



# PERSPECTIVES ON PHILANTHROPY: GIVING USA 2023

SEPTEMBER 12, 2023





# AGENDA

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WELCOME &  
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QUESTIONS &  
DISCUSSION

# WELCOME & INTRODUCTIONS



# INTRODUCTIONS



Jennifer Belliveau

Senior Vice  
President



Duncan Bindbeutel

Director

# ABOUT CCS



## 76 Years

Founded in 1947, we are the most widely recommended firm in the field.



## 90% Repeat or Referrals

Ninety percent of our business comes from repeat business or referrals.



## 7 Core Services

Our core services include campaigns, assessments, feasibility studies, strategic planning, research and data analytics, major gifts, and endowments.



## 18 Offices

Our offices are located in Philadelphia, Baltimore, Boston, Chicago, Dallas, Denver, Houston, Miami, New York, San Francisco, St. Louis, Seattle, Southern California, Washington DC, London, Dublin, Sydney, and Toronto.



## 500+ Fundraising Professionals

Our staff of over 500 philanthropic experts includes 25 partners with a minimum of 20 years of executive experience each.



## 10,000 Satisfied Clients

We have worked closely with 40% of the 100 best-performing charities.





# TODAY'S PHILANTHROPIC LANDSCAPE

INCLUDING GIVING USA'S  
NEW FINDINGS

# OUR WORLD TODAY



## Economic

Global economy is showing signs of recovery

Federal Reserve officials announce pause in US interest-rate hikes

Stocks climb on inflation data, moving further into a bull market



## Social

Top agenda items for WEF Davos Meeting 2023 were reversing inequality, safeguarding economic futures, and upholding civil freedoms

UNESCO report reveals \$97B global gap to reach the Sustainable Development Goal's education targets



## Political

World leaders will come together in September to discuss the Sustainable Development Goal midpoint

The US has begun ramping up to its 2024 presidential election

Global tensions rise between the US and China over Taiwan, and ongoing crises in Ukraine



## Technological

Generative AI and machine learning are becoming more disruptive and accessible

Shakeups amongst top tech leadership are playing out in the stock market and economy

US, Europe, and China racing to drive quantum computing innovation



## Environmental

Jan. 2023's climate report showed 7<sup>th</sup> highest global average temperature since 1850

US cities see unprecedented impact from climate crisis

WEF, WTO, and WBG launch Action on Climate and Trade

# 2022 IN PHILANTHROPY

FRESH FACES



FEBRUARY

POWER SHIFT



MAY

THE GIVING CRISIS



JULY

FUNDRAISERS WANTED



NOVEMBER

MARCH



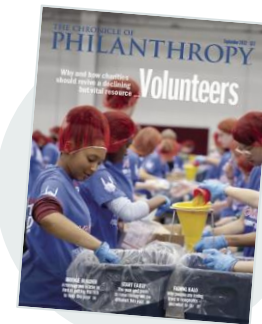
THE FIERCE FIGHT FOR CLIMATE PHILANTHROPY'S FUTURE

JUNE



"WHERE DID ALL THE EMPLOYEES GO?"

SEPTEMBER



VOLUNTEERS: WHY AND HOW CHARITIES SHOULD REVIVE A DECLINING BUT VITAL SOURCE

DECEMBER

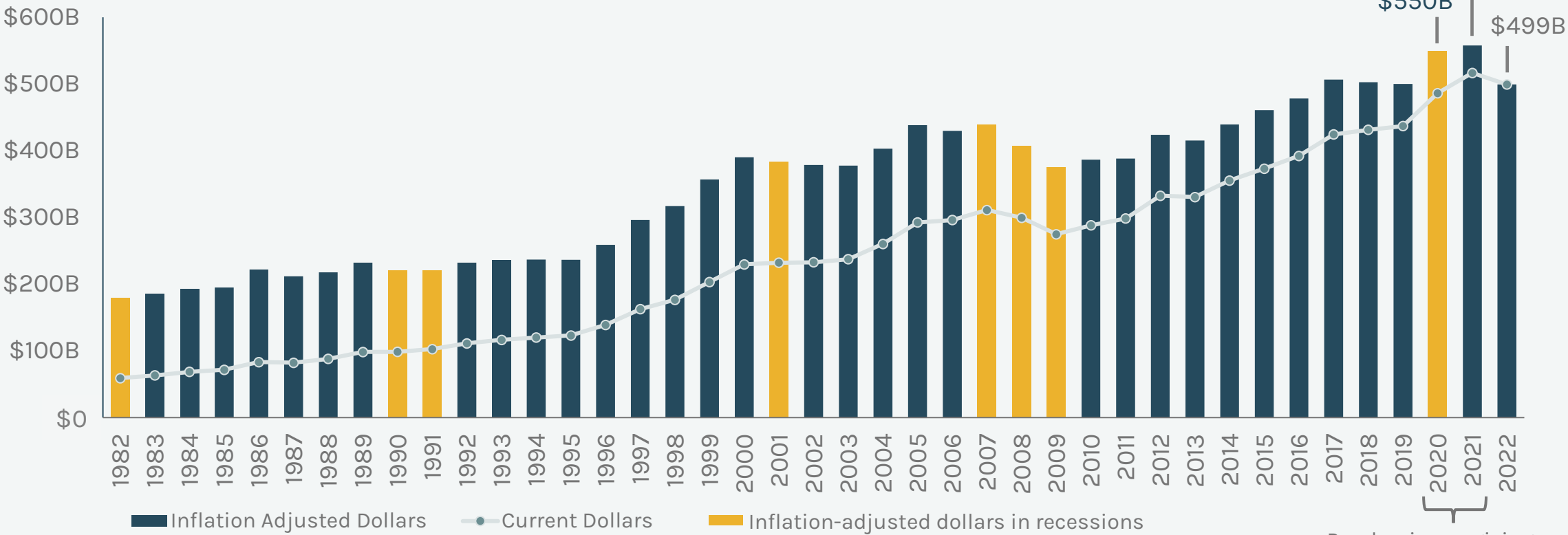


THE FUTURE IS NOW



# Giving declined to \$499.33 billion in 2022, a year influenced by the stock market and economic uncertainty

TOTAL GIVING, 1982-2022  
(in billions of dollars)



