

Perspectives on Philanthropy, Giving USA

JUNE 20, 2023



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

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Ninety percent of our business comes from repeat business or referrals



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OUR VALUES

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INCLUSION

INNOVATION

TODAY'S SPEAKERS



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Chief Philanthropy Officer
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For the greater good.

Giving USA 2023

The Annual Report on Philanthropy for the Year 2022

THE KEY FINDINGS

Giving USA 2023


The Annual Report
on Philanthropy
for the Year 2022



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Researched and written by

 IUPUI LILLY FAMILY SCHOOL OF PHILANTHROPY



Introduction of the Report



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THE BIG PICTURE

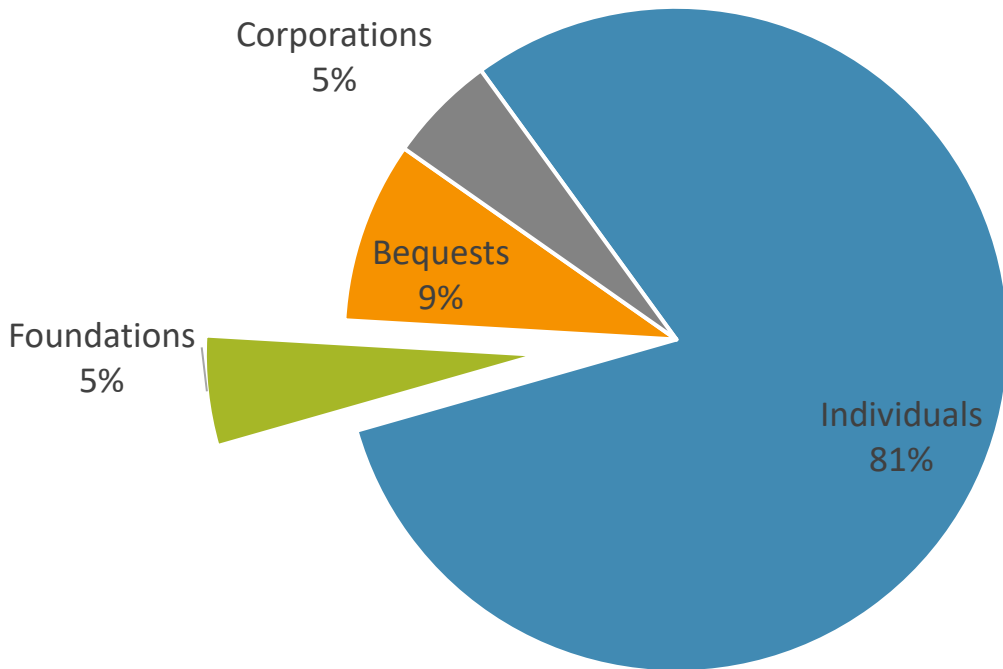
The Giving Landscape in 2022

#1 Charitable Giving levels reached \$499.33 billion in 2022, a 3.4 percent decline

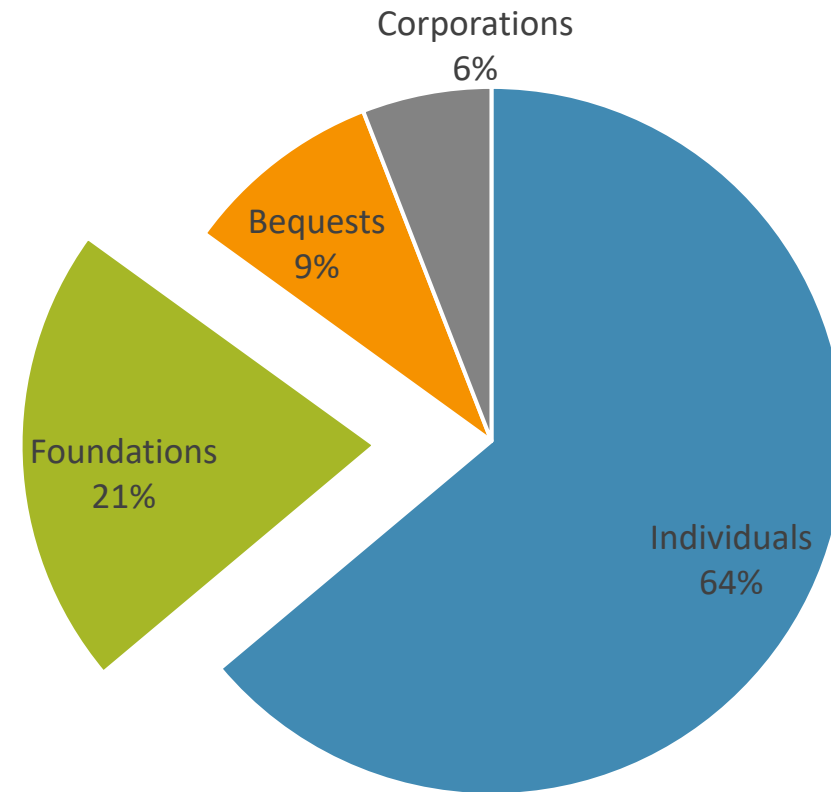


- Giving by individuals grew by an annualized average rate of **4.9%** over the last 40 years; foundations grew by **9.2%**

