

Perspectives on Philanthropy, Giving USA

JUNE 25, 2024



TODAY'S SPEAKERS



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Giving USA 2024

The Annual Report on Philanthropy for the Year 2023



Researched and written by



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Introduction of the Report



Dr. Una Osili

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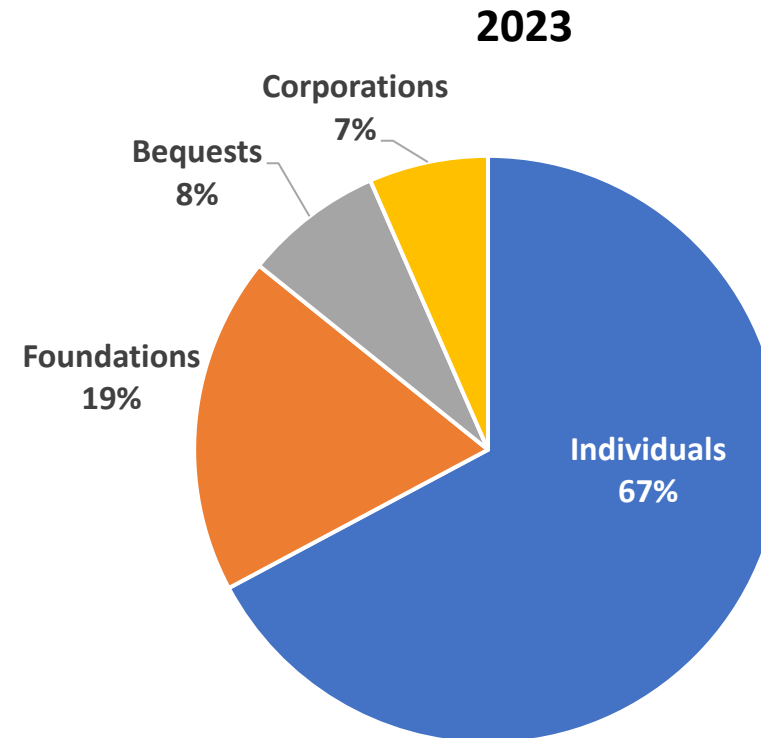
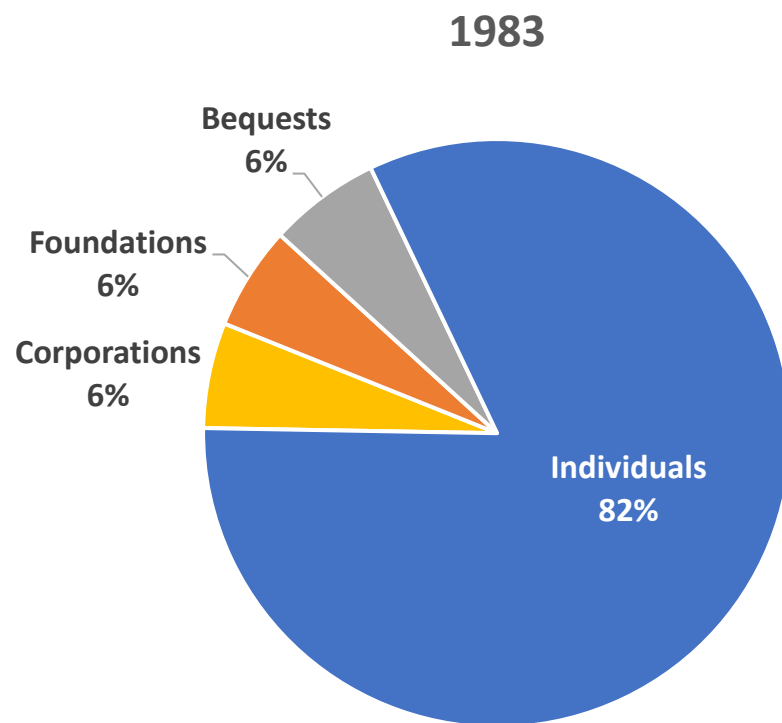
THE BIG PICTURE

The Giving Landscape (GIVING USA 2024)

#1 Charitable giving totaled \$557.16 billion in 2023



- Giving by individuals is declining as a share of giving over time
- Giving by foundations has grown from 6% of the total to 19% of the total in the past 40 years

