



Contact: Sharon Bond
847/375-4836
sbond@connect2amc.com

U.S. charitable giving estimated to be \$307.65 billion in 2008
Giving in worst economic climate since Great Depression exceeds \$300 billion for second year in a row

Glenview, Ill. (June 10, 2009)—Charitable giving in the United States exceeded \$300 billion for the second year in a row in 2008, according to *Giving USA 2009*. Donations to charitable causes in the United States reached an estimated \$307.65 billion in 2008, a 2 percent drop in current dollars over 2007.

The 2008 number is the first decline in giving in current dollars since 1987 and the second since *Giving USA* began publishing annual reports in 1956, says the annual report on philanthropy, released today for the 54th year by Giving USA Foundation™. (www.givingusa.org) Revised estimated giving for 2007 was a record \$314.07 billion.

Two-thirds of public charities receiving donations saw decreases in 2008. The exceptions were Religion, Public-Society Benefit and International Affairs. The other types of charities (or subsectors) examined in *Giving USA* are: Arts/Culture/Humanities; Education; Environment/Animals; Health; Human Services; and Foundations, says the report, which is researched and written for Giving USA Foundation by the Center on Philanthropy at Indiana University.

“With the United States mired in a recession throughout 2008, there was no doubt in anyone’s mind that charitable giving would be down,” said (Ms.) Del Martin, CFRE, chair of Giving USA Foundation. “However, what we find remarkable is that individuals, corporations and foundations still provided more than \$307 billion to causes they support, despite the economic conditions.

“It would have been easy to say ‘not this year’ when appeals came their way,” she added, “and we definitely did see belt-tightening. This drop in giving meant that nonprofits have had to do more with less over the past year, but it could have been a lot worse.”

Giving remains core component of GDP

In the context of Gross Domestic Product (GDP), giving is as strong historically as it's ever been. The estimates for 2008 indicate that giving was 2.2 percent of GDP. In 2007, giving was 2.3 percent of GDP.

“The fact that charitable giving was still more than 2 percent of GDP in 2008 is a bright spot in an otherwise negative climate for donations,” said Nancy L. Raybin, chair of Giving Institute: Leading Consultants to Non-Profits, which created Giving USA Foundation in 1985. “The Institute has been active in examining ways to move contributions upward, and it looks like the American public agrees with us that charitable giving is an integral part of the country’s economic fabric.”

Human Services sector surveyed for trends, issues

This year’s report also includes results from a national survey of human services charities about their fundraising practices and the impact they believe current events had on giving in 2008 and will have in 2009.

Charities in this subsector are among the first to report increasing needs for their services and slower growth in contributions when the national economy slows its rate of growth; for 2008, giving in this subsector declined an estimated 12.7 percent in current dollars, to \$25.88 billion. In inflation-adjusted dollars, the drop was 15.9 percent. Human Services giving is 9 percent of total estimated giving for 2008.

The survey results showed that:

- Compared with 2007, 54 percent of human services charities saw an increase in need for their services in 2008; 30 percent saw little change in need; and 16 percent saw a decline;
- For 2009, 60 percent of the surveyed human services organizations were cutting expenses, including cutting services or staff, due to funding shortages;
- The type of human service agency most likely to be underfunded was youth development/serving children and youth. Of this type of group in the study, 74 percent said they are underfunded or severely underfunded, meaning that current available funding was insufficient to meet current demand; and
- Among organizations working to meet people’s basic needs (food, shelter, clothing, etc.), more than half (53 percent) said they are underfunded or severely underfunded for 2009.

This survey went to a random sample of human services charities. The overall response rate was 7.1 percent, with 228 completed surveys.

Giving picture for 2009 discussed

The report also talks about the picture for 2009, when the economy has already seen both continued stressors and faint signs of a recovery. At the time of this release, there was a slight uptick in the housing sector while the stock market was slowly rising. Banks hard-hit by the credit crisis were still facing many challenges.

Advice about how nonprofits can survive in an economic downturn; results from the *Giving USA* survey of human services charities and how they view their funding prospects for 2009; and, forecasts for the year released by several organizations are included in the report.