1982 contributions by source



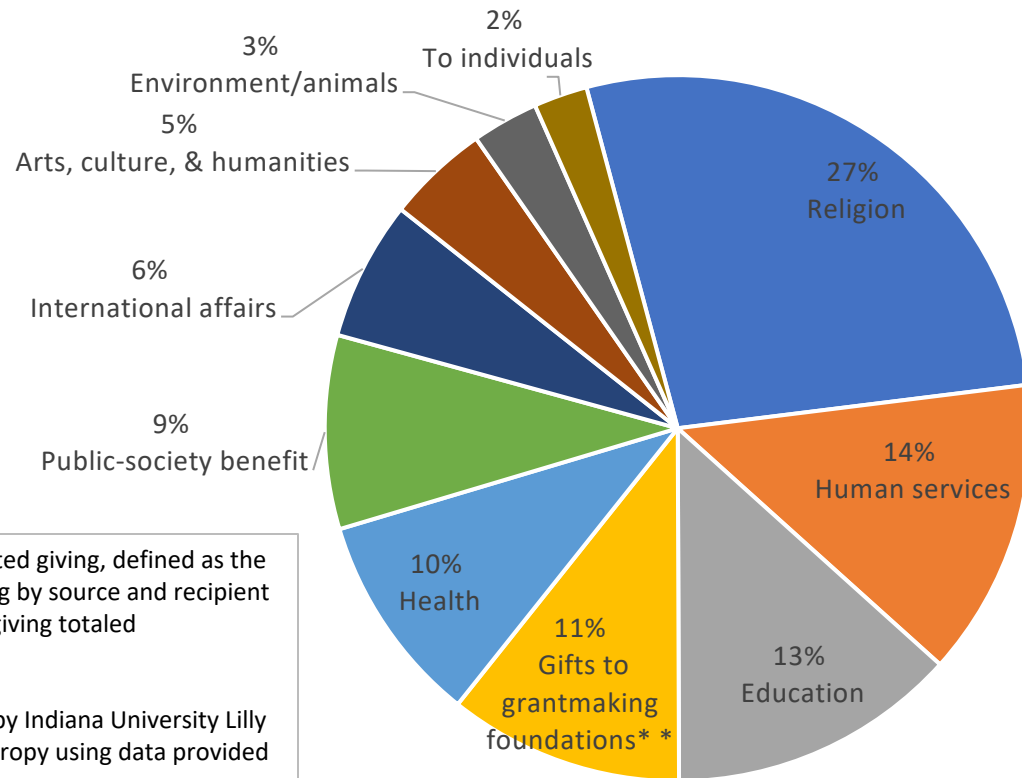
2022 contributions by source



#2 The Giving Landscape is shifting following the pandemic era



2022 contributions: \$499.33 billion by recipient organizations*
 (in billions of dollars - all figures are rounded)



* Total includes unallocated giving, defined as the difference between giving by source and recipient categories. Unallocated giving totaled -\$28.54 billion in 2022.

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

Recipient category	Percent change in 2022 (current dollars)
Religion	5.2%
Education	-3.6%
Human services	-0.6%
Foundations	10.1%
Public-society benefit	-8.4%
Health	5.1%
International affairs	10.9%
Arts, culture, and humanities	2.9%
Environment/animals	-1.6%