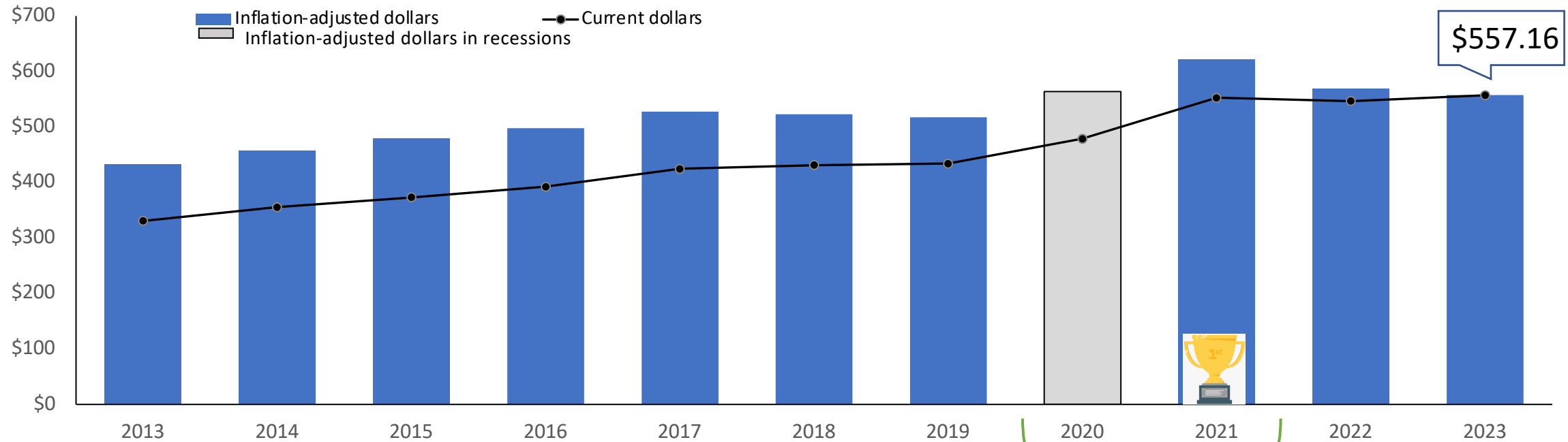


#1 Charitable giving totaled \$557.16 billion in 2023



- Giving reached a high in current dollars, but did not outpace inflation
- When adjusted for inflation, 2021 remains the best year of giving on record

Total Giving: 1983-2023
(in billions of dollars)



* Numbers on chart display current dollars

Pandemic-era giving

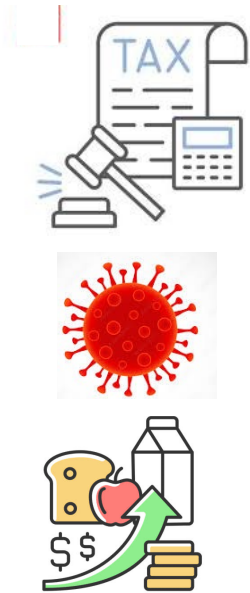


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#1 Charitable giving totaled \$557.16 billion in 2023



The past six years have had included...

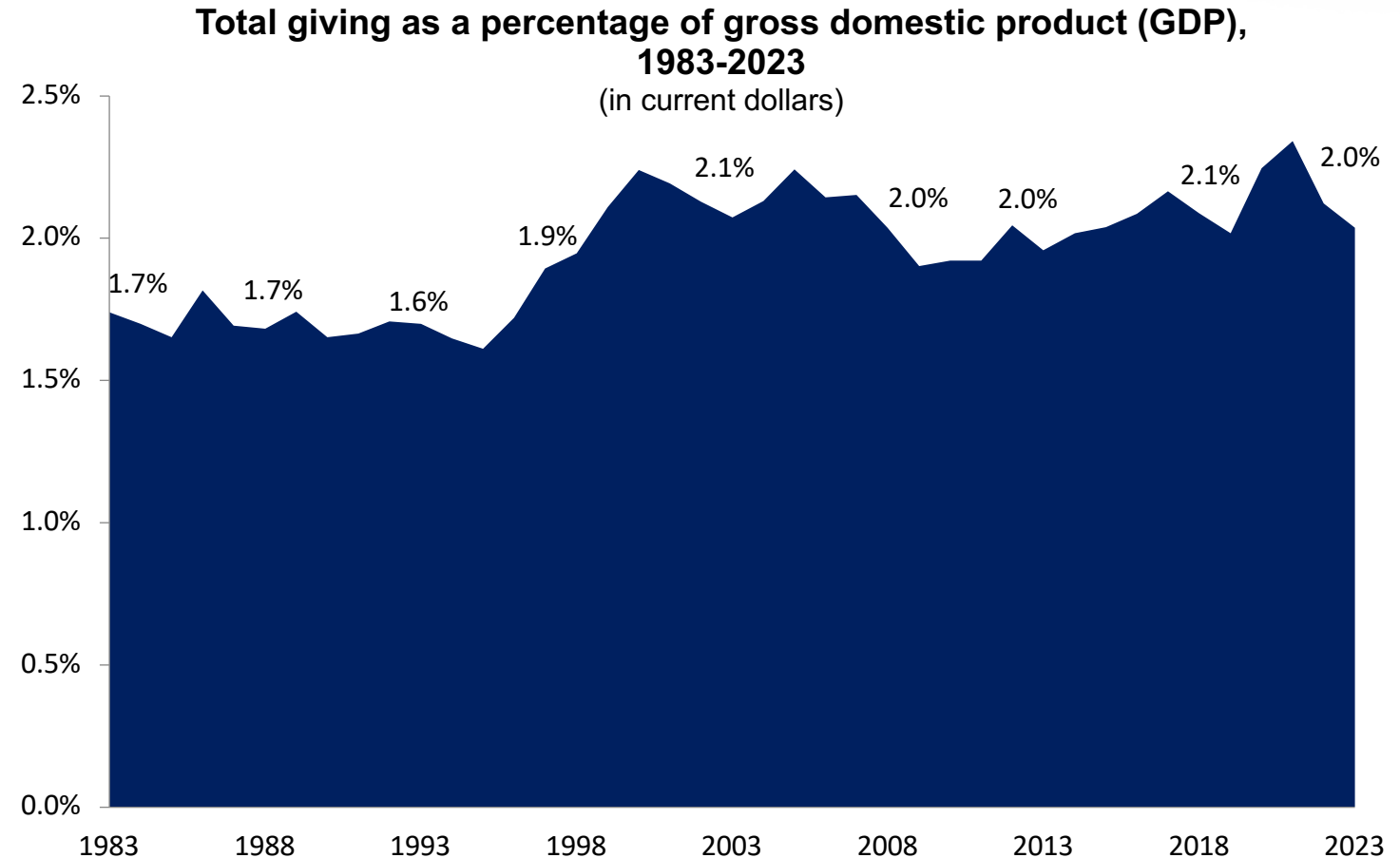
- Major changes to tax legislation in 2017
- Covid-19 pandemic, natural disasters and humanitarian crises
- Economic factors including a recession and above-average rates of inflation for three consecutive years