\*Inflation adjusted dollars

# New economic challenges emerged in 2022 that had a dampening effect on giving



## CHALLENGES INCLUDED:

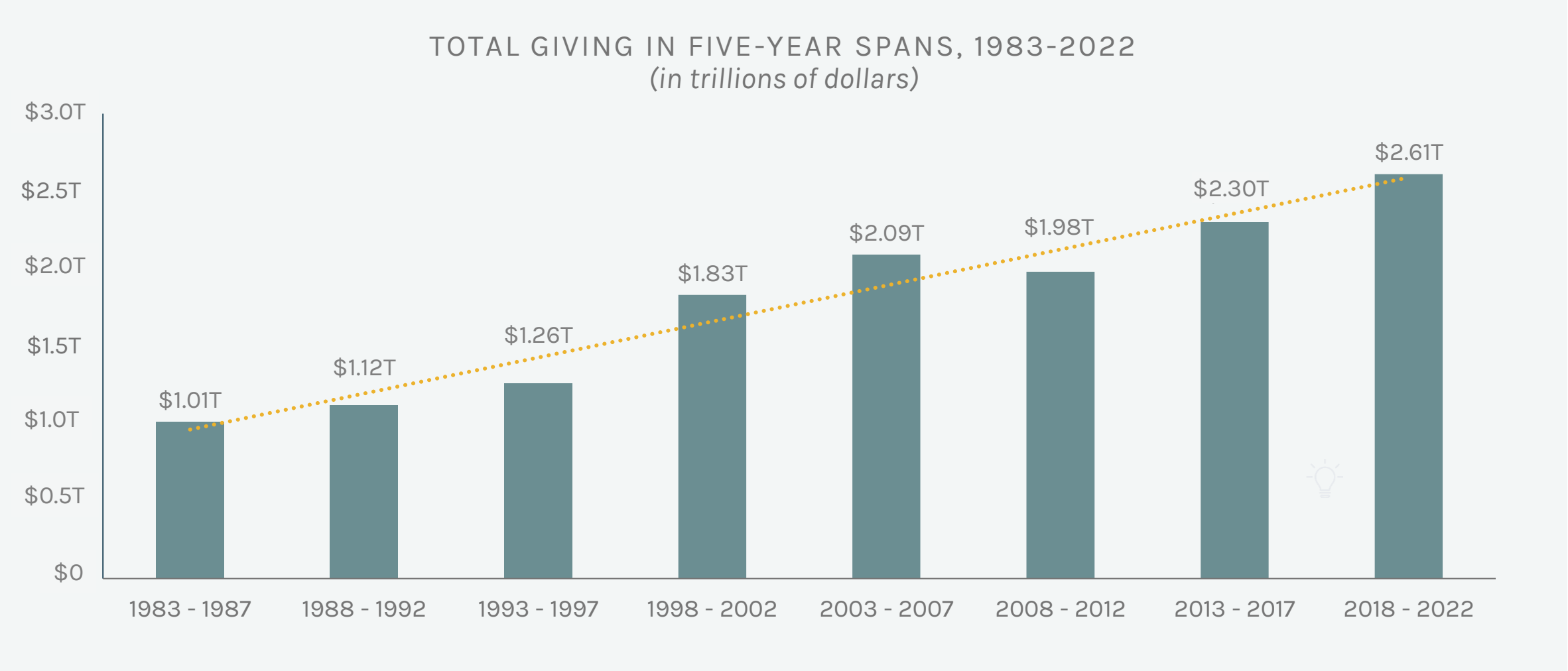
- S&P 500 declined 25.4% adjusted for inflation (-19.4% in current dollars)
- Disposable personal income declined 7.5% adjusted for inflation (-0.1% in current dollars)
- Inflation reached 8.0%, the highest rate in 40 years



## DESPITE THESE CHALLENGES, THERE WERE SOME BRIGHT SPOTS:

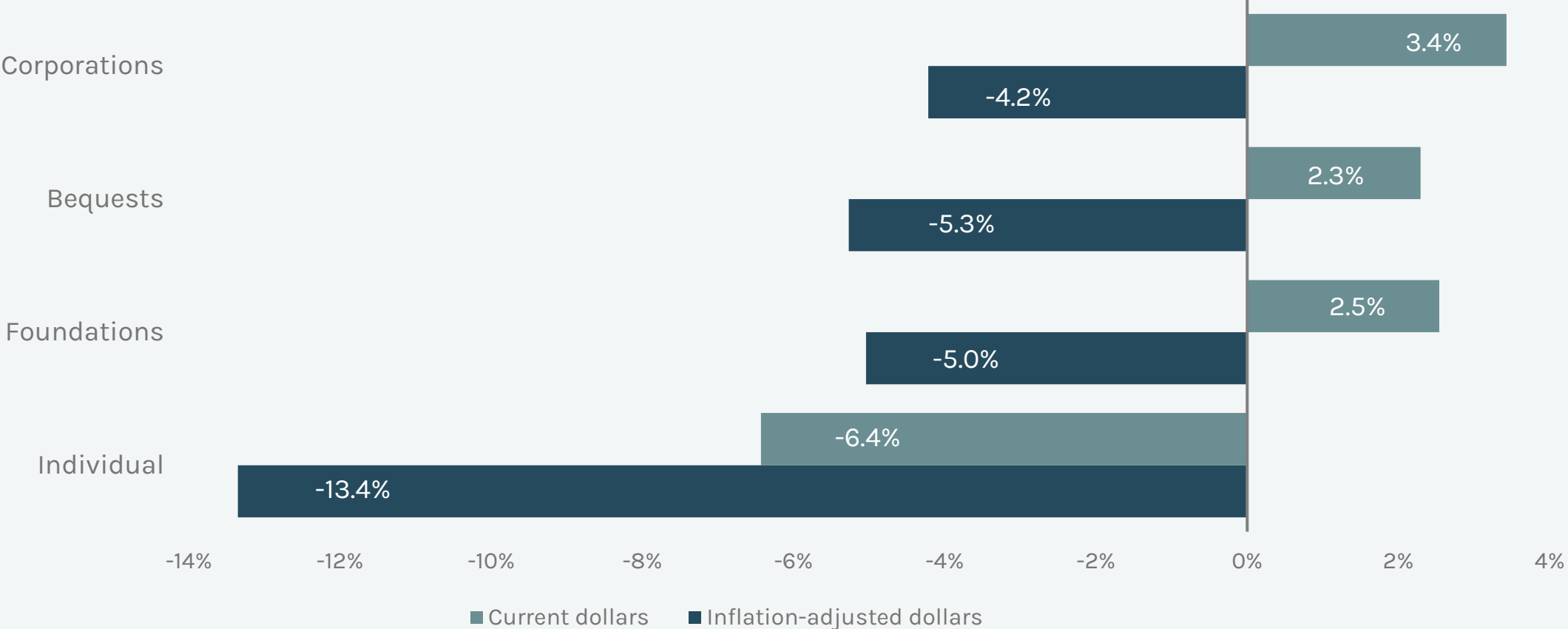
- **Unemployment reached one of the lowest rates** in the last 50 years
- **GDP grew 1.1%** adjusted for inflation (9.2% in current dollars)