THE GIVING CONTEXT

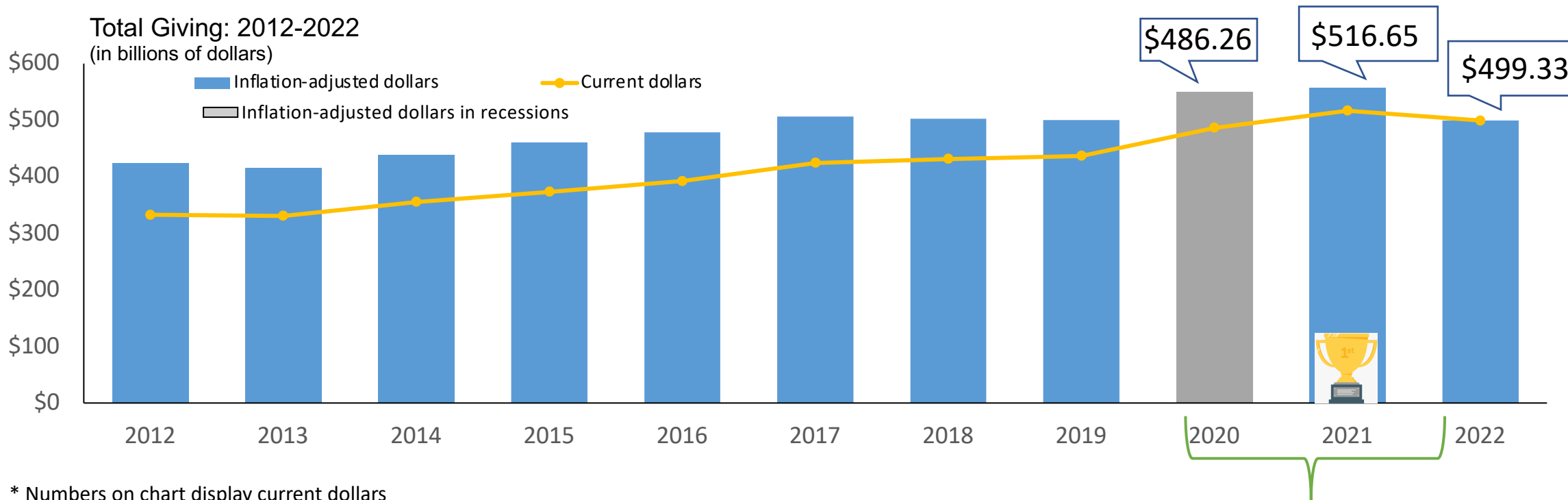
Understanding the changing landscape



#3 Giving Trends are closely linked with economic conditions



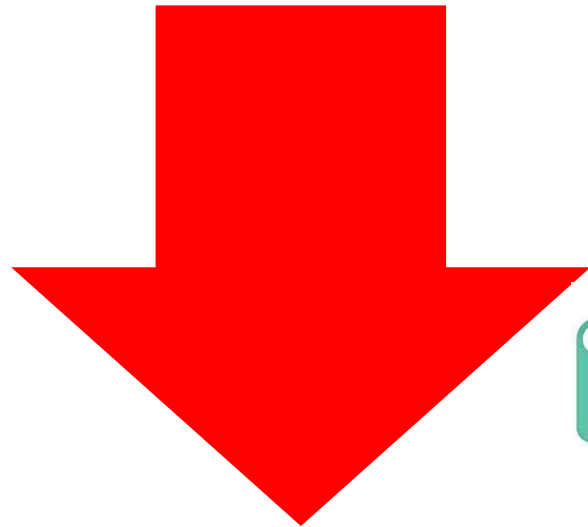
- Giving reached the **half-trillion dollar** threshold in current dollars in 2021*
- When adjusted for inflation, 2021 and 2020 are the two best years of giving on record
- Economic conditions introduced new challenges in 2022



* Numbers on chart display current dollars

Pandemic-era giving

#4 Economic challenges in 2022 had an effect on giving



Economic challenges:

- -- Inflation reached 8.0%, the highest rate in 40 years
- S&P 500 declined 19.4% (-25.4% adjusted for inflation)
- Disposable personal income declined 0.1% (-7.5% adjusted for inflation)



Despite these challenges, there were some bright spots:

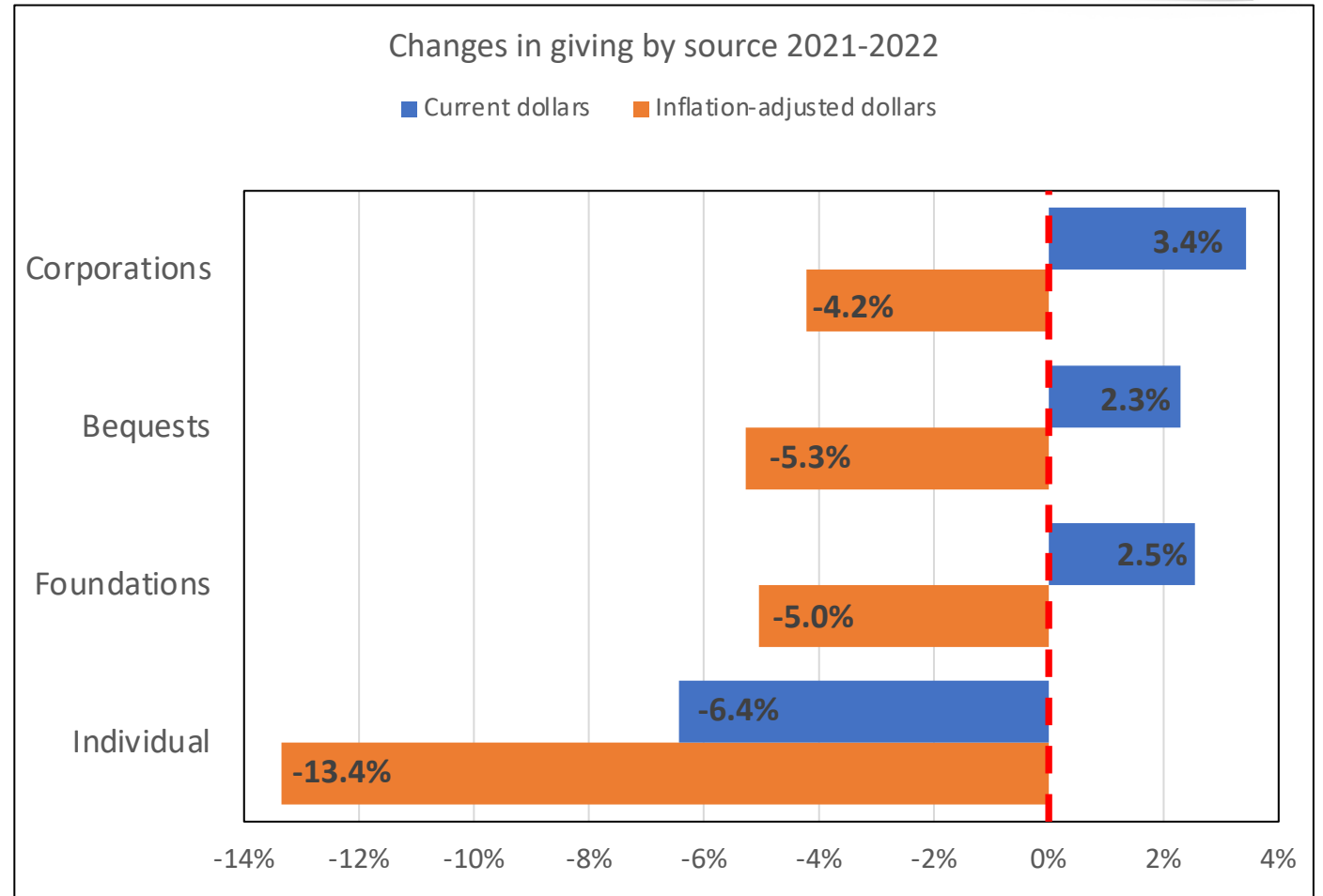
- GDP grew 9.2% (1.1% adjusted for inflation)
- Unemployment reached one of the lowest rates in the last 50 years