- **...and the growth in giving in 2023 may indicate positive signs for philanthropy moving forward.**

#2 Giving is linked to economic factors –overall performance better than many economists initially expected



- **GDP, S&P 500, Disposable Personal Income**, and other economic factors grew in 2023 even when adjusted for inflation
- **GDP increased by 6.3%** in 2023 in current dollars (2.1% adjusted for inflation)
- Total giving as a percentage of GDP in 2023 was **2.0%**.
- Total giving as a percentage of GDP reached **2.3%** in 2021, a **40-year high**.



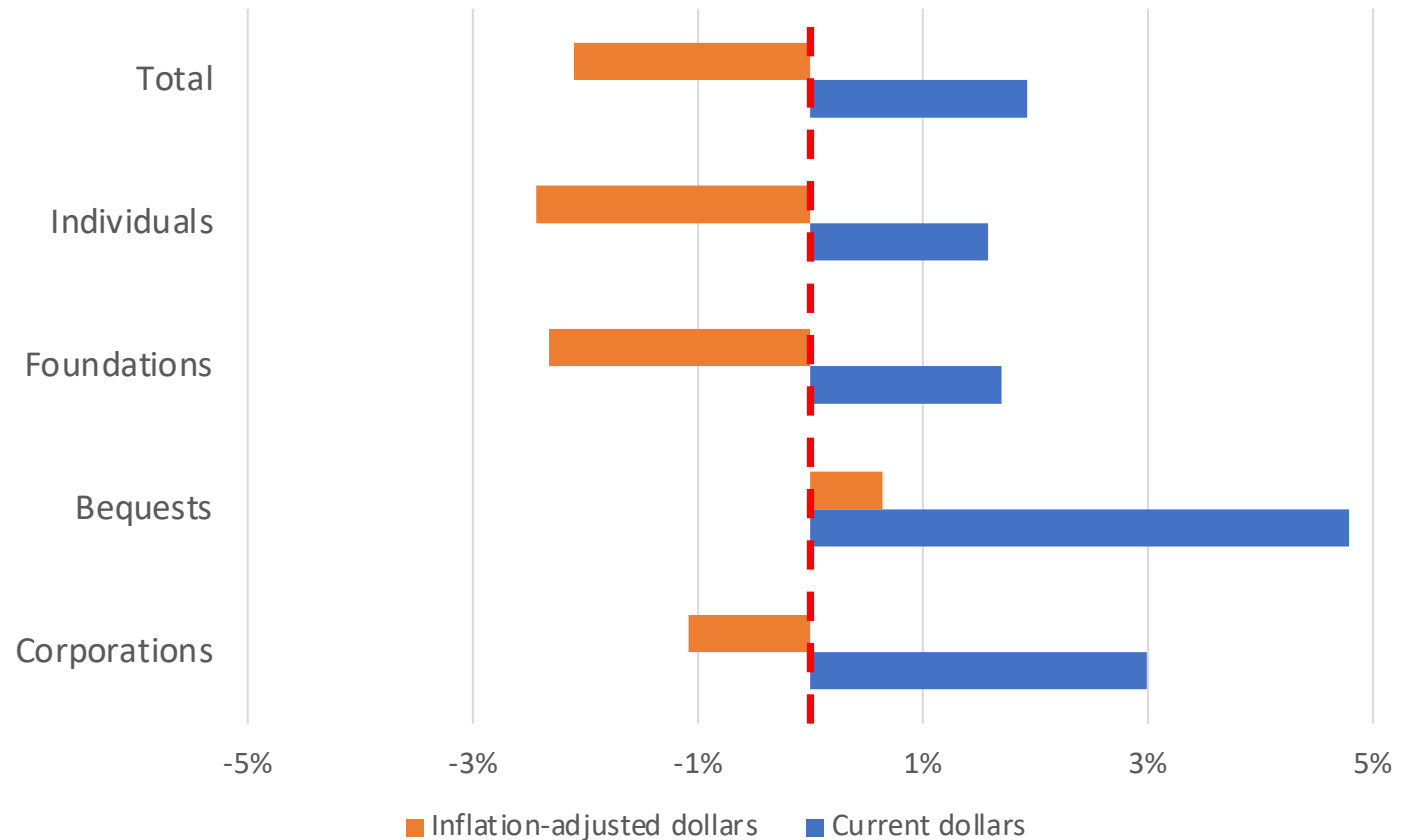
UNDERSTANDING THE GIVING ENVIRONMENT

The Giving Landscape (GIVING USA 2024)

#3 Sources of giving had mixed results

- All four sources grew in current dollars
- All four sources of giving declined when adjusted for the higher-than-average inflation rate of 4.1%
- Corporations and foundations experienced positive two-year growth, even when adjusting for inflation

