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**U.S. charitable giving shows modest uptick in 2010 following two years of declines**  
*Donations of \$290.89 billion reflect general slow rebound in American economy after Great Recession*

CHICAGO (June 20, 2011) – Giving USA Foundation™ and its research partner, the Center on Philanthropy at Indiana University, today announced that total charitable contributions from American individuals, corporations and foundations were an estimated \$290.89 billion in 2010, up from a revised estimate of \$280.30 billion for 2009. The 2010 estimate represents growth of 3.8 percent in current dollars and 2.1 percent in inflation-adjusted dollars.

“Our revised estimates show that 2008 and 2009 saw the largest drops in giving in more than 40 years as a result of the Great Recession, exceeding previous recessions’ impact on giving,” said Edith H. Falk, chair of Giving USA Foundation™. “Despite the fragile economic recovery, though, Americans continued--and even increased--their support of organizations and causes that matter to them in 2010. The \$10.59 billion increase in the estimated total suggests that giving is beginning to recover as the economy slowly climbs out of the recession.”

As it does annually, *Giving USA* revised its 2008 and 2009 estimates as the IRS revised and released its 2008 and 2009 giving estimates, which are used in *Giving USA's* estimating process. IRS estimates show larger than usual decreases in itemized giving. *Giving USA* also refined its estimating model to more fully reflect the impact of the worst recession in 70 years. As a result of both changes, *Giving USA* revised downward its estimates for total giving in 2008 and 2009, which were originally estimated at \$307.65 billion and \$303.75 billion, respectively.

“Giving could have been construed as an unnecessary expense in the average household budget last year,” said Thomas W. Mesaros, CFRE, chair of Giving Institute: Leading Consultants to Non-Profits. “Charitable donations of \$290 billion are very significant in a still-uncertain economy. Our estimates indicate that people across the country continued to care deeply about philanthropy in 2010.”

“Total giving grew by 2.1 percent last year after adjusting for inflation. That’s good news following a combined drop of over 13 percent in 2008 and 2009,” said Patrick M. Rooney, Ph.D., executive director of the Center on Philanthropy. “But the sobering reality is that many nonprofits are still hurting, and if giving continues to grow at that rate, it will take five to six more years just to return to the level of giving we saw before the Great Recession.”

*Giving USA* has reported U.S. charitable contributions since 1956. The national results from

*Giving USA* estimate all charitable giving to all charitable organizations in the United States. The national estimates do not show changes that any one organization or any one geographical region or city might have observed; they calculate total giving by about 75 million households across the United States, the approximately 1 to 1.5 million corporations that claim charitable deductions, an estimated 120,000 estates, and about 77,000 foundations. The gifts go to more than 1.2 million IRS-registered charities and an estimated additional 350,000 American religious congregations.

### **Giving estimates by type of donor**

Individual giving rose an estimated 2.7 percent in 2010, to \$211.77 billion (this represents a 1.1 percent increase in inflation-adjusted dollars). In estimating individual giving for 2010, the model included a new variable for inflation-adjusted change from the previous year – personal consumption – as well as variables used in prior years, including inflation adjusted change in the S&P 500 from the year before (based on last trading day), lagged giving, and the tax price. Through 2009, personal income was used as one of the variables; for the time period of the Great Recession, personal consumption was found to be a better overall indicator of giving.

Charitable bequests were estimated to be \$22.83 billion, an increase of 18.8 percent in 2010 (16.9 percent in inflation-adjusted dollars). Because estate gifts and tax returns are usually completed one to two years after the donor's death, stock market changes and other asset growth have an important effect on the growth in estate giving.

Foundation grant making by private, community and operating foundations was \$41 billion in 2010, according to the Foundation Center. It fell by 0.2 percent in current dollars (a decline of 1.8 percent in inflation-adjusted dollars).

Corporate giving rose to an estimated \$15.29 billion, up 10.6 percent in current dollars (8.8 percent in inflation-adjusted dollars). Corporate giving continues to reflect gifts of in-kind donations on behalf of American companies, particularly in the pharmaceutical sector.

### **Giving estimates by type of recipient**

*Giving USA* looks at nine subsectors, or types of charitable recipients, in its annual report.

Giving to religion, at 35 percent of the total, remains the largest share of all contributions, with an estimated \$100.63 billion. The estimated increase in 2010 was 0.8 percent in current dollars, with a small decline of the same amount, 0.8 percent, in inflation-adjusted dollars.

Giving to education rose to an estimated \$41.67 billion, an increase of 5.2 percent in current dollars (3.5 percent in inflation-adjusted dollars). This is the first year of an increase in giving after two years of declines. Educational organizations received an estimated 14 percent of the total.

Giving to foundations rose slightly to \$33 billion, an increase of 1.9 percent in current dollars (0.2 percent in inflation-adjusted dollars). The Foundation Center and the Center on Philanthropy jointly estimate contributions to this type of recipient. This includes private, community and operating foundations. This subsector received an estimated 11 percent of the total.

Giving to human services is estimated to be \$26.49 billion, an increase of 0.1 percent in current

dollars but a decrease of 1.5 percent in inflation-adjusted dollars. This subsector received an estimated 9 percent of the total. Human services includes the majority of the \$1.43 billion donated to Haiti disaster relief. The Center on Philanthropy's disaster giving research estimates that 75 percent (\$1.07 billion) of those gifts were given to human services organizations. If giving to Haiti disaster relief were not included, giving to human services would have declined by 4 percent in current dollars. The other 25 percent of Haiti relief giving (\$0.36 billion) was contributed to international relief organizations and is included in the international affairs subsector.