# Although giving fluctuated in 2022, it remains resilient over the years

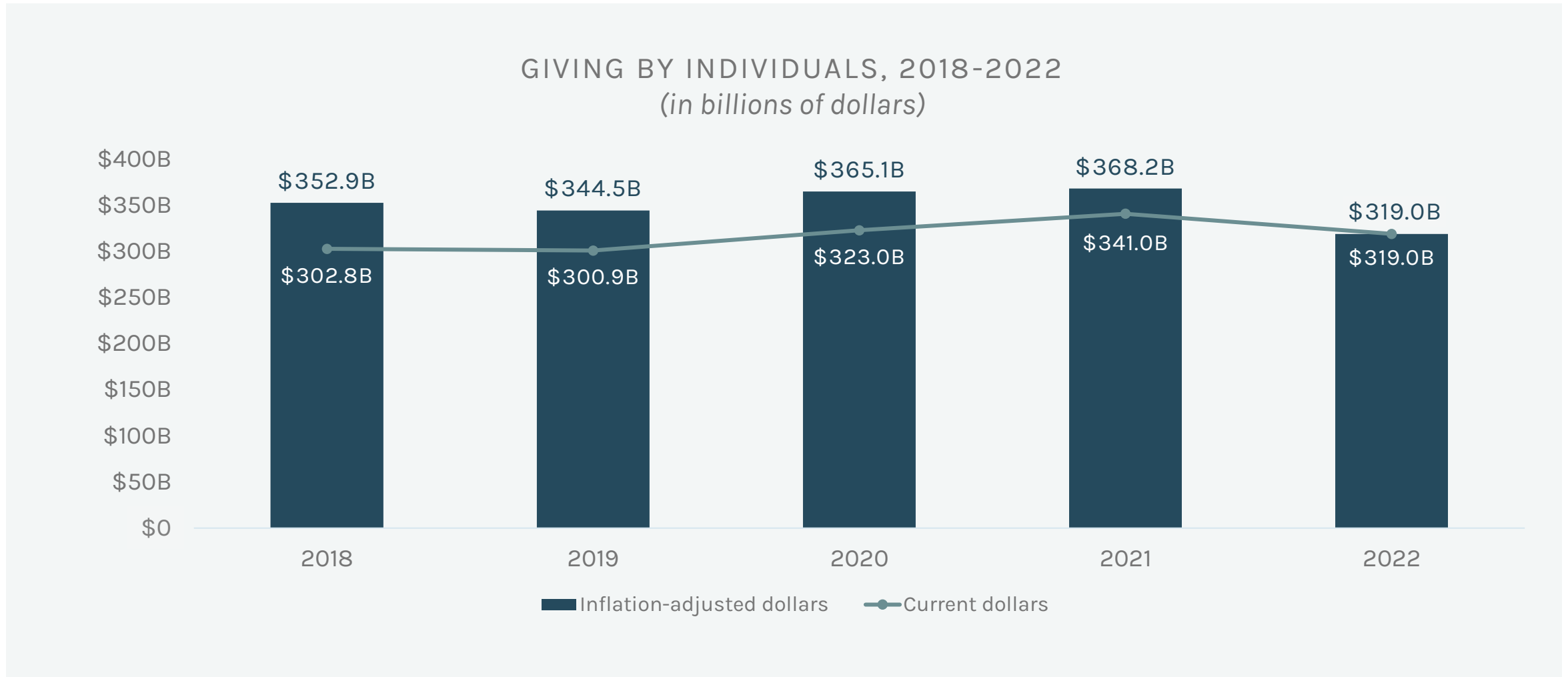


# Sources of giving declined collectively in accordance with overall giving

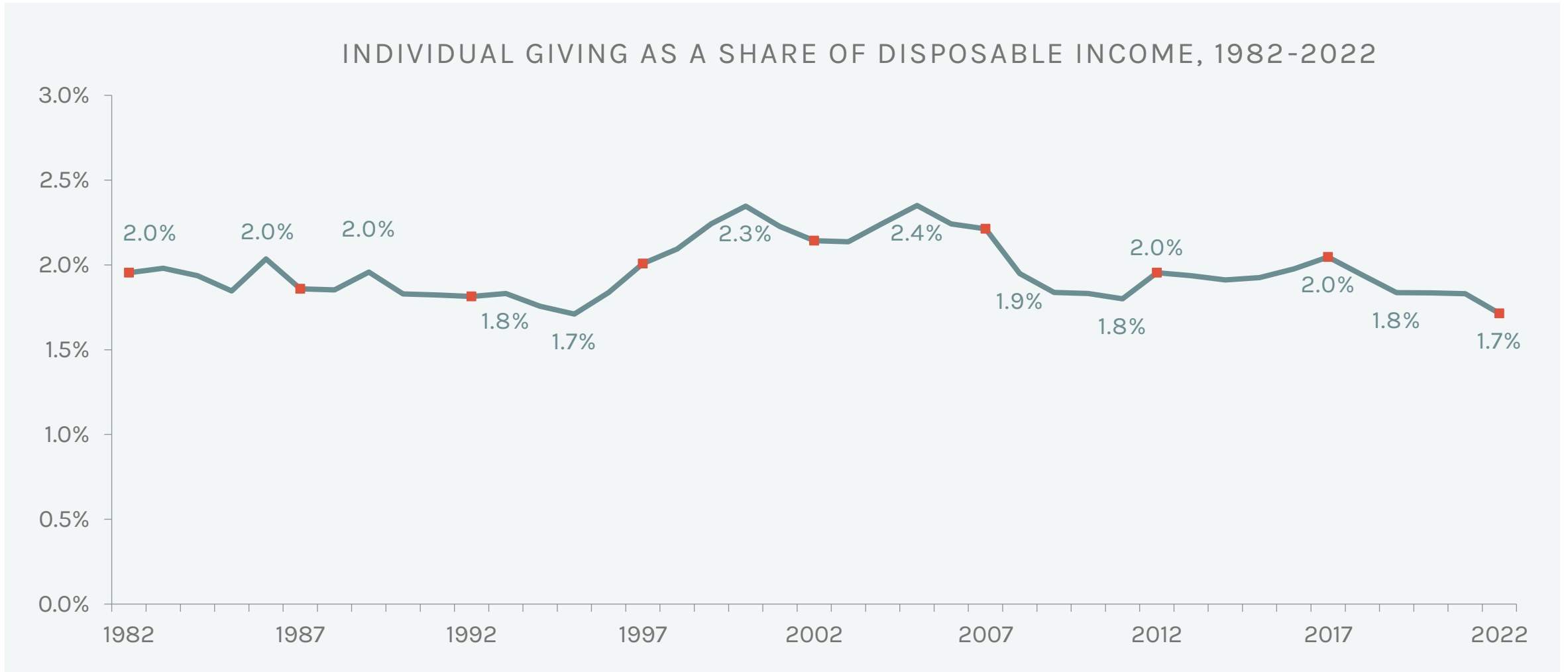
CHANGES IN GIVING BY SOURCE 2021-2022



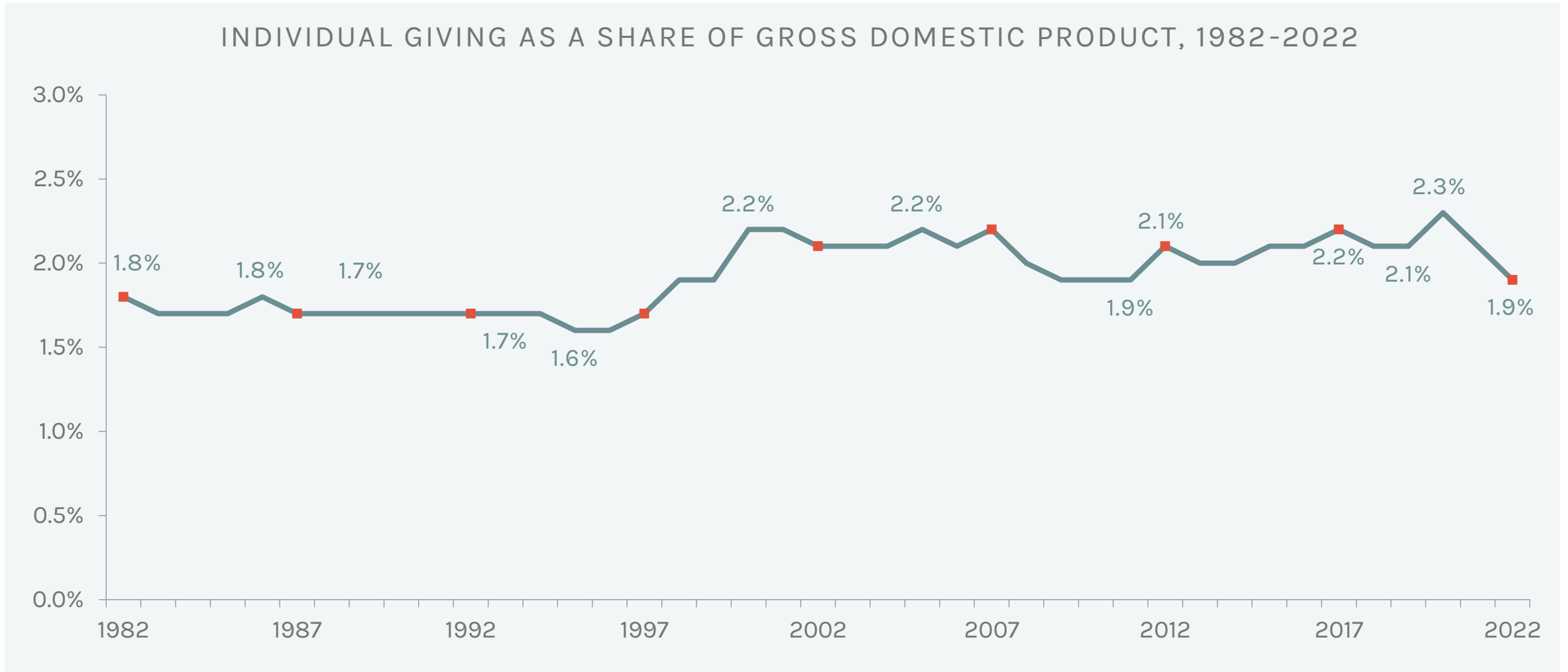
# Giving by individuals experienced decline after two of the most generous giving years on record



