



mission
ADVANCEMENT

**What does the 2021 Giving USA
Annual Report on Philanthropy
tell us about the state of
philanthropic giving?**

Jennifer Lehman, President and CEO
Mission Advancement
missionadvancement.com



What does the 2021 Giving USA Annual Report on Philanthropy tell us about the state of philanthropic giving? Jennifer Lehman, President and CEO

The growing concern in recent days regarding the economy and the possibility of the U.S. entering into economic recession is causing more than a little anxiety on the part of nonprofit leaders because of its potential impact on fundraising. This is certainly understandable; after all, a key role of nonprofit leaders and nonprofit boards is to make prudent decisions on behalf of the organizations they lead. But what do the current and historical data reveal about times of economic uncertainty?

Between The Lines

The recently released Giving USA Annual Report on Philanthropy helps shed some light on the subject and provides for nonprofit leaders some valuable knowledge and insight to help chart the course forward. A few key highlights include:

- In 2021, philanthropic giving increased in actual dollars by 4%. When adjusted for inflation, it was relatively flat at -.7%
- Giving from individuals + bequests + family foundations amounted to 86% of philanthropic giving (second highest giving levels on record for individuals, bequests, and foundations)
- Foundation giving is an important growing sector of philanthropy that leaders should be noting
- In the last 10 years (2012-2021), philanthropic giving has increased by 24% in inflation-adjusted dollars

What We've Learned

In the past 40 years, there have only been 3 instances where philanthropic giving has decreased, (1987, 2008, 2009). We have learned that:

- Decreases were minimal and rebounded quickly and robustly
- Fear was the primary driver of organizational hesitation when it came to fundraising activities
- Mass marketing efforts (transactional approaches) are the most subject to volatility and decreases in giving
- Many of the individuals who give generously ("major donors") experience minimal impact during economic downturns and some even thrive
- Nonprofit organizations that hesitate or pull back in their fundraising efforts often lose out to those who continue to pursue quality relationship building with their donors (if you aren't asking...someone else is!)



Where did the generosity come from?

Contributions by source
By percentage of the total

67% \$326.87 billion

Giving by Individuals

↑ increased 4.9% over 2020

19% \$90.88 billion

Giving by Foundations

↑ increased 3.4% over 2020

9% \$46.01 billion

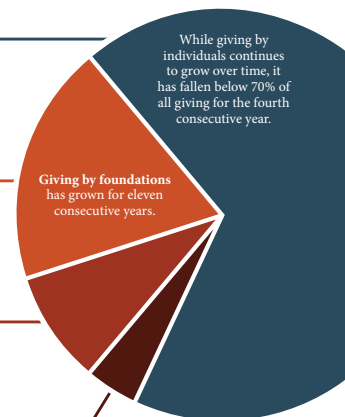
Giving by Bequest

↓ decreased 7.3% over 2020

4% \$21.08 billion

Giving by Corporations

↑ increased 23.8% over 2020



*All figures on this infographic are reported in current dollars unless otherwise noted.

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Why It Matters

Is your mission still critical? Are there important needs to be met? Then business, including philanthropic funding, must continue.

In periods of economic instability, the social, emotional, physical, spiritual, and educational needs addressed by nonprofit organizations often grow and become more compelling. What can nonprofits do to better position themselves to meet the needs of those whom they serve?

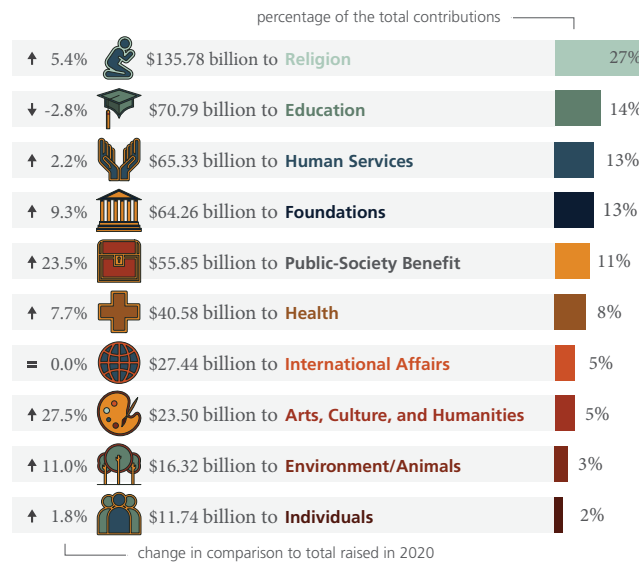
Double Down

Individual giving is such a crucial component of overall philanthropy (86%) and generally one of the least volatile, best practices suggest establishing and doubling-down on an individual-based fundraising approach. Carefully stewarding donors with an eye toward growing and deepening their relationships with organization leaders will result in sustainable funding for the mission and a quality giving experience for the donor. Organizations should:

- Keep donors informed on the impact the organization is making in the lives of those whom they serve
- Connect donors emotionally to the mission... it's always about people
- Inspire donors by raising their sights..."what could we do if...?"
- Be deliberate in your ask for funding
- Make the giving experience one the donor will never forget

Where did the charitable dollars go?

Contributions by destination




Donor-advised funds are among the fastest growing forms of giving. Learn more in the new chapter on Donor-Advised Funds.



Giving to public-society benefit organizations increased 23.5% in 2021, and is steadily growing larger as a share of total giving over time.



Several subsectors that struggled in 2020, such as giving to health and arts, culture, and humanities, experienced recoveries in 2021.



Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.




A Path Forward

Signs of economic uncertainty have given fundraisers and nonprofits cause for concern in recent months, but they do not necessarily spell trouble for fundraising activities. There is a path forward. Focusing on the right indicators and committing your organization to a relationship-based, quality decision approach can help your nonprofit navigate rough waters and keep you on a path towards success.



It's all about relationships. Our relationship with you, and your relationship with your donors. Let us share our unique and refreshing approach to building and maintaining connections.

Fund your mission. For good.

For more information about how Mission Advancement can help you with sustainable fundraising solutions, please contact us.

missionadvancement.com