#5 Sources of giving had mixed results



- All four sources of giving declined when adjusted for the 40-year high inflation rate of 8.0%
- Corporations and foundations experienced positive two-year growth, even when adjusting for inflation



OPPORTUNITIES AND CHALLENGES AHEAD FOR GIVING

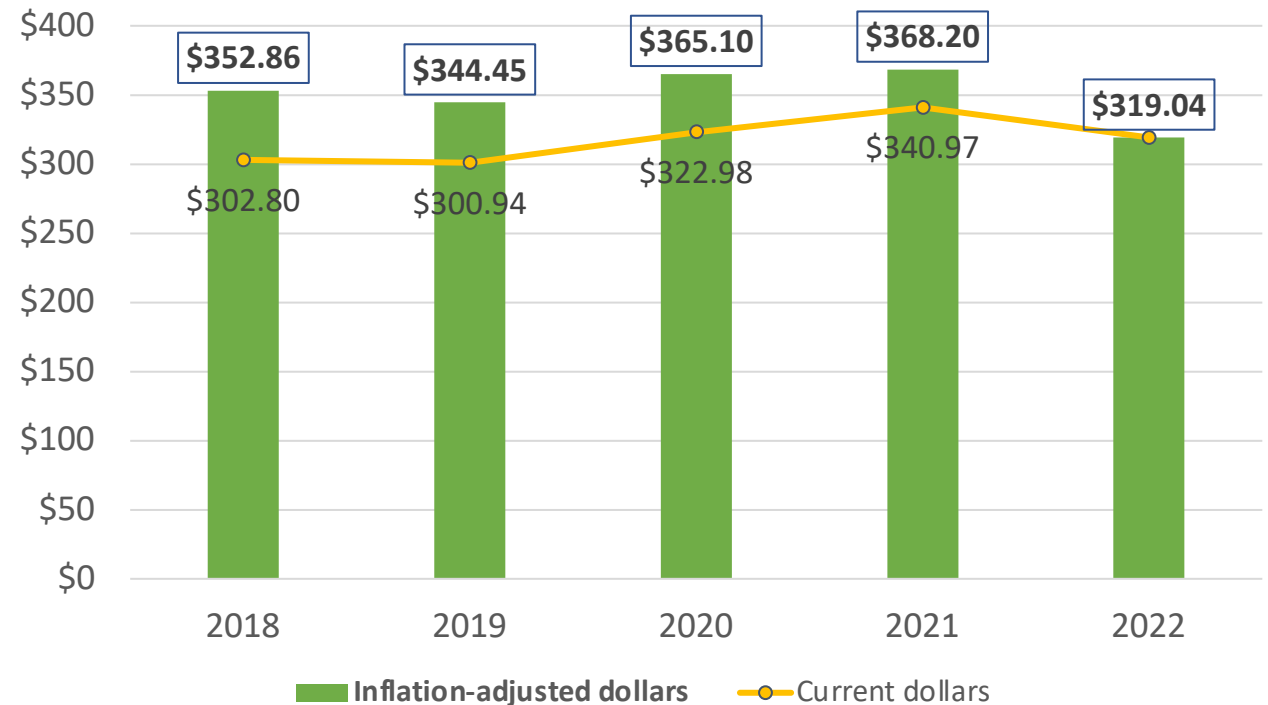
Navigating the changing landscape

#6 Individuals remain the largest segment of giving



- Giving by individuals declined by 6.4%
(-13.4% adjusted for inflation)
- Large gifts by individuals represented about 5% of all giving by individuals for the second year in a row

