

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

Data from *Giving USA 2009* and Other Research

A Presentation to the Network of California  
Community College Foundations  
23 September 2009

Gary Cardaronella  
Patricia Stirling  
Cardaronella Stirling Associates  
www.cardstirling.com

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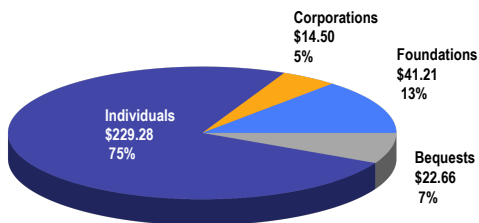
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**Total Charitable Giving in 2008: \$307.65 Billion**



Source: *Giving USA 2009*

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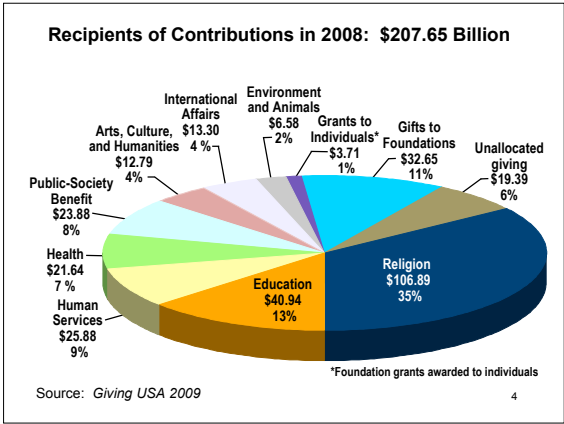
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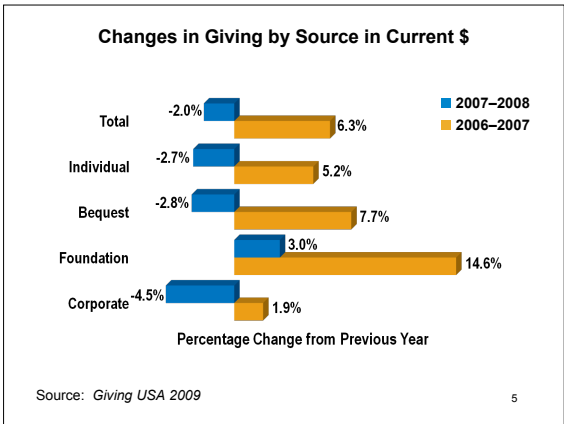
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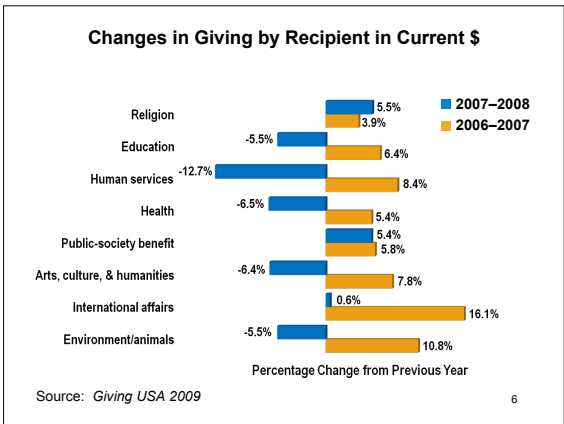
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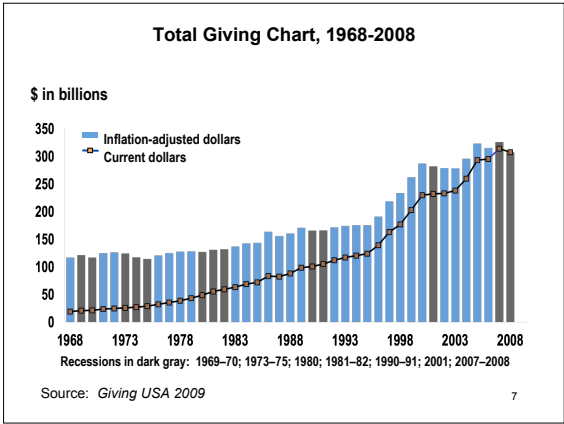
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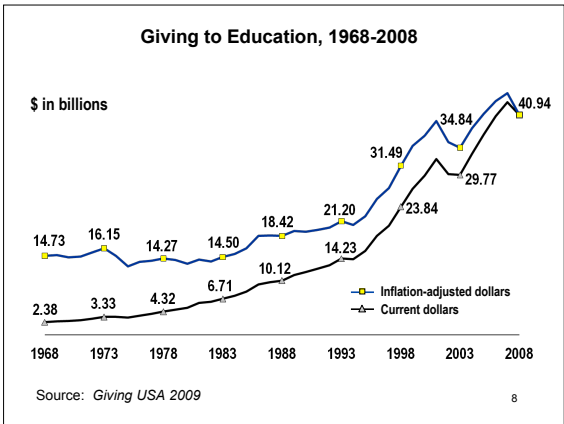
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### Other Trends in Giving to Education

