



Embargoed until 12:01 a.m. Wednesday, June 9, 2010

Contact: FOR the FOUNDATION:
Sharon Bond, 847/375-4836
sbond@connect2amc.com

FOR the CENTER:
Adriene Davis, 317/278-8972
adrldavi@iupui.edu

U.S. charitable giving falls 3.6 percent in 2009 to \$303.75 billion

Despite overall drop, some types of charities attract more gifts during time of great need; for third year, giving exceeds \$300 billion, says Giving USA Foundation

GLENVIEW, IL (June 9, 2010) -- Giving USA Foundation™ and its research partner, the Center on Philanthropy at Indiana University, today announced that estimated total charitable contributions from American individuals, corporations and foundations fell to \$303.75 billion in 2009, down from a revised total of \$315.08 billion for 2008. The 2009 drop represents a fall of 3.6 percent in current dollars. In 2009 the overall economy saw slight price deflation, which makes the adjusted change in giving year-over-year a decline of 3.2 percent.

“Even in a time of enormous economic upheaval, such as we saw in 2009, Americans continued to be generous to charitable causes,” said Giving USA Foundation Chair Edith H. Falk. “While overall giving declined, many donors—including individuals and foundations—made special efforts in 2009 to respond to greater humanitarian needs.”

She added that, in addition to support from individuals and foundations, some nonprofits received exceptional support from the corporate sector, which included billions of dollars’ worth of in-kind donations, particularly from information technology firms and pharmaceutical manufacturers.

Giving USA has reported U.S. charitable contributions since 1956. The inflation-adjusted drop of 3.2 percent for 2009 is not as severe as the decline found in 1974, when inflation-adjusted giving fell by 5.5 percent. The year 1974 was also a very difficult year of recession.

EMBARGOED UNTIL 12:01 A.M. WEDNESDAY, JUNE 9, 2010

“Speculation was swirling for many months that charitable giving had to be down by a great percentage in 2009,” said Nancy Raybin, chair of Giving Institute: Leading Consultants to Non-Profits. (Giving Institute created Giving USA Foundation in 1985; prior to then, the Institute published the annual compendium.) “Anecdotally, our experts across the country heard that strong giving in December made all the difference, and the totals for the year bear that assumption out.”

The national results from *Giving USA* reflect 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 more than 75 million households across the United States, more than 1 million companies, 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.

“Using models we have developed, we estimate that the human services, health, international aid and environment/animals subsectors saw increased contributions,” said Patrick M. Rooney, Ph.D., executive director of the Center on Philanthropy. “This focus on vital needs is consistent with what historians tell us happened during the Great Depression.”

Giving USA Foundation also announced that, starting today, a free executive summary of the 2010 report will be available on-line. “It has long been a dream of the Foundation to be able to provide as much information free-of-charge as possible,” said Falk, “and thanks to our generous donors and sponsors, we are able to start fulfilling that dream this year.”

Estimates by type of donor

Individual giving fell an estimated 0.4 percent in 2009, to \$227.41 billion (this equates to a 0.0 percent change in inflation-adjusted dollars). Many news reports and polls of the nonprofit sector suggested that individual contributions increased toward the end of the year, as stock market indices rose and as media coverage highlighted the needs faced by charitable organizations.

Charitable bequests were estimated to be \$23.8 billion, a decline of an estimated 23.9 percent in 2009 (-23.6 percent adjusted for inflation). This reflects the unusually high level of bequest giving announced in 2008 by the Internal Revenue Service in its data released in late 2009. The 2009 estimate is \$0.58 billion above the 2007 estimate, an increase of 2.5 percent.

When revising the 2008 estimate, *Giving USA*'s used data from the Internal Revenue Service for estate tax returns filed for 2008. A year ago, *Giving USA* estimated that estate donations would be \$19.4 billion in 2008; in late 2009, the IRS reported \$28.4 billion claimed on estate tax returns filed in 2008. This and other changes resulted in the revised 2008 total of \$315.08 billion. The original estimate, released in June 2009, was total giving of \$307.65 billion based on data available in early 2009.

Giving USA's revised estimate for 2008 includes an unusually large sum reported by the Internal Revenue Service for estate tax returns filed for 2008. In mid-2009 *Giving USA* estimated that estate donations would be \$19.4 billion in 2008; in late 2009, the IRS reported \$28.4 billion

claimed on estate tax returns filed in 2008. This and other changes resulted in the revised 2008 total of \$315.08 billion. The original estimate, released in June 2009, was total giving of \$307.65 billion based on data available in early 2009.