# Individual giving declined in comparison to disposable income

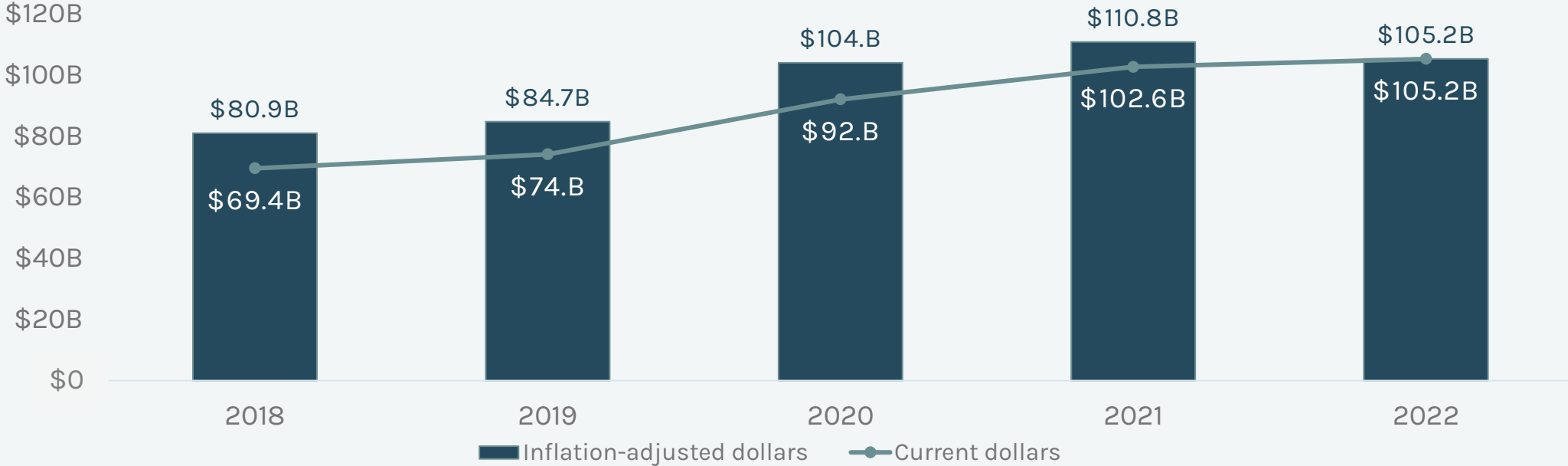


# Individual giving declined in accordance with decreases in the gross domestic product



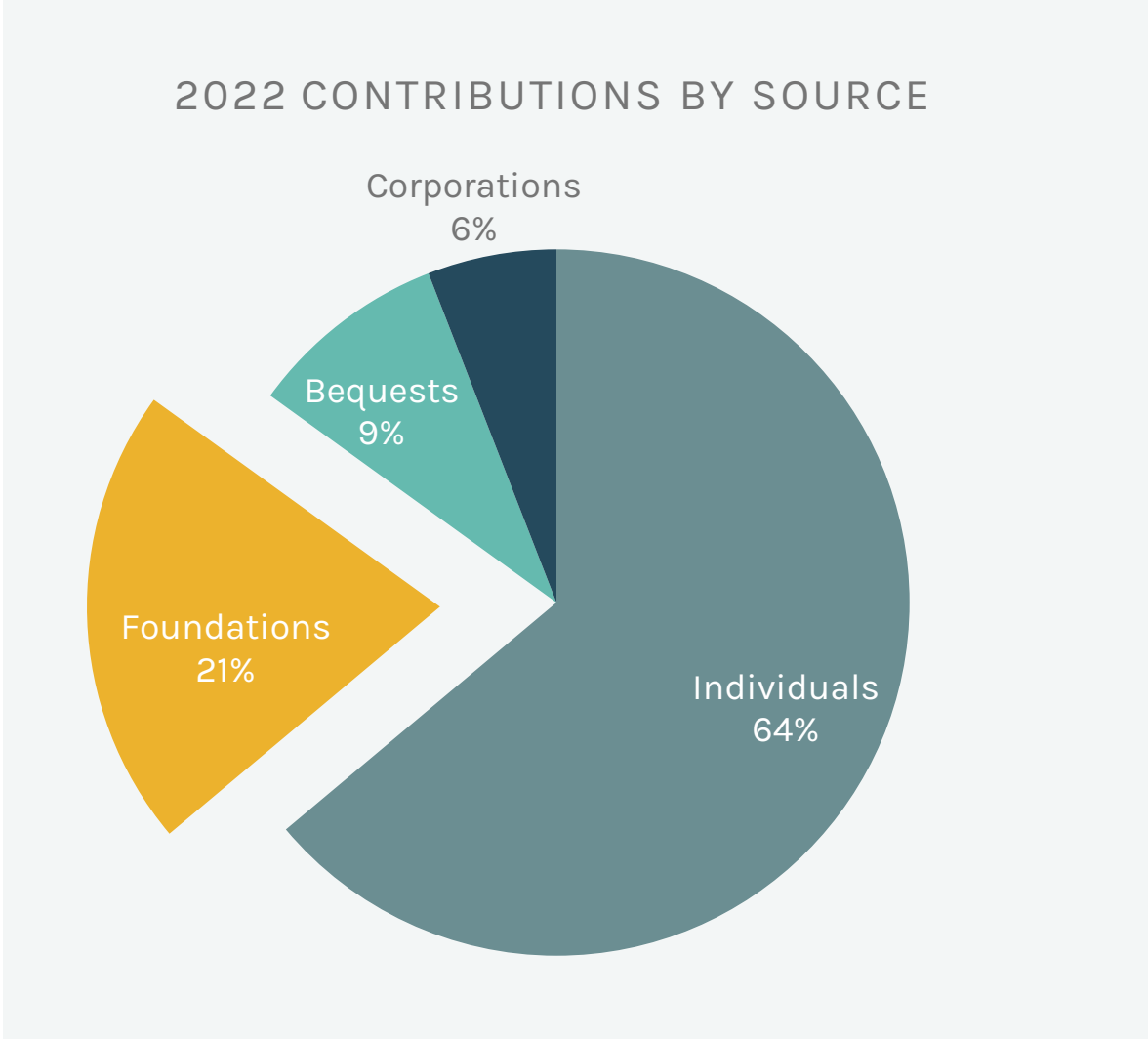
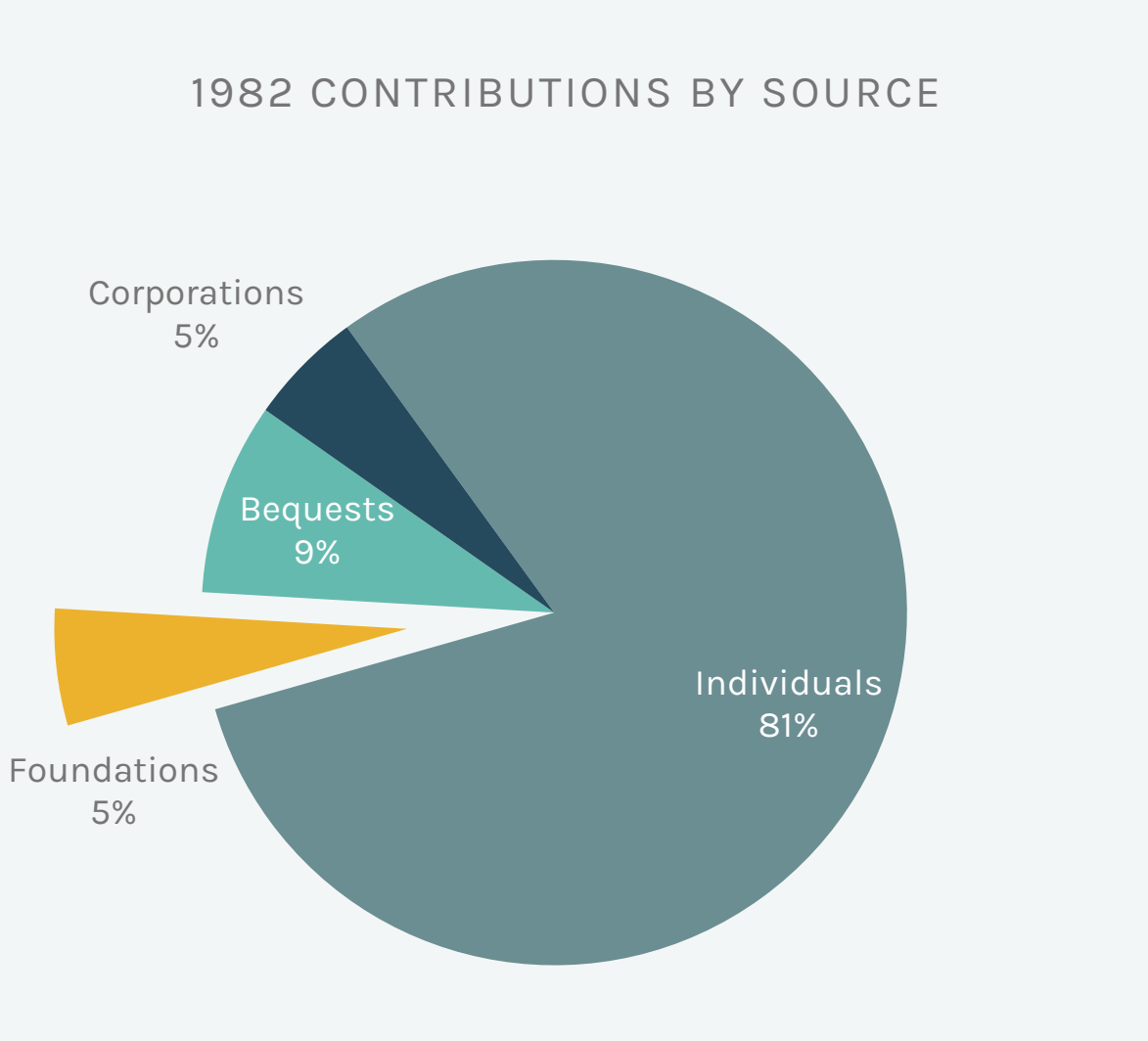
# Giving by foundations increased in current dollars but declined when adjusted for inflation