Changes in giving by source, 2022-2023

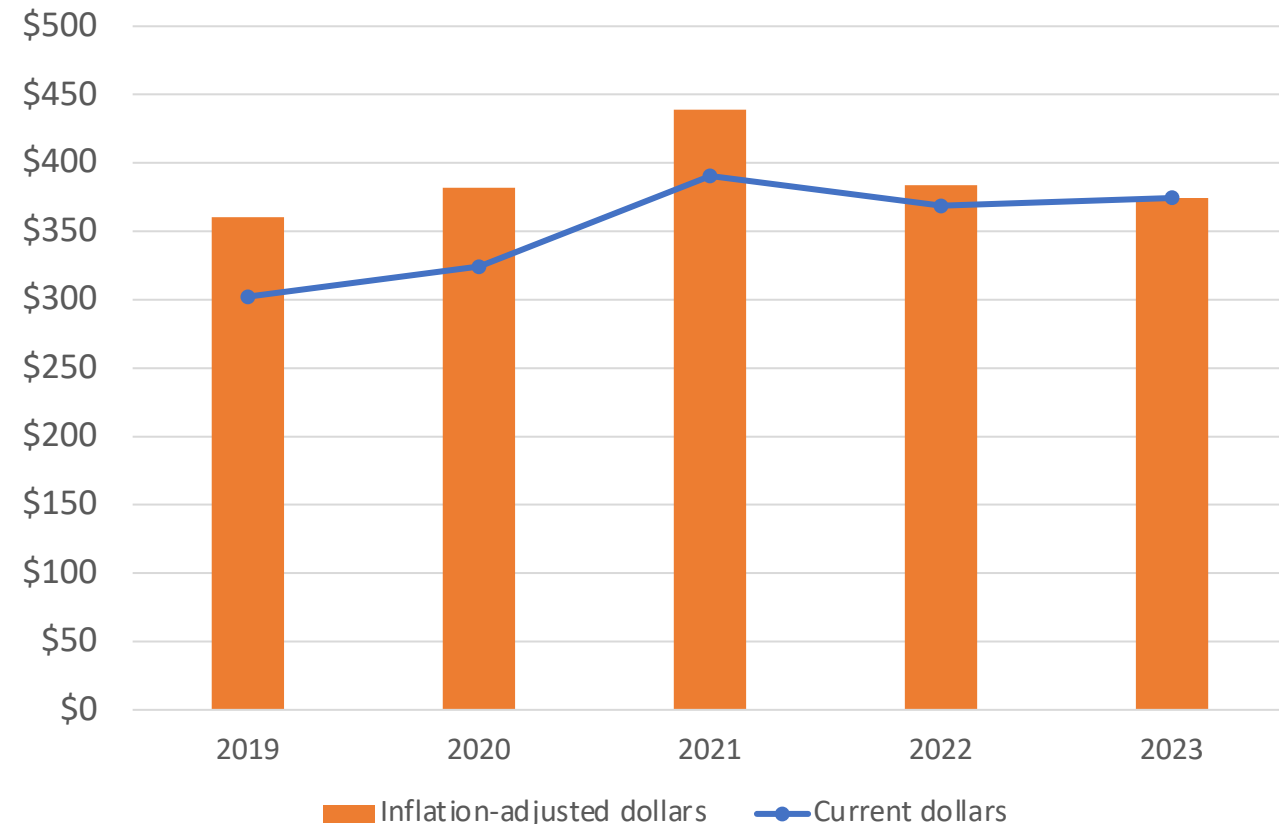


#4 Individual giving reflects uneven economic conditions



- Giving by individuals grew 1.6% in current dollars (-2.4% adjusted for inflation)
- After a tumultuous 2022, economic factors performed well in 2023:
 - **Disposable personal income** grew 8.1% current dollars (3.8% adjusted for inflation)
 - **S&P 500** grew 24.2% in current dollars (19.3% adjusted for inflation)
 - **Consumer spending** (personal consumption expenditure) grew 6.0% (1.9% adjusted for inflation)

Giving by individuals, 2019-2023
(in billions of dollars)