Giving by individuals, 2018-2022

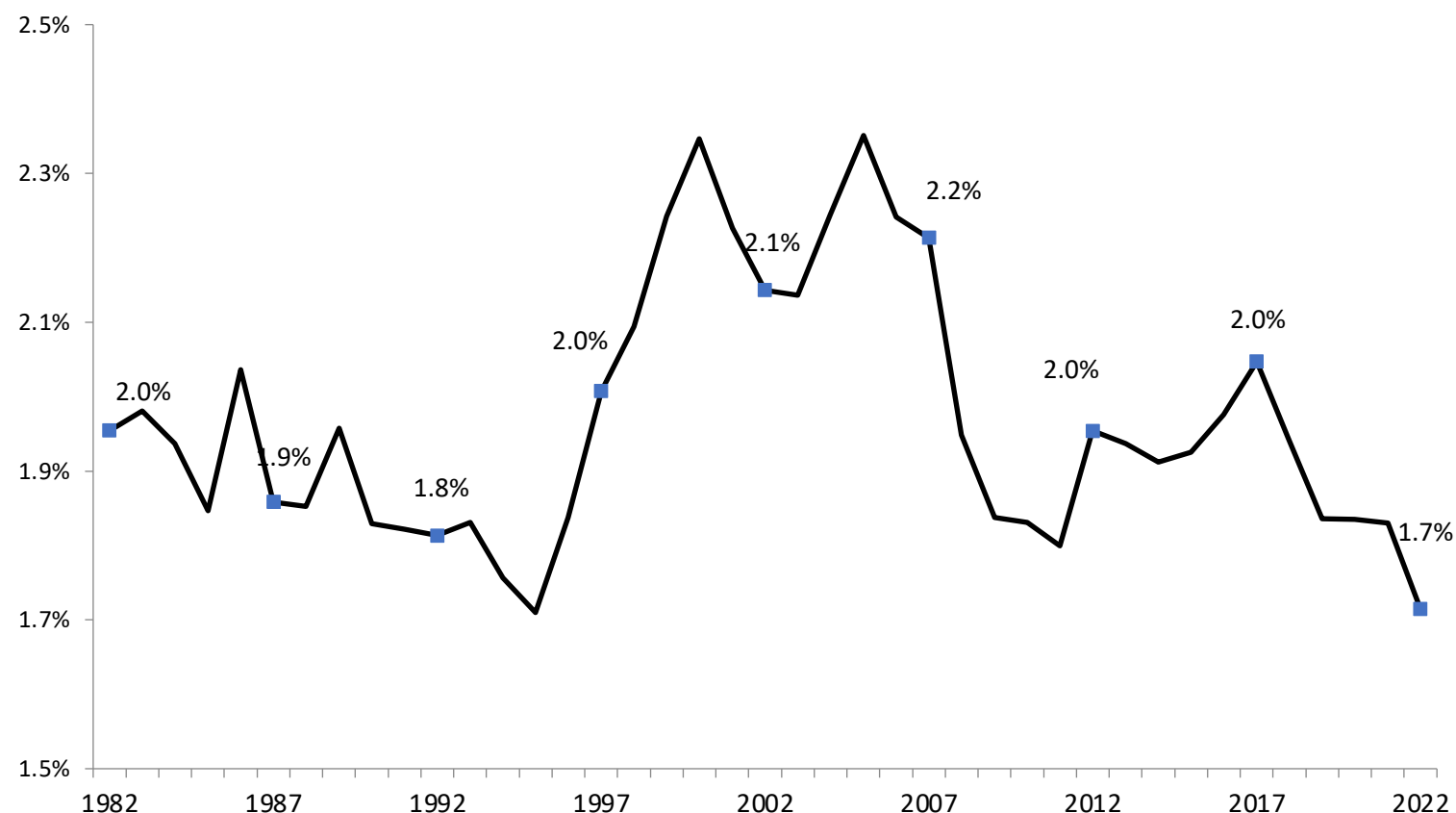


#6 Giving by individuals declined following record giving



- Individual giving as a percentage of disposable personal income was **1.7%** in 2022

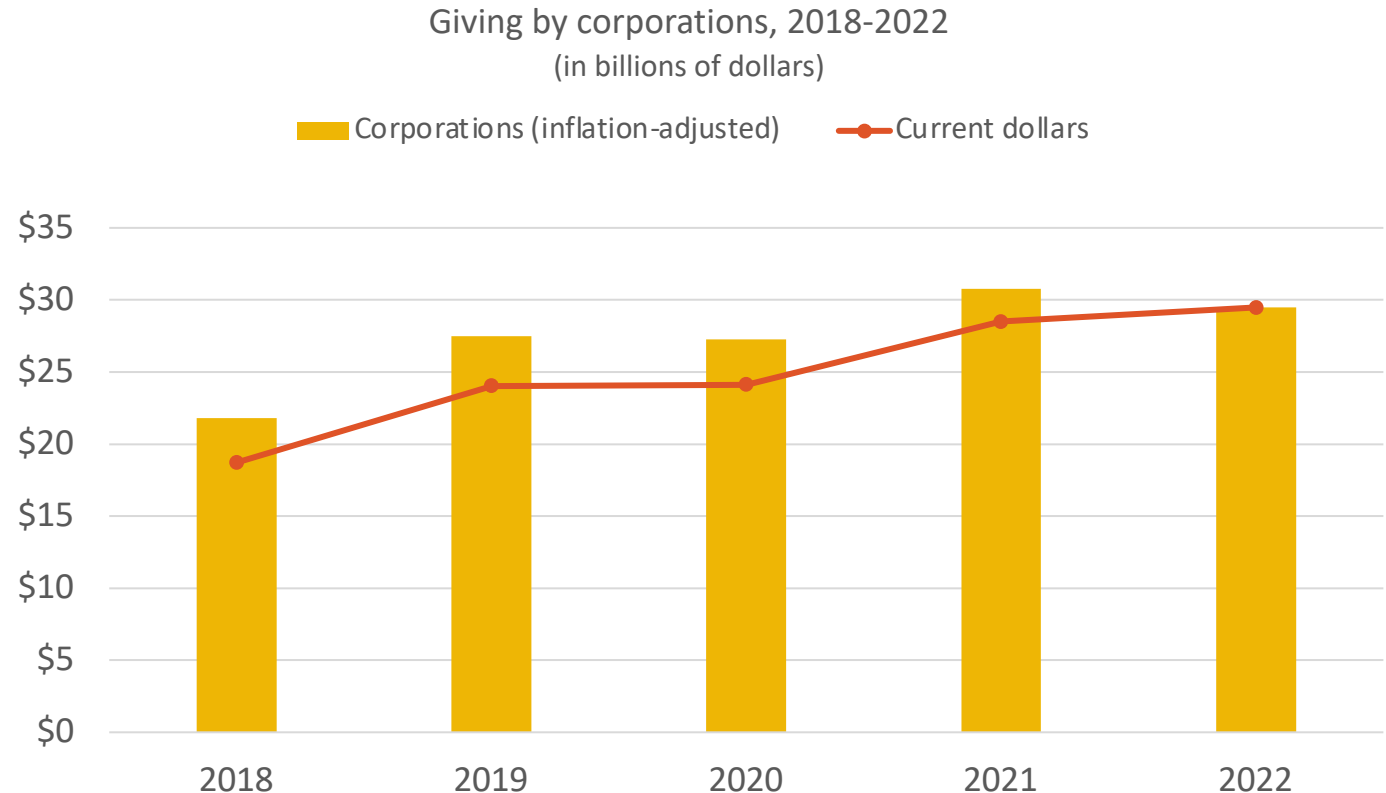
Individual giving as a share of disposable income, 1982-2022