GIVING BY FOUNDATIONS, 2018 - 2022  
(in billions of dollars)



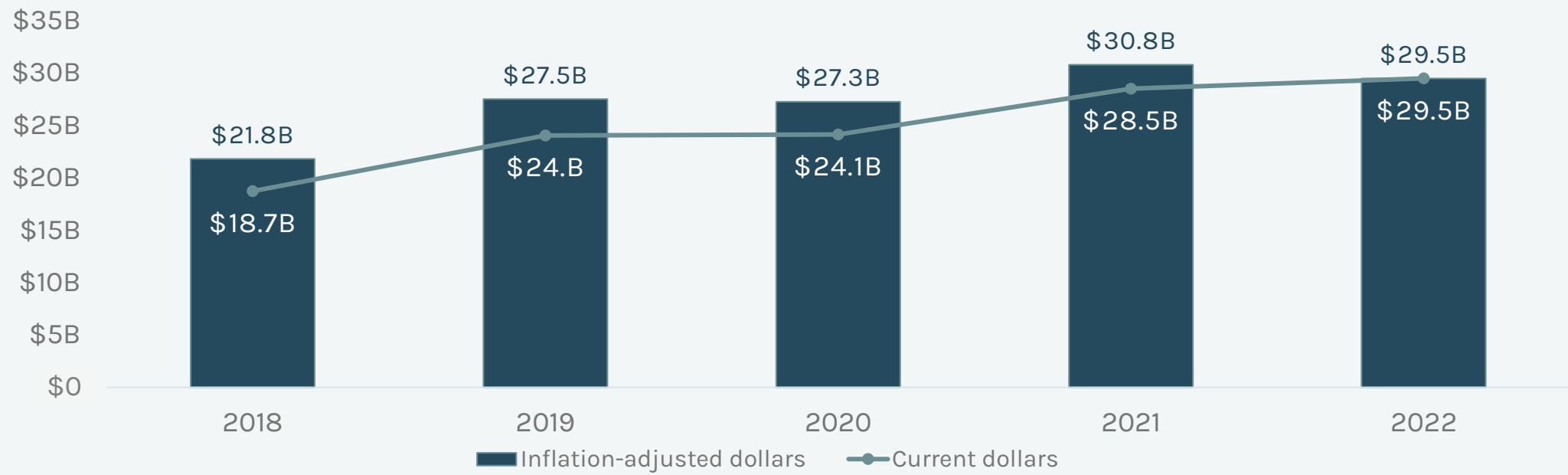


# Giving by foundations is growing as a share of total giving



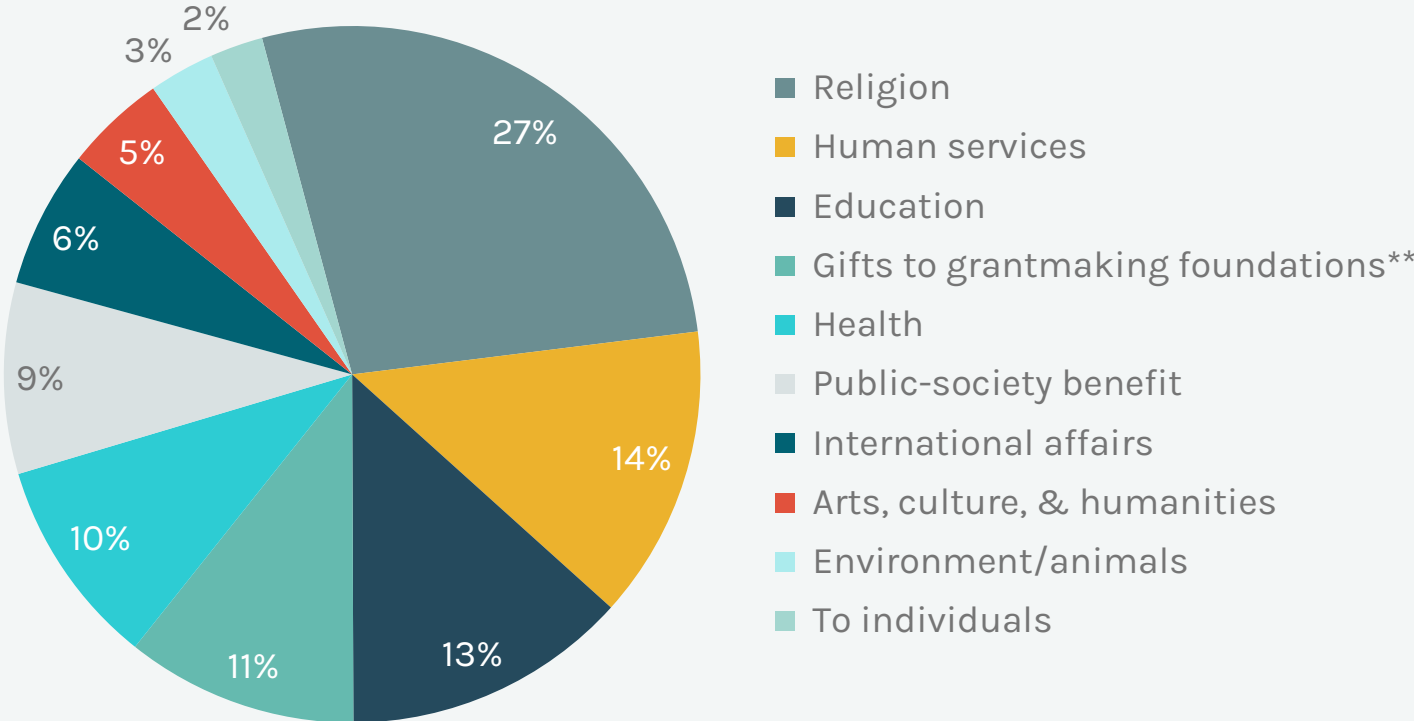
# Giving by corporations performed more strongly in current dollars amid unusual economic conditions

GIVING BY CORPORATIONS, 2018 - 2022  
(in billions of dollars)



# Religious causes continued to lead as recipients

GIVING BY RECIPIENT TYPE\*  
 (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.