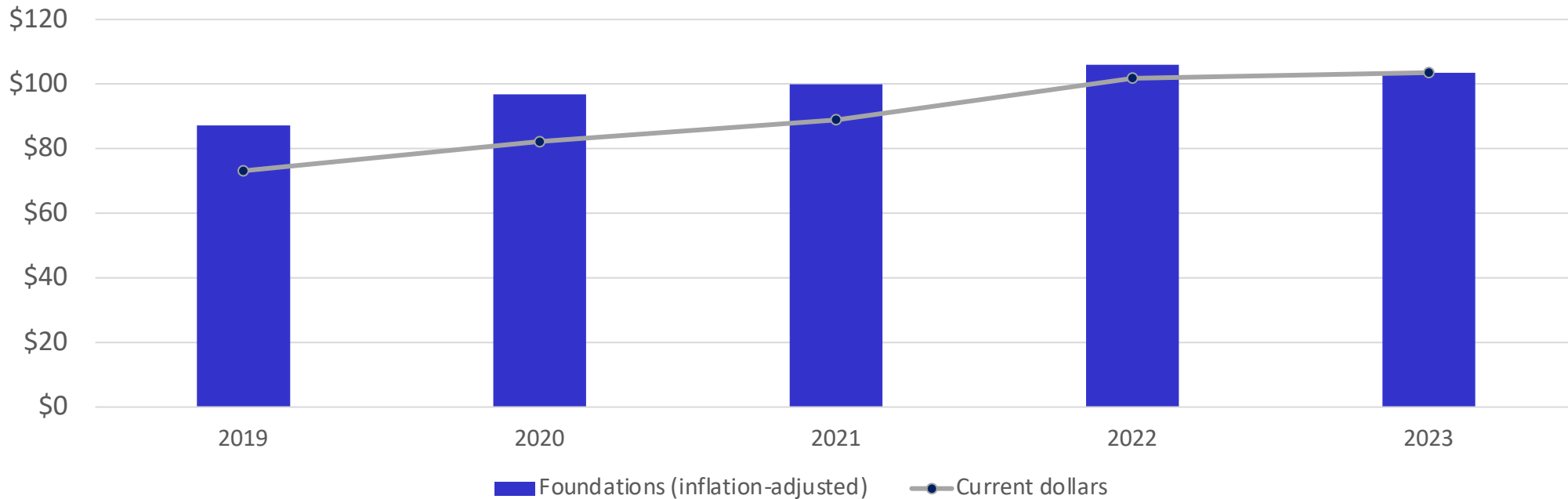


#5 Giving by foundations crossed the \$100 billion mark for the second consecutive year



- Market growth in four of the last five years boosted giving by foundations
- Giving by foundations reached the second-highest level on record when adjusted for inflation

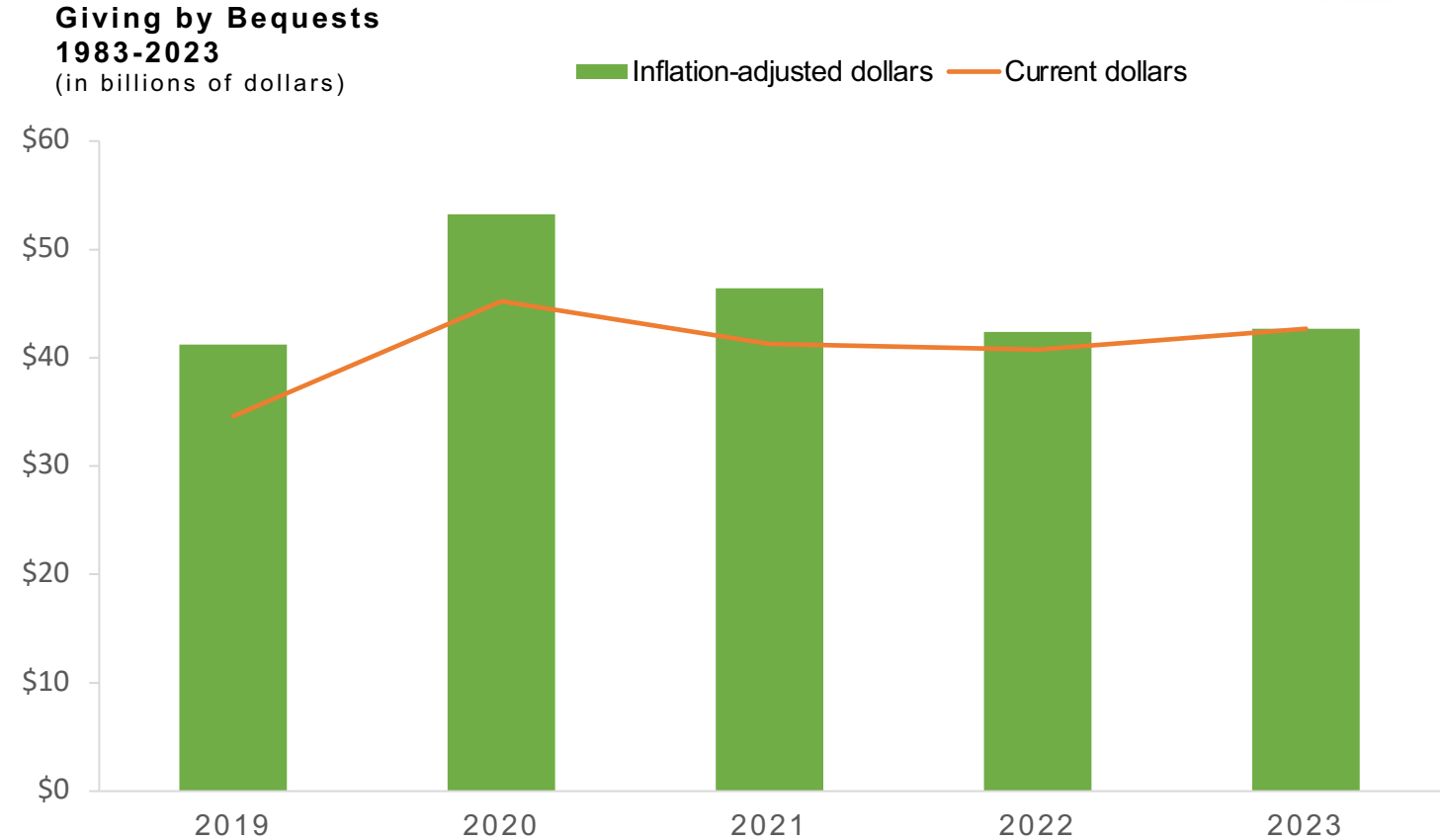
Giving by Foundations, 2019-2023
(in billions of dollars)