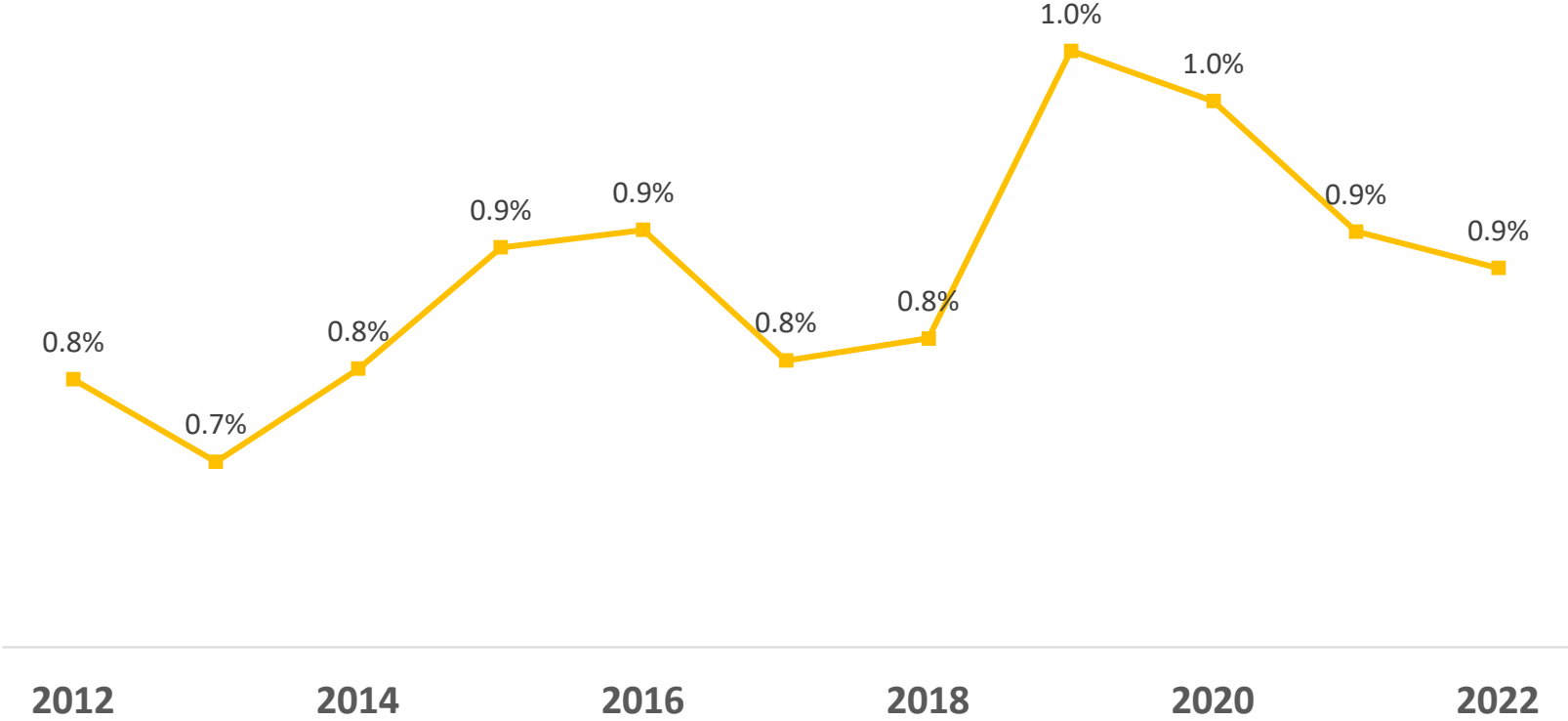
#7 Giving by corporations showed relative strength



- Corporations had the strongest growth rate of all four sources in current dollars at 3.4% (-4.2% adjusted for inflation)
- Corporate giving as a percentage of pre-tax profits remained at 0.9% in 2022



Corporate giving as percentage of corporate pre-tax profits, 2012-2022 (in current dollars)

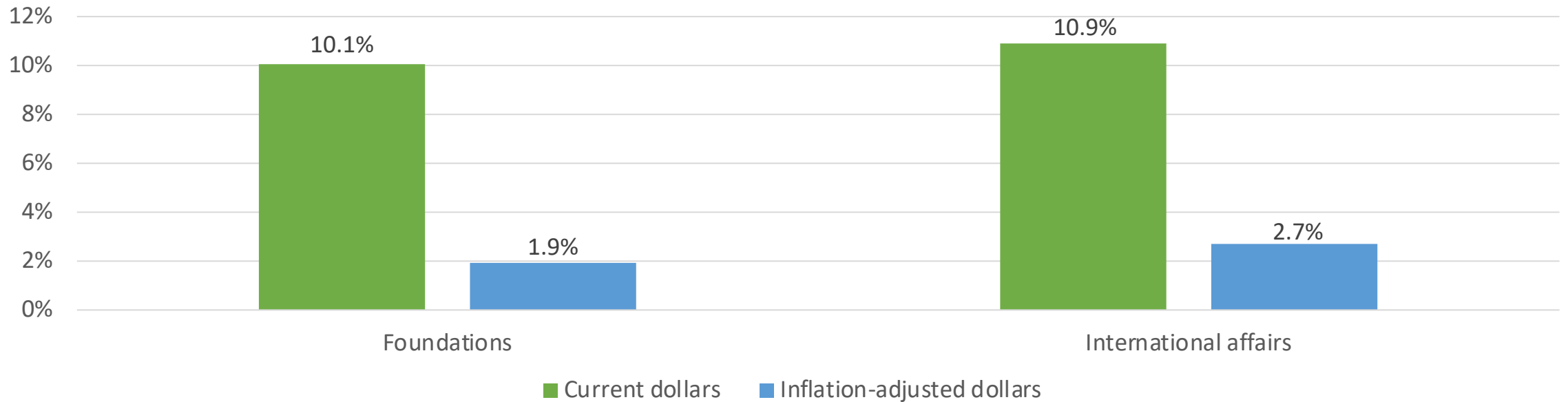


#8 Growth in giving to international affairs and foundations outpaced inflation



- Giving to international affairs is influenced by international crises, such as Russia's invasion of Ukraine
- Giving to international affairs and giving to foundations both reached the highest giving level on record when adjusted for inflation