# Giving for most subsectors declined from highs reached in the pandemic era

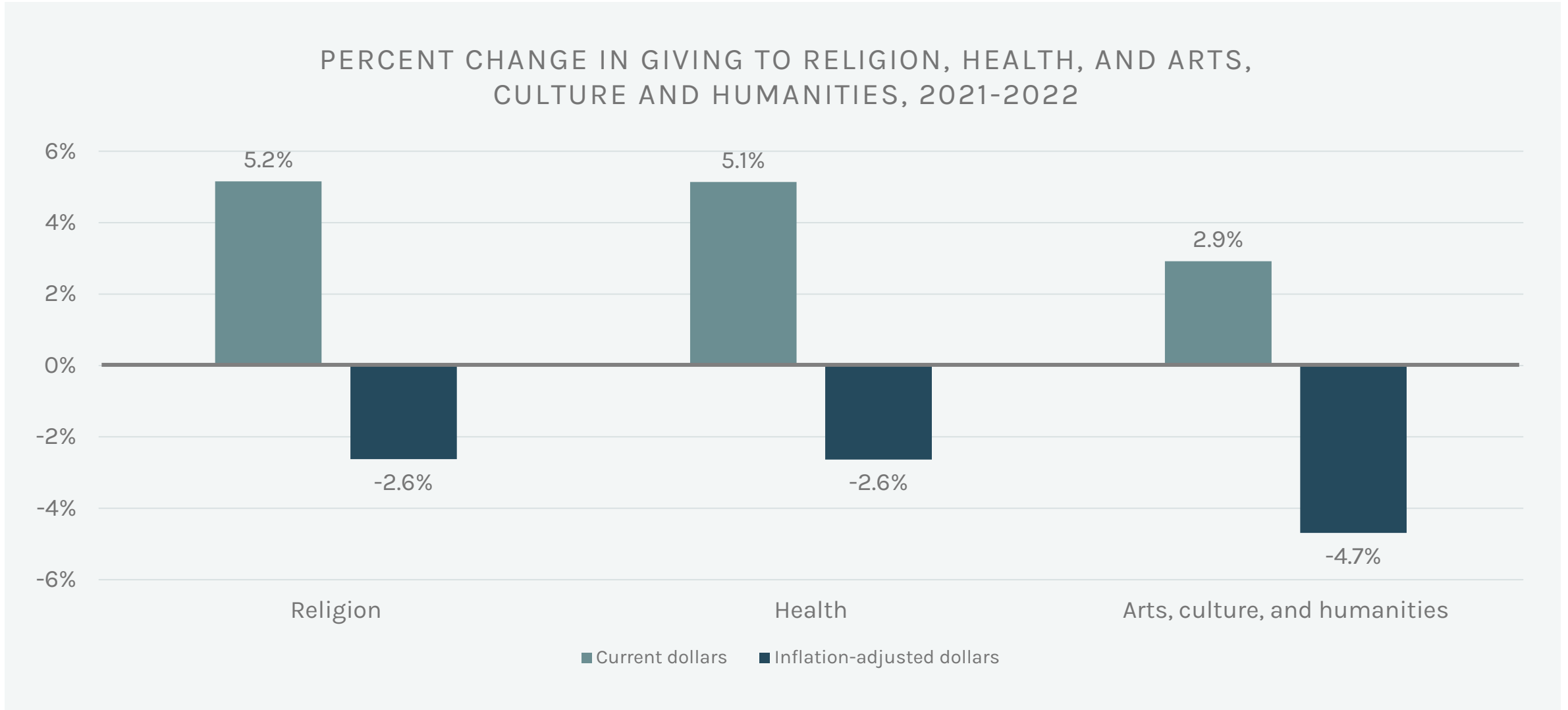
Recipient category	Change in 2022 (current dollars)	Change in 2022 (adjusted for inflation)
Religion	↑ 5.2%	↓ 2.6%
Education	↓ 3.6%	↓ 10.7%
Human Services	↓ 0.6%	↓ 8.0%
Foundations	↑ 10.1%	↑ 1.9%
Public-Society Benefit	↓ 8.4%	↓ 15.2%
Health	↑ 5.1%	↓ 2.6%
International Affairs	↑ 10.9%	↑ 2.7%
Arts, Culture, and Humanities	↑ 2.9%	↓ 4.7%
Environment/Animals	↓ 1.6%	↓ 8.9%

## 2022 CONTRIBUTIONS BY TYPE OF RECIPIENT

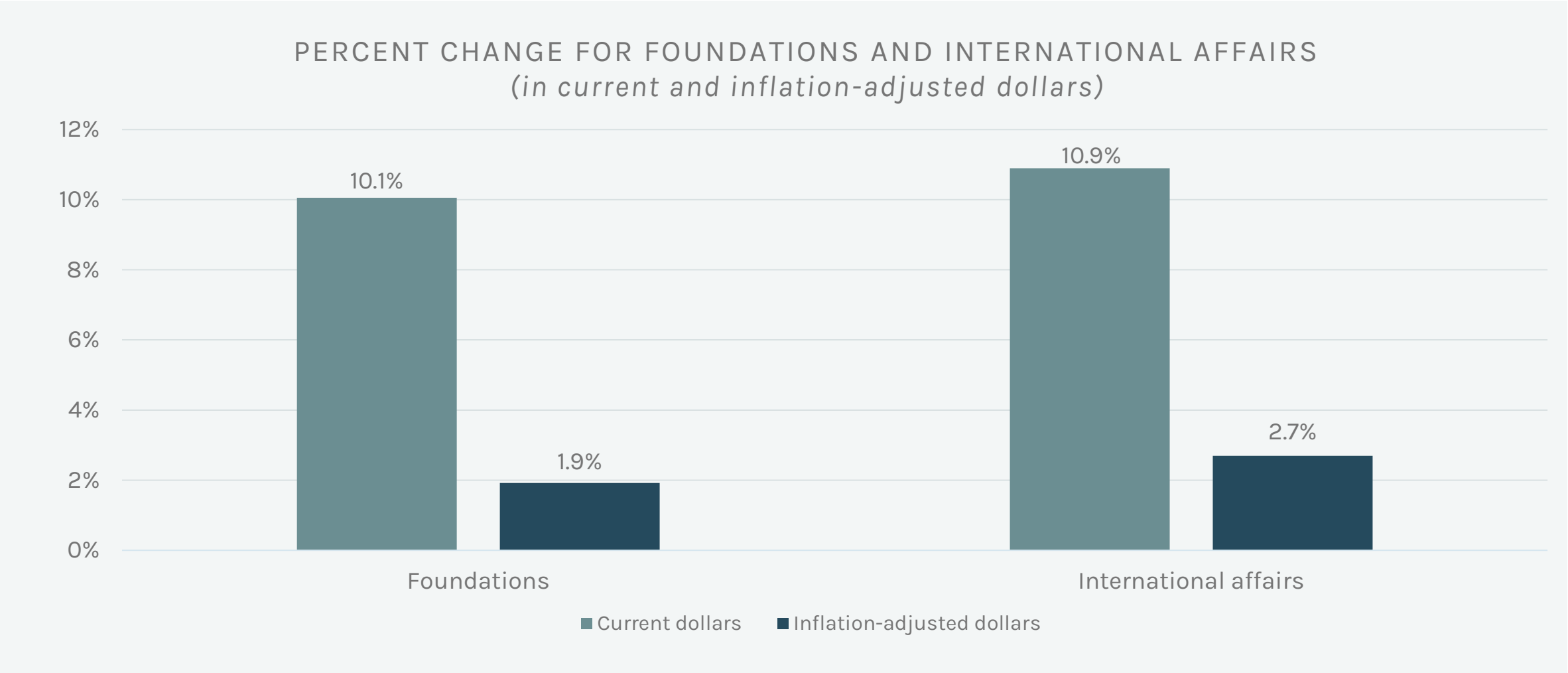
CHANGE IN RANK  
FROM 2021

-		1. Religion (\$143.57B)
▲ 1		2. Human Services (\$71.98B)
▼ 1		3. Education (\$70.07B)
-		4. Giving to Foundations (\$56.84B)
▲ 1		5. Health (\$51.08B)
▼ 1		6. Public-Society Benefit (\$46.84B)
-		7. International Affairs (\$33.71B)
-		8. Arts, Culture, and Humanities (\$24.67B)
-		9. Environment/Animals (\$16.10B)

# Some subsectors grew, but not enough to outpace inflation



# Growth in giving to international affairs and foundations outpaced inflation



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

Nonprofits can continue to evolve by...