#6 Bequests grew in 2023, and likely reflect demographic shifts



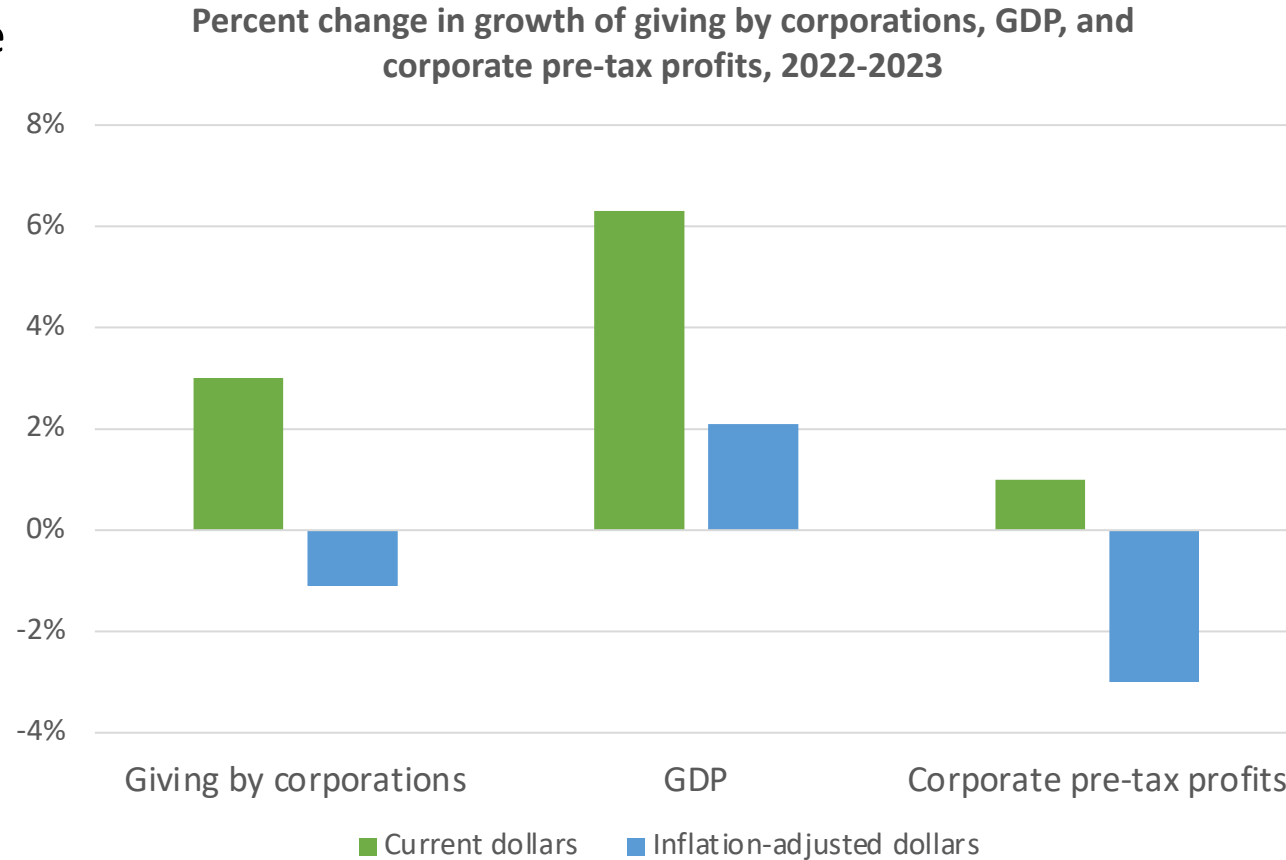
- Bequests have continuously represented 9-10% of total dollars in the last 40 years
- Demographic and economic factors indicate that bequests will continue to be an important area of giving going forward
 - Wealth of older adults grew 30% from 2019 to 2023 according to the Survey of Consumer Finances²



#7 Strong macroeconomic environment helped boost giving by corporations in current dollars

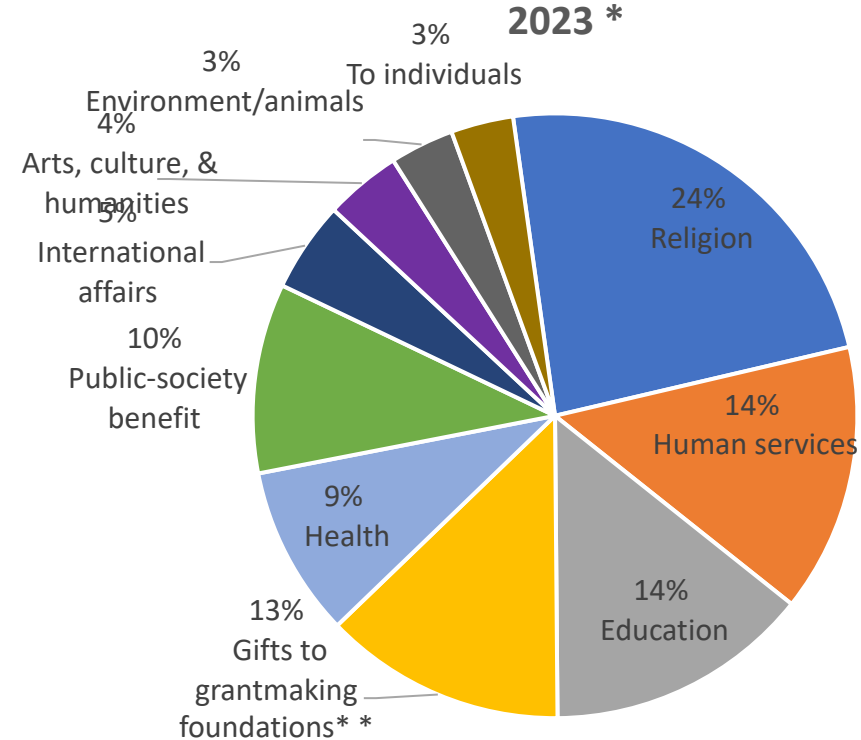
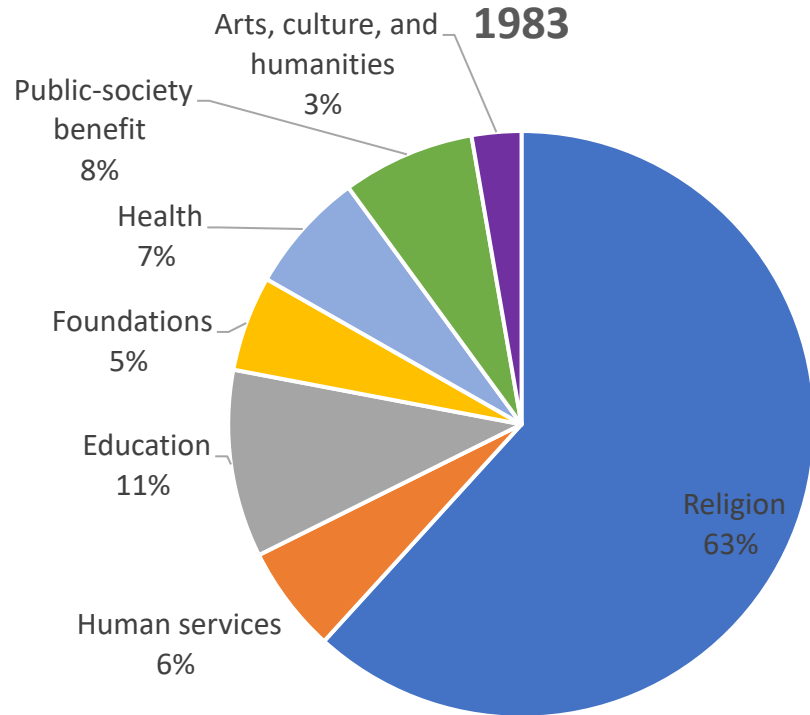