Percent change for foundations and international affairs
(in current and inflation-adjusted dollars)

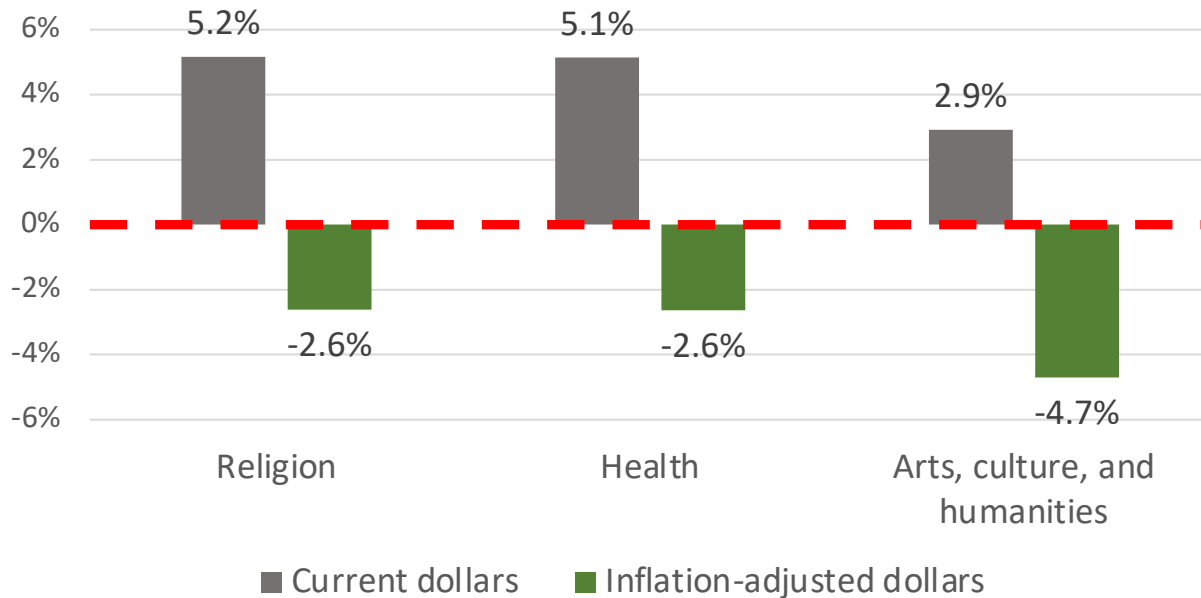


#9 Some subsectors grew, but not enough to outpace inflation

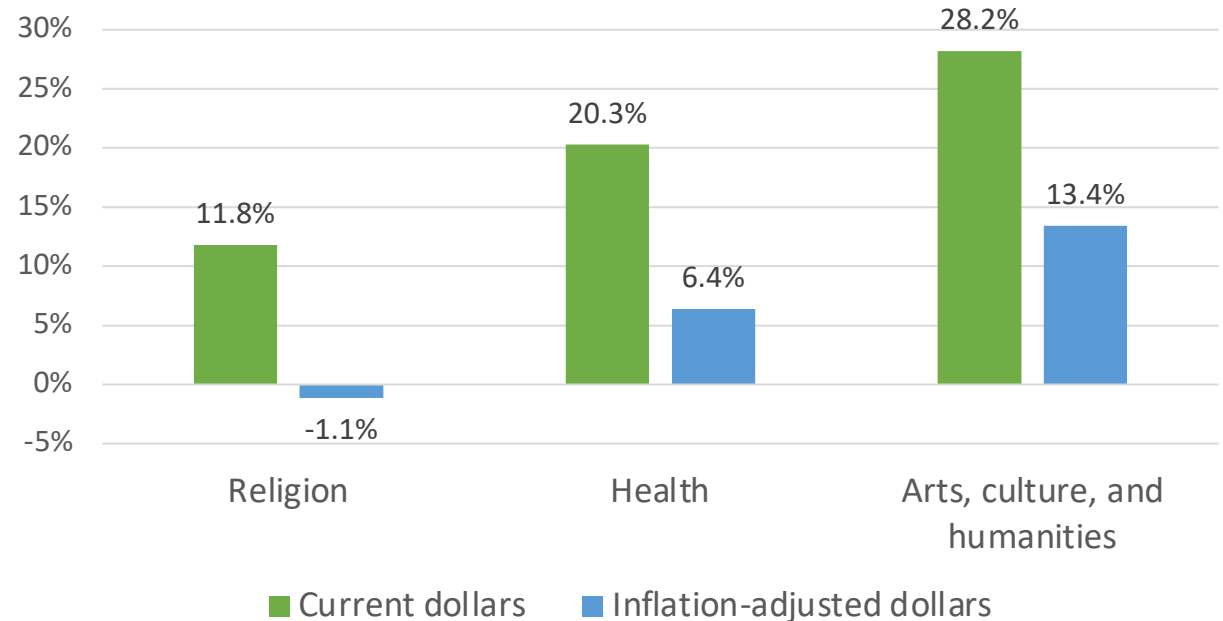


- Giving to religion, health, and arts, culture, and humanities organizations grew in current dollars, but declined when adjusted for inflation
- All three subsectors reached their highest inflation-adjusted levels in the pandemic era
- Giving to health and arts posted strong two-year growth, even when adjusted for inflation

