estimates for these years, in particular giving by corporations and giving by bequest, *Giving USA* has revised this figure to negative 1.7 percent in this edition.
- 3 This figure is subject to revision once final data are received for estimating giving in 2010 in *Giving USA* 2013.
- 4 For more information on the original model, see: P. Deb, M. Wilhelm, P. Rooney, and M. Brown, Estimating Charitable Deductions in *Giving USA, Nonprofit and Voluntary Sector Quarterly*, Dec. 4, 2003, 548-567.
- 5 All information in this section was provided directly by the Foundation Center.
- 6 “Gross Domestic Product,” Bureau of Economic Analysis, 2012, Table 1.1.5, accessed May 2012, http://www.bea.gov/iTable/index_nipa.cfm; “Corporate Profits Before Tax by Industry,” Bureau of Economic Analysis, 2012, Table 6.17D, accessed April 2012, http://www.bea.gov/iTable/index_nipa.cfm; “Price Index for Personal Consumption Expenditures by Major Type of Product,” Bureau of Economic Analysis, accessed April 2012, http://www.bea.gov/iTable/index_nipa.cfm; and Corporate Tax Rate Schedule, available at http://www.bea.gov/iTable/index_nipa.cfm.
- 7 A more technical explanation of the *Giving USA* estimating procedure for giving by corporations appears in a paper written in 2004 by W. Chin, M. Brown, and P. Rooney that is available at http://www.philanthropy.iupui.edu/workingpapers/estimating_corporate_giving.pdf.
- 8 An examination of *Giving USA*’s estimate for giving to the religion subsector, compared with estimates developed using two other methods, appears in the paper “Reconciling Estimates of Religious Giving,” written in 2005 by J. C. Harris, M. Brown, and P. 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. The paper is available at http://www.philanthropy.iupui.edu/workingpapers/reconciling_religious_giving_estimates.pdf.
- 9 National Council of the Churches of Christ in the USA, E. Lindner (Ed.), *Yearbook of American & Canadian Churches 2011*, Nashville: Abingdon Press, 2011; Data about Evangelical Council for Financial Accountability members obtained using the member search function at <http://www.ecfa.org/MemberSearch.aspx>. Data retrieved April 2012.
- 10 Giving to foundation data provided by the Foundation Center can be found at www.foundationcenter.org.
- 11 These data, provided by the National Center for Charitable Statistics (NCCS), are based on the Internal Revenue Service’s Statistics of Income (SOI) dataset through tax year 2008, which incorporates data from organizations’ Forms 990 and 990-EZ. *Giving USA* and NCCS collaborate each year to adjust the SOI dataset, as necessary, to capture the most accurate data for estimating giving across the subsectors using *Giving USA*’s econometric model.
- 12 C. Ehemann and B. Moulton, Balancing the GDP Account, working paper, Bureau of Economic Analysis, May 2001, www.bea.gov, under “papers and presentations.”
- 13 Foundation Center, “International Grantmaking Update: A Snapshot of U.S. Foundation Trends,” Dec. 2010, www.foundationcenter.org.

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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 by which donors may provide charitable gifts. This type of account is facilitated by community foundations or financial services companies. Donors typically contribute large amounts in the form of tax-deductible assets to these accounts in order to grow the assets, and donors usually choose to have significant

control over the funds and direct 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 entities, such as individuals, foundations, and government entities. These organizations are classified within the public-society benefit subsector by the National Center of 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 of 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 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 move the rate of change in total giving by 1 percent from one year to the next in *Giving USA*’s estimates. The threshold for mega-gifts in the 2011 edition is approximately \$30 million and only includes gifts that were paid in 2010.

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 the 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 surplus. 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 is 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 of registration 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.

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SUMMARY OF THE NATIONAL TAXONOMY OF EXEMPT ENTITIES

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

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 category:

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

Summary of the National Taxonomy of Exempt Entities

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
- big brothers/sisters
- 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 category:

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, such as Black studies, women's studies, urban studies, etc.

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 category:

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

- 299 unknown

**Giving USA* does not include foundations in its estimates for public-society benefit organizations. Giving to foundations is calculated separately.

The Giving Institute, the parent organization of Giving USA Foundation™, consists of member firms that have embraced and embodied the core values of ethics, excellence, and leadership in advancing philanthropy. Serving clients of every size and purpose, from local institutions to international organizations, The Giving Institute member firms embrace the highest ethical standards and maintain a strict code of fair practices. For more information on selecting fundraising counsel, visit www.givinginstitute.org.

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