

**Philanthropic Giving in the Current Economy:
What You Need to Know**

Data from *Giving USA 2009* and Other Research

A Presentation to the California Valley Chapter
of the Association of Fundraising Professionals
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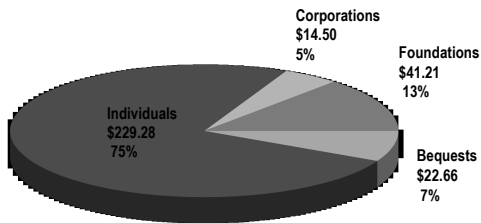
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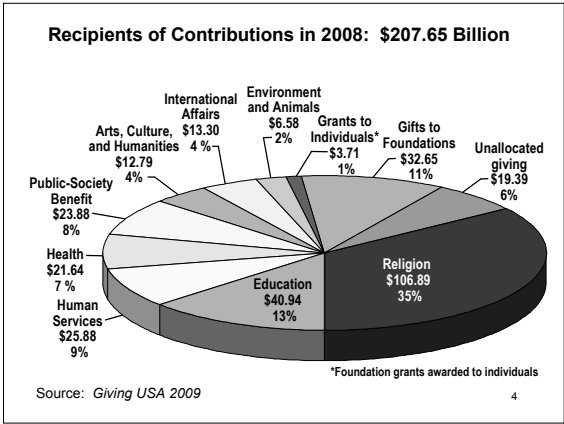
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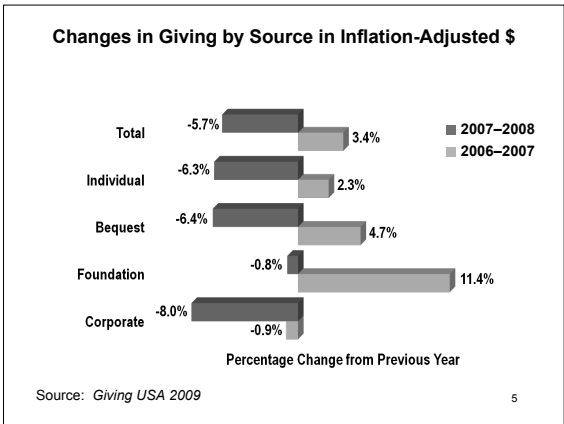
Total Charitable Giving in 2008: \$307.65 Billion

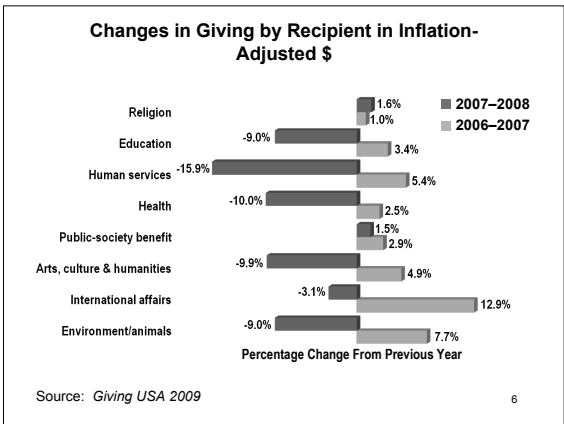


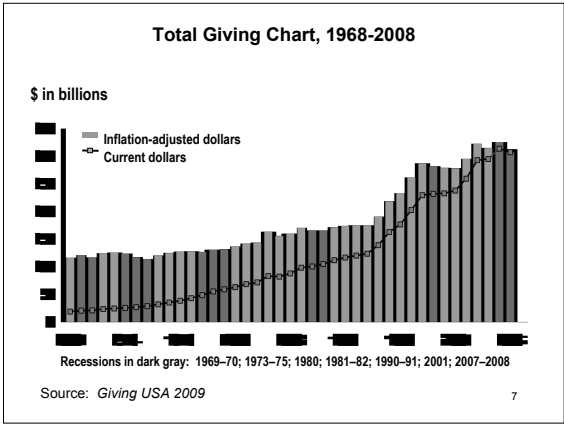
Source: *Giving USA 2009*

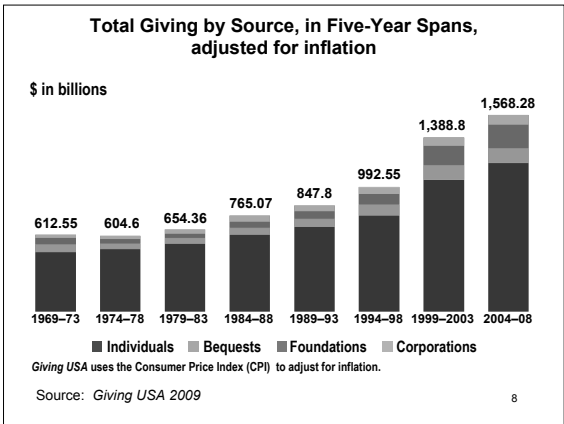
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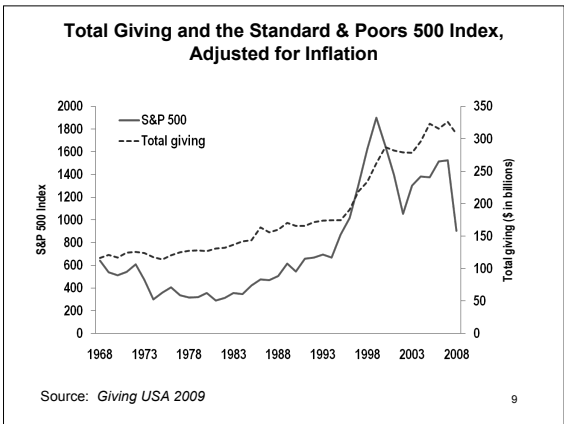












How Bad is This Recession?