2008 estimates outlined

Giving USA reports that, adjusted for inflation, total giving was down 5.7 percent, the largest drop recorded since the group has been keeping track of America's charitable donations.

Individual giving, which is always the largest component of charitable contributions, was an estimated \$229.28 billion, or 75 percent of the total, in 2008. This is a decrease of 2.7 percent compared with 2007 estimates (-6.3 percent adjusted for inflation).

Charitable bequests are estimated to be \$22.66 billion in 2008, a decrease of 2.8 percent (-6.4 percent adjusted for inflation). They make up 7 percent of total giving.

Corporate giving, which is closely tied to corporate profits, is projected to have decreased 4.5 percent (-8 percent in inflation-adjusted dollars), to \$14.5 billion. It is estimated to equal 5 percent of all charitable giving.

Foundation grantmaking, according to data from the Foundation Center, was \$41.21 billion, an estimated 3 percent increase in current dollars but a drop of 0.8 percent adjusted for inflation. It is 13 percent of total giving for 2008.

2008 estimates of giving by type of recipient

Religion: Religious congregations and other religious organizations received an estimated \$106.89 billion, which is 35 percent of the total. This is the second year that giving to religion has exceeded \$100 billion. Giving to religion increased an estimated 5.5 percent (1.6 percent adjusted for inflation). Religious gifts account for an estimated one-half of all individual giving, not counting gifts made through bequests (5.6 percent) or family foundations (about 3 percent).

Education organizations received an estimated \$40.94 billion, or 13 percent of the total. Gifts to this type of organization decreased 5.5 percent (-9 percent adjusted for inflation).

Foundations received an estimated \$32.65 billion, according to calculations by the Foundation Center and *Giving USA*. The estimate for 2008 is a decrease of 19.2 percent (-22.2 percent adjusted for inflation).

Gifts to **Health** organizations are estimated to be \$21.64 billion, or 7 percent of total estimated giving. The decrease in giving to this subsector for 2008 is estimated to be 6.5 percent (-10 percent adjusted for inflation).

Estimated giving to the **Public-Society Benefit** subsector was \$23.88 billion in 2008, or 8 percent of total estimated giving. The increase is 5.4 percent (1.5 percent adjusted for inflation).

Arts/Culture/Humanities organizations received an estimated \$12.79 billion in 2007, or 4 percent of total estimated giving. The decrease is 6.4 percent (-9.9 percent adjusted for inflation).

International Affairs organizations, which include relief, direct aid, exchange, and other programs focused on international issues, received an estimated \$13.3 billion, or 4 percent of total estimated giving. This is growth of 0.6 percent (but a decrease of 3.1 percent when adjusted for inflation).

Giving to the **Environment/Animals** subsector is estimated to be \$6.58 billion, or 2 percent of total estimated giving. This estimate reflects a decrease of 5.5 percent (-9 percent adjusted for inflation).

-30-

Summary of *Giving USA* methods

Giving USA's annual estimates are based on econometric studies using tax data, government estimates for economic indicators, and information from other research institutions. Sources of data used in the estimates include the Internal Revenue Service, Bureau of Economic Analysis, Foundation Center, INDEPENDENT SECTOR, Council for Aid to Education, National Center for Charitable Statistics at the Urban Institute and National Council of Churches of Christ.

The *Giving USA* report estimates changes in giving to subsectors (health, arts, education, religion, etc.). Except for giving to religion and giving to foundations, the subsector estimates are based on econometric models. The Center on Philanthropy at Indiana University prepares all the estimates in *Giving USA* for Giving USA FoundationTM.

Giving USA found total change of -3.1 percent when estimating the dollar amount of gifts received at organizations. When estimating giving by adding together the results of the four sources of contributions, *Giving USA* found a total change in giving of -2.0 percent. The estimates for the sources of giving are developed separately from the estimate of the receipts by type of recipient. The fact that the two different methods come within 1.1 percentage points of each other is one measure used by the *Giving USA* Advisory Council on Methodology to evaluate the results prior to their release.