Giving to health also shows an estimated increase, to \$22.83 billion (1.3 percent in current dollars or a decline of 0.3 percent in inflation-adjusted dollars). This subsector received 8 percent of the total.

Giving to public-society benefit organizations was an estimated \$24.24 billion, an increase of 6.2 percent in current dollars (4.5 percent in inflation-adjusted dollars). This subsector, which includes certain types of donor-advised funds as well as umbrella organizations such as United Way, Combined Federal Campaign and United Jewish Appeal that collect donations and redistribute them to other charitable organizations, received 8 percent of the total. The increase in giving to this subsector can in part be attributed to growth in freestanding donor-advised funds; Fidelity® Charitable Gift Fund, for example, reported contributions above \$1.6 billion in 2010, which was a 42 percent increase over 2009.

Giving to arts, culture and humanities organizations rose an estimated 5.7 percent in current dollars (4.1 percent in inflation-adjusted dollars), to \$13.28 billion. This subsector was 5 percent of the 2010 total.

Giving to international affairs (which includes relief, development and public policy activities) increased an estimated 15.3 percent in current dollars (13.5 percent in inflation-adjusted dollars), reaching \$15.77 billion. This was 5 percent of the total.

Giving to environment/animal-related organizations declined 0.7 percent in current dollars (a decline of 2.3 percent in inflation-adjusted dollars), to an estimated \$6.66 billion. This was 2 percent of the total.

Giving to individuals includes grants from foundations to benefit named individuals. Most often, these are gifts of medications to patients in need and are made by operating foundations created by pharmaceutical manufacturers. These gifts are estimated to have remained relatively steady in 2010, at \$4.20 billion or 2 percent of the total.

Every year, *Giving USA* also calculates the unallocated piece of the giving “pie;” for 2010, it is estimated to be \$2.12 billion, or 1 percent of all giving. These are dollars that cannot be attributed to any one particular sector.

### **Summary of *Giving USA* methods**

Consistent with *Giving USA's* established practice, *Giving USA* estimates for prior years are revised annually as updated information becomes available from such entities as the IRS and other data sources. Following extensive research, *Giving USA* has refined its methodology in

order to better capture the effects of extreme economic volatility, such as that experienced during the Great Recession, on charitable giving.

The refined model uses a combined forecasting approach that incorporates both the *Giving USA* time-tested methodology and, for the first time, preliminary estimates of giving from the IRS. In the past, *Giving USA* used only final IRS data, which is released about two years after the close of the tax year. The 2010 estimates of charitable giving and the revised estimates for 2009 reflect these changes in the methodology. The final estimates for 2008 are based on IRS final data for that year.

The refinement in methodology is in keeping with *Giving USA's* commitment to improve the robustness and accuracy of its estimates on an ongoing basis. The new methodology will also allow *Giving USA* to be even more responsive to real-world changes.

The *Giving USA* methodology was developed to measure the relationship between charitable giving and key economic variables such as total household consumption, tax rates, and the stock market, and then to provide a two-year-ahead forecast on how changes in macroeconomic variables affect charitable giving. It is also important to note that *Giving USA* relies on IRS data, which covers charitable deductions made by only the one-third of U.S. households that itemize deductions. In addition, *Giving USA* includes estimates on non-itemizing households based on the Center on Philanthropy Panel Study (COPPS), the largest, longest running panel study of household giving over time in the world. This is important because nearly two-thirds of American households donate something to charitable organizations annually.

*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. These models use historical data from IRS Form 990s as well as contemporaneous economic variables that have been found to be highly predictive of changes in the uses of giving.

The Center on Philanthropy at Indiana University prepares all the estimates in *Giving USA* for Giving USA Foundation™.

#### **A Note about Inflation Adjustments**

Inflation-adjusted rates of change are based on estimates calculated using a Bureau of Labor Statistics (BLS) 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 1.6 percentage points (the rate of inflation used in the BLS converter for 2009 to 2010). 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.

Note that when 2010 = 100, the BLS convertor generates a value of 98.39 for 2009. This

indicates a slight rate of inflation for 2010.

## **NOTES TO EDITORS**

Data for 1970 through 2010 are available upon request to media organizations. 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*. (2011).

### ***About Giving USA***

*Giving USA* is a public outreach initiative of Giving USA Foundation™. The Foundation, established in 1985 by Giving Institute: Leading Consultants to Non-Profits, endeavors to advance philanthropy through research and education. It is headquartered in Chicago. Prior to 1985, the Institute published the annual compendium. For more information, visit [www.givingusa.org](http://www.givingusa.org).

### ***About the Center on Philanthropy***

The Center on Philanthropy at Indiana University is a leading academic center dedicated to increasing the understanding of philanthropy and improving its practice worldwide through research, teaching, training and public affairs programs in philanthropy, fundraising, and management of nonprofit organizations. For more information, visit [www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu).

The complete *Giving USA 2011* report, with data covering 2010 giving, will be available at [www.givingusareports.org](http://www.givingusareports.org). An executive summary with key findings will be available without charge, thanks to generous support from donors and sponsors.

Subscribers may purchase the full report with all 30+ charts and text plus chapters on sources and uses of contributions, as well as PowerPoint presentation materials based on the charts in the report. Giving USA Foundation™ also publishes a quarterly newsletter, *Spotlight. Giving USA* reports, including the complimentary executive summary, may be ordered online at [www.givingusareports.org](http://www.givingusareports.org). All orders must be prepaid.