- Giving by corporations remains the smallest source of giving at 7%
- Corporate giving is shifting as companies adopt a range of vehicles and strategies



#8 Human services is growing as a share of giving over time

- Giving to religion is declining as a share of giving over time
 - The decline accelerated within the last 5 years – in 2018, giving to religion was 29% of the total



* Total includes unallocated giving.
 ** Estimates developed by Indiana University Lilly Family School of Philanthropy using data provided by Candid.

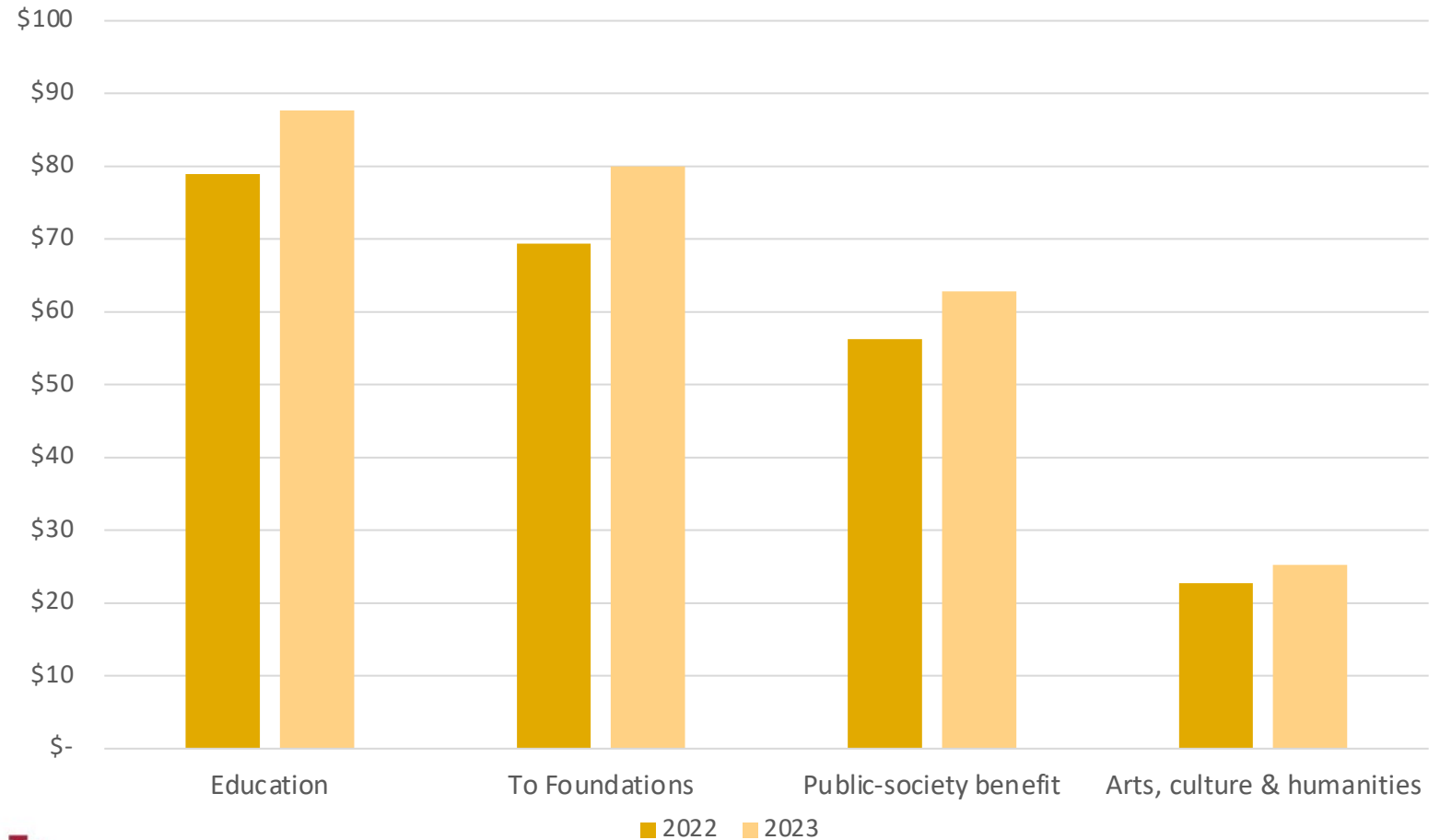
#9 Giving segments that grew the most in 2023 are often associated with wealthy donors