Recession Period	Highest Unemployment	Dow Jones Decline	Personal Income	GDP Decline	Corporate Profits
1929–1933 (44 months)	37.6% (1933)	–85% (29–32)	–24% (29–33)	–25%	–101%
1973–1975 (17 months)	9% (1975)	–50% (73–75)	0.6% (73–75)	–1%	–10%
1980–1982 (24 months)	10.8% (1982)	–29% (80–82)	4.6% (80–82)	+1.5%	–9%
2007–2009 (21+ months)	9.5% (2009)	–53% (07–09)	–3.8% (07–09)	–2.2%	–21%

Source: *Giving USA Spotlight #3 2009*

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**Patterns of Giving in Recessions
(Inflation-Adjusted \$)**

Type of Donor	Average, 1967-2007	Average Recession Years	Average 8+ Months Recession	1974	2008
Total Giving	2.8%	–1.0%	–2.7%	–5.4%	–5.7%
Individuals	2.7%	–1.5%	–2.4%	–5.3%	–6.3%
Foundation	4.3%	–1.0%	–0.2%	–5.0%	–0.8%
Corporate	3.2%	–1.8%	–1.7%	–6.5%	–8.0%

Source: *Giving USA Spotlight #3 2008*

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Recovery and Growth of Giving After Recessions

- The next *Giving USA Spotlight* will examine how long it takes for giving to recover to pre-recession levels. Here is a preview:
 - Giving has always recovered and resumed its growth pattern.
 - Recovery time for individual giving following the Great Depression and 1973–1975 was about 4 years.
- Recovery times vary across recessions and across sectors:
- This time, there may be some additional factors:
 - This recession may have had a greater impact on the wealthy.
 - There also factors that suggest a recovery in giving could occur more quickly if the economy strengthens.

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Reactions of Donors

- Philanthropy is alive and well – 2008 giving of \$307.65 Billion remained at about 94% of 2007's record \$314.07 Billion.
- Giving rises and falls with the economy and the stock market, but the changes to giving are slower and much smaller.
- Donors are becoming more strategic in their giving, taking longer to decide, and reducing or spreading giving out over a longer time, but **they are still giving.**
- Donors in all sectors emphasize the importance of continuing to talk with and engage them, even in recessions.

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Projections of Giving for 2009 and 2010

- Since the recession has continued well into 2009, some project an additional giving decline on the order of –5% for 2009.
- While the recession may be moderating, its psychological and financial impact is still on people's minds.
- Factors that might be different this time: higher per capita incomes, higher percentage with higher education, and more support for secular causes.
- Giving by foundations may continue to decline over the next few years, but growth in new foundations may counter this trend.
- The pace of recovery and growth in the stock market is likely to be an important factor in the recovery and growth of giving.

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Suggestions for Keeping Fundraising Productive

- Stay in communication with your donors and prospective donors.
- Stay positive! Tell people about how you are adjusting and plan to pursue your mission.
- Keep saying thank you.
- Don't talk about your needs. Show people you are doing something important to them, and continuing to do it well.
- Help your board and volunteers be effective advocates.
- "The only losing strategy is not to play," and "A crisis is a terrible thing to waste."

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Ways to Use This Information

- You can use this information to:
 - Plan for the future and establish realistic goals,
 - Educate people about the importance of individual giving and the way that sources and patterns of giving continue to evolve,
 - Educate Board members about philanthropic giving so they better understand your organization's and sector's funding patterns and potential,
 - Educate current and new staff members and volunteers, and
 - Include up-to-date information in your communications with donors, prospective donors, and the community at large.
- Stay focused and committed to your mission, emulate the best practices of programs that succeed no matter what the economy does, and treat donors as vital partners who share your goals.

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Additional Resources

- *Giving USA* and the *Giving USA Spotlight Series*, <http://www.givinginstitute.org/>
- Center on Philanthropy at Indiana University, <http://www.philanthropy.iupui.edu/>
- *The Chronicle of Philanthropy*, <http://www.philanthropy.org>
- Center on Wealth and Philanthropy, Boston College, <http://www.bc.edu/research/cwp/>
- Council for Aid to Education, *Voluntary Support of Education*, http://www.cae.org/content/pro_data_trends.htm
- Barclays Wealth, *Tomorrow's Philanthropist*, <http://www.barclayswealth.com/Images/Barclays-Wealth-Tomorrows-Philanthropist.pdf>
- A PDF of the handout for this presentation is available on the Chapter website, <http://www.afp-cv.org/news>

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In conjunction with The Giving USA Foundation™, Cardaronella Stirling Associates is pleased to offer participants a special discount on purchases of the invaluable research reports issued by the Foundation.

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