Percent change in giving to religion, health, and arts, culture and humanities, 2021-2022



2-year growth in giving to religion, health, and arts, culture and humanities



THE FUTURE OF GIVING

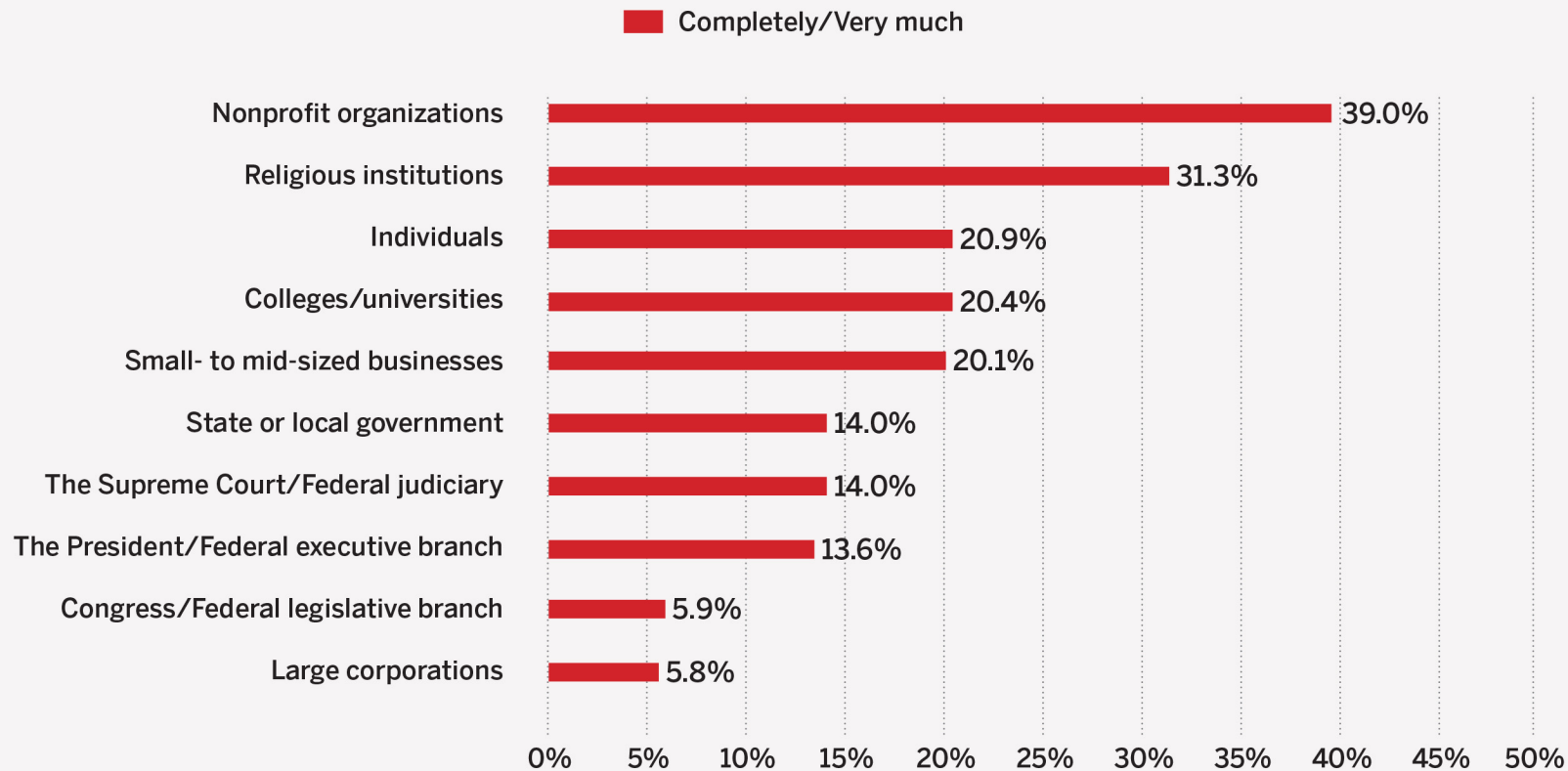
Navigating the changing landscape





Americans trust nonprofits more than government or business, but levels of trust in all three sectors of society are low

How much do you trust the following entities to generally do what is right?



**Most trusted =
Religious charitable
organizations**

**Least trusted =
Giving by corporations**

Among those willing to express an opinion, majority thought nonprofit/philanthropic sector “off on the wrong track”

#10 The resilience and innovation developed in the pandemic era will continue to serve nonprofits



Nonprofits can continue to evolve by...



- **Expanding online giving**

- Online giving has grown to more than 10 percent of giving



- **Building the future pipeline of donors and sustaining existing donors**

- Next-gen and diverse donors tend to think of participating in social movements and using their voices as important ways of giving back⁴

- **Adapting to new giving tools such as AI**

- Tools such as ChatGPT offer new possibilities for nonprofits, fundraisers, *and* donors
- Trust, engagement and relations 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.

#10 What did you take from these results?



Please **comment** on the surprises and top trends you see.



Question & Answer

- Ask a question via the Q&A widget found at the bottom of your Zoom console.