- Giving these four categories all experienced double-digit growth in current dollars
- Giving to education and arts reached record highs, even when adjusted for inflation
- Donors continue to support grantmaking organizations at high levels

Giving to select recipient organizations, 2022-2023

(in billions of current dollars)



THE FUTURE OF GIVING

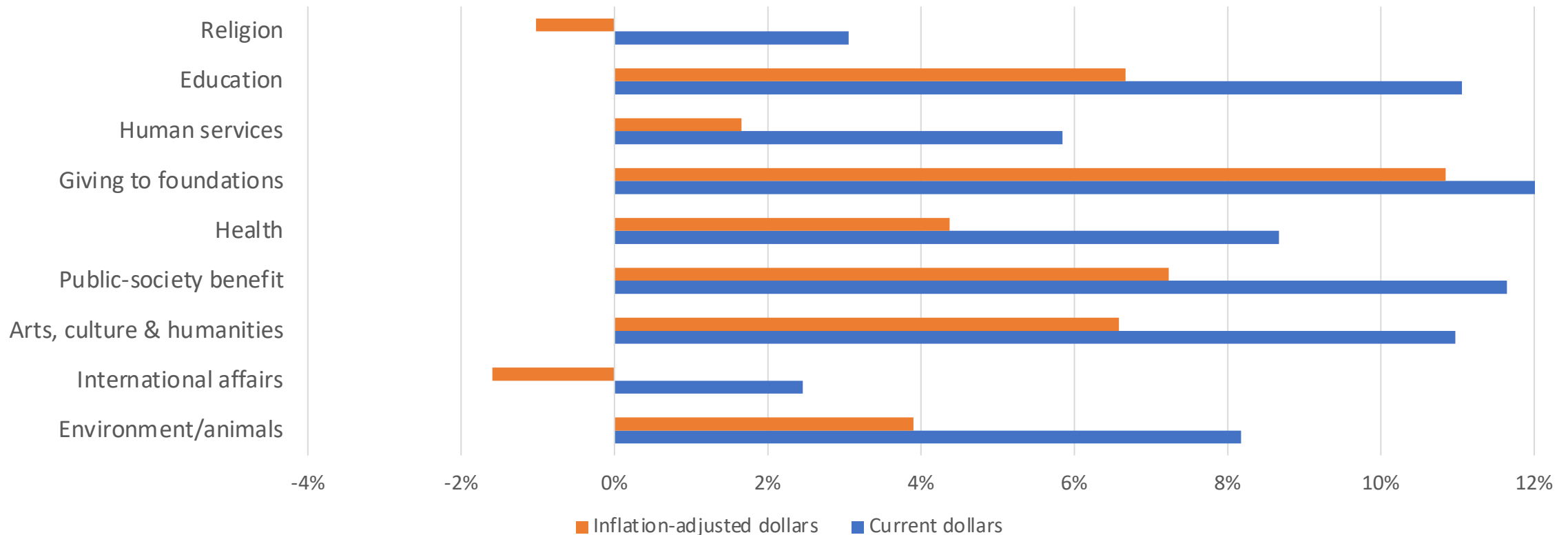
Looking ahead in 2024 and beyond

#10 Giving to most recipient categories grew after a more uneven 2022



- Growth for giving to religion and international affairs did not exceed inflation
- All sectors except religion remain above 2019 levels

Changes in giving by type of recipient organization, 2022-23



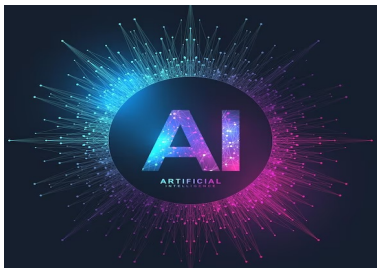
#10 Economic forces, technology and demographic shifts will shape giving in the future



The nonprofit sector has shown resilience and innovation in the pandemic era...



- **New vehicles, channels and methods of giving**
 - Online giving has grown to more than 10 percent of giving
- **Legacy giving, donor retention and expanding the pipeline**
 - Next-gen and diverse donors tend to think of participating in social movements and using their voices as important ways of giving back⁴
- **Changing landscape with AI**
 - AI offers new possibilities for nonprofits, fundraisers, *and* donors
 - Trust, engagement and relationships remain the foundation of philanthropy



1. M+R Benchmarks Report, 2022 2. *Giving USA Special Report: Giving by Generations*, 2022 3. *What Americans Think About Philanthropy*, 2022 4. *Everyday Donors of Color*, 2021. 5. *New Models to Engage Donors*, 2022.



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Thank you.