- **EXPANDING ONLINE GIVING**

- Mobile devices are now responsible for most visits to nonprofit websites
- Over 75% of surveyed Gen Z and Millennial donors reported giving to charities online



- **BUILDING THE FUTURE PIPELINE OF DONORS AND SUSTAINING EXISTING DONORS**

- Donor communication and engagement is key- a survey found that individuals viewed nonprofits more positively than government or for-profit entities, but only 1 in 3 were aware that giving to charity declined markedly over the past decade
- Next-gen donors tend to think of participating in social movements and using their voices as important ways of giving back
- Subscription donors were more likely to adopt new tools for giving such social media or crowdfunding, according to one study



- **ADAPTING TO NEW GIVING TOOLS SUCH AS AI**

- Tools such as ChatGPT offer new possibilities for nonprofits, fundraisers, and donors
- Knowing when to deploy these tools is important: human connection remains as the foundation of philanthropy

# GREATER PITTSBURGH LOCAL LANDSCAPE

## GREATER PITTSBURGH OVERVIEW

**2,353,538**  
METRO AREA POPULATION

**#25**  
IN PHILANTHROPY NATIONWIDE

**38%**  
BACHELOR'S DEGREE OR HIGHER

**42.8**  
MEDIAN AGE

**1,025,698**  
HOUSEHOLDS

**\$66,609**  
MEDIAN HOUSEHOLD  
INCOME

**\$190,000**  
MEDIAN PROPERTY  
VALUE

UNDER 18  
**19%**

18 - 64  
**60%**

65 AND OVER  
**21%**



# GREATER PITTSBURGH LOCAL LANDSCAPE

## PHILANTHROPIC SNAPSHOT

**18,093**  
NUMBER OF  
NONPROFITS

**\$2.2 billion**  
TOTAL PHILANTHROPIC GIVING

**234,086**  
INDIVIDUALS EMPLOYED  
BY NONPROFITS

INDIVIDUAL  
GIVING  
**\$1.33 billion**

FOUNDATION  
GIVING  
**\$683 million**

CORPORATE  
GIVING  
**\$218 million**

TOTAL NONPROFIT REVENUE  
**\$39 billion**

TOTAL NONPROFIT ASSETS  
**\$123 billion**

## GREATER PITTSBURGH

## LOCAL LANDSCAPE

Moments in philanthropy across Pittsburgh

\$2 billion



Carnegie Mellon University surpassed its initial goal of \$2 billion for its ongoing fundraising campaign and will be extending its campaign by another year.

\$1.15 million



#ONEDAY Critical Needs Alert giving event raised \$1.15 million for 193 charities during its 16-hour campaign.

\$40.4 million



The Panther Club, the fundraising arm of the Pittsburgh Athletics Department, raised \$40.4 million during its 2021-22 fiscal year.

\$6 million



Urban League of Greater Pittsburgh

The Urban League of Greater Pittsburgh received \$6 million from MacKenzie Scott, the largest contribution in its history, as well as a \$1 Million from the Heinz Endowments.

\$50 million



Duquesne Law School will change its name to Thomas R. Kline School of Law after receiving \$50 million from Kline, the largest commitment in the university's 144-year history.

\$7.5 million



Acrisure donated \$7.5 million to the Heart Institute at UPMC Children's Hospital of Pittsburgh, which is the largest donation to the hospital to date.

# GREATER PITTSBURGH LOCAL LANDSCAPE

## Foundation Giving

\$50 million



The Pittsburgh Foundation, as part of a five-year plan, will invest \$50 million from its unrestricted grant making pool to advance racial equity and racial justice.

\$11.25 million



The Henry L. Hillman Foundation announced it will contribute \$11.25 million in grants to 10 organizations in Allegheny County to boost affordable housing programs in Pittsburgh.

\$16.2 million



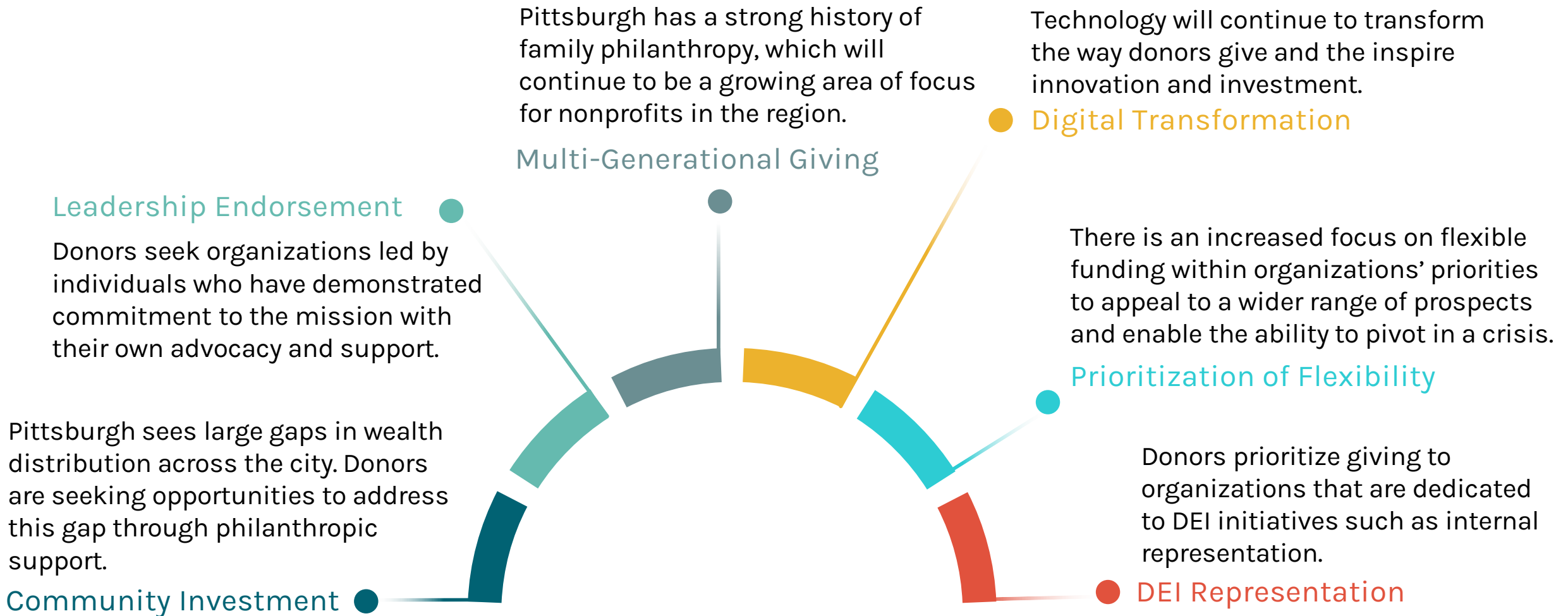
The PPG Foundation invested \$16.2 million in 2022 in support of 650 community programs and partners, with a focus on advancing education and community sustainability.

\$2.4 million



The University of Pittsburgh was able to raise \$2.4 million on its 7th Annual Pitt Day of Giving, receiving gifts from 9,450 donors, from 50 states and 35 countries.