- Education has been the second highest recipient of gifts, after Religion, since we began keeping records in 1954.
- Overall support for Education has come from the following sources:  
 46% High Net Worth Individuals    19% Other Individuals  
 8% Bequests    20% Foundations    7% Corporations
- In the Bank of America Study of High Net Worth Philanthropy, 80% of HNW households gave to Education compared to 15% of all households.
- As the recession deepened in the second half of 2008, educational fundraisers reported much lower decreases in pledge payments than fundraisers in other organizations.

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### CAE Data on Voluntary Support of Education

- Giving to Higher Education increased 6.2% in 2007-2008, to a new record of \$13.6 Billion.
- The sources of support for Higher Education include giving by:

—Alumni	27.5%	—Non Alumni Individuals	19.4%
—Foundations	28.8%	—Corporations	15.5%
—Other Sources	8.8%		
- Foundation grants are a larger share of Education giving than Total giving (13%), and include some alumni giving through foundations.
- CAE noted a substantial decline in giving beginning in January, and that "both the number and value of contributions dropped early in the calendar year."

Source: CAE 2008 Voluntary Support of Education

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### Giving to Community Colleges

- Only about 2% of giving to Higher Education goes to community colleges, but that should increase.
- The 164 Public Community Colleges reporting to CAE last year raised an average \$1.5 million in 2007-2008.
- The limited data available shows a slightly different pattern of support for Public Community Colleges:

—Alumni	3.6%	—Corporations	20.1%
—Non Alumni Indiv.	43.3%	—Foundations	16.7%
—Other Sources	16.3%		
- Financial aid receives the majority of gifts, followed by support for academic programs and public service activities, but there are a growing number of capital projects and campaigns.

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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 after deep recessions has been about 3–4 years.
- Recovery times vary across recessions and across sectors. Giving to Education usually recovers quickly.
- This time, there may be some additional factors:
  - This recession may have had a greater impact on the wealthy than in previous recessions.
  - There are also factors that suggest a recovery in giving could occur more quickly if the economy strengthens.

Source: *Giving USA Spotlight #2 2009*

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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, are taking longer to decide, and may reduce or spread their giving out over a longer time, but **they are still giving.**
- Education continues to be a long-term priority for many donors.
- Donors in all sectors emphasize the importance of continuing to talk with and engage them, even in recessions — especially 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 decline in giving on the order of -5% for 2009.
- While the recession may be moderating, its psychological and financial impact is still very much on people's minds.
- Factors that might be important this time vs. previous recessions include: higher per capita incomes, a greater percentage with higher education, and greater 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 a more 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 how you are adjusting and plan to pursue your mission even under challenging circumstances.
- Keep saying thank you and provide active stewardship.
- 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](http://www.cae.org/content/pro_data_trends.htm)
- Council for Advancement and Support of Education, [www.case.org](http://www.case.org)
- Association of Fundraising Professionals, [www.afpnet.org](http://www.afpnet.org)
- *Bank of America Studies of High Net Worth Philanthropy*, 2006-2008, [newsroom.bankofamerica.com/index.php?s=23&item=105](http://newsroom.bankofamerica.com/index.php?s=23&item=105)
- 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 NCCCF website, <http://www.ncccfweb.org>

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### Discount Offer for *Giving USA 2009*

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

Visit the Giving USA Web store: <https://www.givinginstitute.org/secure/> and receive a 40 percent discount on any purchase by entering the code CAL09 on checkout. The discount will be automatically calculated for you.

The discount code is valid for any research report or subscription package offered by *Giving USA*!

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