A Note about Inflation Adjustments

Inflation-adjusted rates of change are based on estimates calculated using a Bureau of Labor Statistics inflation converter, which rounds to two decimal points. When comparing the inflation-adjusted rates of change to rates of change in current dollars, the difference between the two is not a constant 3.8 percentage points (the rate of inflation used in the BLS converter for 2007 to 2008). This is a by-product of the rounding and is not due to the use of a different measure of inflation or an error in calculation.

NOTES TO EDITORS

Data for 1968 through 2008 are available upon request. The data show sources of contributions by year in current and inflation-adjusted dollars and allocation of gifts by type of recipient organization, also in current and inflation-adjusted dollars. Data also are available showing total giving as a percentage of gross domestic product; individual giving as a percentage of personal income and as a percentage of disposable personal income; and corporate giving as a percentage of corporate pre-tax profits.

The preferred citation for *Giving USA* is: *Giving USA*, a publication of Giving USA Foundation™, researched and written by the Center on Philanthropy at Indiana University.

For scholarly citations, the preferred form is the American Psychological Association style as follows: *Giving USA*. (2009).

Giving USA is a public outreach initiative of Giving USA Foundation™. The Foundation, established by Giving Institute: Leading Consultants to Non-Profits, endeavors to advance philanthropy through research and education.

The complete *Giving USA 2009* report, with data covering giving in 2008, will be available in early July 2009. Giving USA Foundation also publishes a quarterly newsletter, *Spotlight*. Both may be ordered by calling 847/375-4709 or on-line at givingusa.org. *Giving USA 2009* (with data for 2008) is \$75. *Giving USA Presentation on CD* is \$135. *Giving USA* book and subscription to *Spotlight* is \$165. *Giving USA* book in both electronic and soft-cover format, subscription to *Spotlight*, and *Presentation on CD* is \$270. *Giving USA* book in soft-cover format, subscription to *Spotlight*, and *Presentation on CD* is \$210. Single issues of *Giving USA Spotlight* are \$45. Costs do not include shipping and handling. All orders must be prepaid.



Contact: Karrin Huhmann
816.842.0100
khuhmann@eagadv.com

Media Alert

Kansas City Nonprofit & Fundraiser Prepared to Speak on 2009 *Giving USA*, with Local Perspectives

Kansas City, MO and Glenview, Ill. (June 10, 2009)—Today, the Giving USA Foundation released the 54th edition of *Giving USA 2009*, the most comprehensive research on philanthropic giving in the United States.

Of interest to many local nonprofits, like Kansas City's City Union Mission, is the significant decline in giving to Human Services organizations, an occurrence which is contrary to trends in giving during the past 11 recessionary periods.

While giving to Human Services experienced the greatest decline, giving to Religion was one of only two sectors that experienced an increase in giving. Understanding this shift in giving among sectors is critical as nonprofits react to current economic conditions.

Key findings have been provided in the full *Giving USA* release attached to this alert. The full report will be available in July 2009. On Thursday, July 9th, Dr. Patrick Rooney, newly appointed Executive Director of the Center on Philanthropy at Indiana University, along with local philanthropic leaders will gather at the Kauffman Foundation to present findings to the local nonprofit community.

Local Perspective

Jeffrey Byrne & Associates, Inc.

Kansas City based Jeffrey Byrne & Associates, Inc. (JB&A) is a nationally recognized capital campaign fundraising firm. As a member of the Giving Institute, JB&A is intimately involved with the efforts that bring *Giving USA* to the nonprofit community, including local Kansas City findings.

JB&A Executive Vice President, Jennifer Furla, is a member of the board of the Giving USA Foundation and can speak to both national giving as well provide a comprehensive look at the impact on local philanthropy. www.FundraisingJBA.com

City Union Mission

One of the area's most recognizable philanthropic institutions, City Union Mission is an evangelical Christian ministry committed to sharing the Gospel and meeting the spiritual, physical, and emotional needs of men, women, children who are poor or homeless.

Rev. Daniel J. Doty, City Union Mission Executive Director and Dennis Chapman, Associate Executive Director for Development can speak to the Mission's efforts to maintain giving levels in light of economic challenges. www.CityUnionMission.Org

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