Foundation grantmaking by private, community, and operating foundations was \$38.44 billion, according to the Foundation Center. It fell by 8.9 percent (-8.6 percent adjusted for inflation). This is a less severe drop than foundations anticipated when the Foundation Center surveyed them early in 2009.

Corporate giving rose to an estimated \$14.1 billion, up 5.5 percent (5.9 percent adjusted for inflation). This unexpected bounce takes corporate giving to within 1 percent of its pre-recession level. According to at least two reports (Committee Encouraging Corporate Philanthropy and Community Foundation of Silicon Valley), corporations increased their in-kind donations, which are less affected by recessions. This shift explains at least some of the growth.

Giving estimates by type of recipient

The subsectors, or types of charitable recipients, that saw declines in giving tended to be those that are more likely to receive gifts through capital campaigns, contributions to endowments, and donations of art and property. These include education, grantmaking foundations, arts and culture organizations, and public-society benefit organizations, which include freestanding donor advised funds such as Fidelity Charitable Gift Fund or Schwab Charitable Fund, and Jewish endowments. The change in gifts to religion, a drop of 0.7 percent, might also reflect a shift away from building funds and toward outreach services.

Giving to religion, at 33 percent of total giving, remains the largest share of all contributions, with an estimated \$100.95 billion. The estimated decline in giving to religion was 0.7 percent in 2009 (an estimated decrease of 0.3 percent adjusted for inflation).

Giving to education declined to an estimated \$40.01 billion, a drop of 3.6 percent in 2009 (-3.2 percent adjusted for inflation). This is the second consecutive year that giving to education has declined. Educational organizations received an estimated 13 percent of the total.

Giving to foundations dropped to \$31 billion, a decline of 8 percent (-7.6 percent adjusted for inflation). 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 10 percent of the total.

Giving to human services is estimated to be \$27.08 billion, an increase of 2.3 percent (2.7 percent adjusted for inflation). This subsector received an estimated 9 percent of the total.

Giving for health also shows an estimated increase, to \$22.46 billion, or growth of 3.8 percent (4.2 percent adjusted for inflation). This subsector received 7 percent of the total.

Giving for public-society benefit organizations declined an estimated 4.6 percent (-4.2 percent adjusted for inflation). This subsector received an estimated \$22.77 billion in 2009 and was 8 percent of the total, when rounded.

Giving to arts, culture and humanities organizations dropped an estimated 2.4 percent (-2.0 percent adjusted for inflation), to \$12.34 billion. This subsector was 4 percent of the 2009 total.

Giving to international aid (which includes relief, development and public policy activities) increased an estimated 6.2 percent (6.6 percent adjusted for inflation), reaching \$8.89 billion. This was 3 percent of the total.

Giving for environment/animal-related organizations rose 2.3 percent (2.7 percent adjusted for inflation), to an estimated \$6.15 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 2009, at \$3.5 billion or 1 percent of the total.

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.

All *Giving USA* estimates are developed before tax data for the year are available. The estimates are revised and updated as tax return information about itemized deductions and foundation grants are released and as revenue information that charitable organizations file with the Internal Revenue Service is analyzed and made available.

For total giving, *Giving USA* estimates have been within 2 percent of the final numbers once the actual data are available for all years since 2001 except 2005, when the Katrina Emergency Tax Relief Act inspired additional giving. The relationships between charitable giving and broader economic trends are less certain when people change their giving because of an infrequent event—such as a tax law change, very high rates of mortgage foreclosures, or a natural disaster.

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.

When adding the estimated amounts given to each type of recipient for 2008 and 2009, *Giving USA* found total change of -1.6 percent. When estimating giving by adding together the results of the sources of contributions, *Giving USA* found a total change in giving of -3.6 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 2 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 (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 0.4 percentage points (the rate of inflation used in the BLS converter for 2008 to 2009). 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 2009 = 100, the BLS converter generates a value of 100.40 for 2008. This indicates a slight rate of deflation, not inflation, for 2009.

NOTES TO EDITORS

Data for 1969 through 2009 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 FoundationTM, 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*. (2010).

About Giving USA

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

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.

The complete *Giving USA 2010* report, with data covering 2009 giving, will be available at www.givingusa2010.org, at www.givingusa.org and at www.philanthropy.iupui.edu beginning June 9, 2010. An executive summary with some 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, as well as separate sections about giving by individuals, giving to education (and six other topics), and 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.givingusa2010.org. All orders must be prepaid.