# GREATER PITTSBURGH EMERGING TRENDS



# PLANNED GIVING FOCUS



# Planned giving highlights and trends



## LEGACY GIFTS COMPRISED MORE THAN 16% OF OVERALL FUNDRAISING AND 11% OF CAMPAIGNS

The fundraising impact of legacy giving is significant, yet only .12% of annual and .2% of campaign donors engaged in legacy giving. Annual donors are typically the best legacy giving prospects, but only three subsectors\* engaged more than .2% of their annual donors for legacy giving.<sup>1</sup>



## THE AVERAGE LEGACY GIFT IS SIGNIFICANTLY MORE THAN THE AVERAGE ANNUAL GIFT

Legacy gifts are 252x larger than the average annual gift.<sup>2</sup> Donors often increase annual giving by 75% on average after committing to a legacy gift; nonprofits that do not ask for legacy gifts lose out on significant immediate fundraising revenue.<sup>3</sup>



## UNKNOWN LEGACY GIFTS ARE LIKELY OF CONSIDERABLE VALUE

Nonprofits received more funding from known and documented legacy gifts (\$82 million) than unknown legacy gifts (\$55.2 million). A much more modest amount (\$6.1 million) came from expected but not formally documented legacy gifts.<sup>1</sup>



## NO CLEAR RELATIONSHIP EXISTS BETWEEN LEGACY GIFT REVENUE AND ENDOWMENT SIZE

Though endowment and legacy giving are often linked in theory and practice, and rightly so, there is no clear tie between legacy gift revenue and endowment size. The ratio of endowment size to legacy gifts is just under 20:1 across all subsectors.<sup>2</sup>



## LEGACY SOCIETIES ARE UNDERUTILIZED AS A POWERFUL DONOR ACQUISITION AND RETENTION TOOL

Reimagining legacy societies may spur the giving that nonprofits need to see consistent and sustainable revenue growth. One-third of donors desire membership in a giving society, yet only 10% receive that recognition.<sup>4</sup>

# Planned giving highlights and trends



## DEDICATED STAFFING POSITIVELY IMPACTS LEGACY GIFT REVENUE

Nonprofits that employ at least one person focused on planned giving experienced a 293% increase in legacy gift revenue over nonprofits with part-time staff. Nonprofits with more than two full-time staff secured nearly double the legacy gifts as nonprofits with only one.<sup>1</sup>



## PROFESSIONAL ADVISORS DO NOT INCREASE LEGACY GIFT REVENUE

One-third of nonprofits enlist professional advisors for guidance.<sup>1</sup> One idea to increase legacy gift revenue is to leverage advisors' expertise to encourage estate planning: nearly half of donors first learned about legacy giving from a nonprofit,<sup>4</sup> yet only one-third of U.S. adults have a will.<sup>5</sup>



## A MAJORITY OF NONPROFITS HAVE OUTDATED GIFT ACCEPTANCE POLICIES

Most nonprofits have not updated their gift acceptance policies in the last five years or are unsure when their policies were last revised. By comparison, more than one-third of nonprofits have updated their policies since 2020, including guidance for legacy gifts and other planned gifts.<sup>1</sup>



## COUNTING LEGACY GIFTS AND OTHER REVOCABLE DEFERRED GIFTS IS ESSENTIAL

Nearly one-half of nonprofits count revocable deferred gifts.<sup>1</sup> From an increased revenue standpoint, legacy gift donors are more likely to increase their annual giving and make a major gift following their legacy gift commitment.<sup>3</sup>



## ONLY HALF OF NONPROFITS CONSISTENTLY TRACK DONOR AGES OR BIRTHDATES

During the Great Wealth Transfer, tracking donor ages or birthdates is critical, as these are key data points for donor segmentation and tailored engagement strategies. Most nonprofits use a customer relationship management system (CRM), but only half record this data consistently.<sup>1</sup>

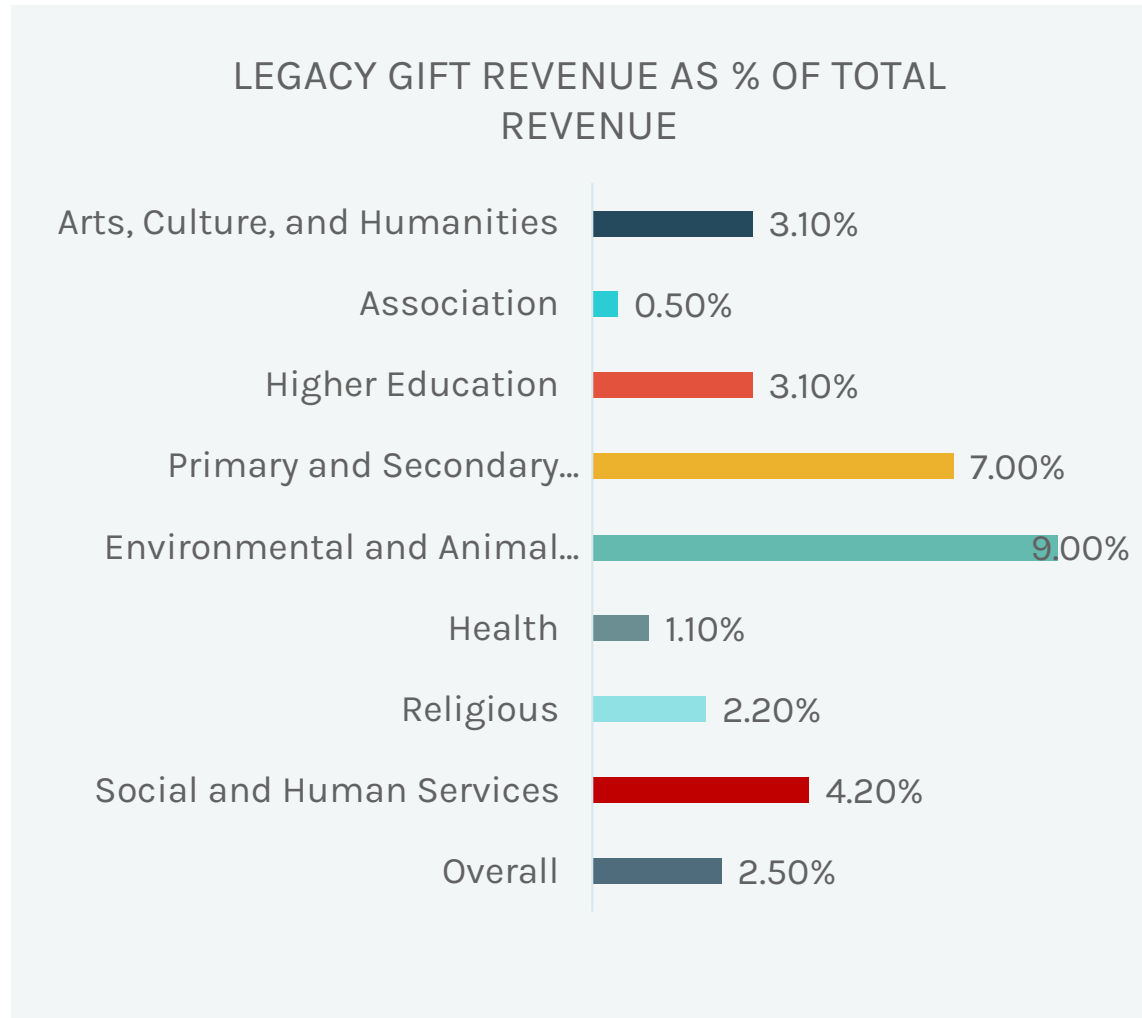
# Legacy gifts comprised more than 16% of overall fundraising

While only one-tenth of 1% of all donors were legacy gift donors, revenue from these gifts represented 16.7% of total fundraising revenue. Health, Arts, Education, and Environmental and Animal Welfare nonprofits received the greatest revenue boost from legacy gifts.

SECTOR	PERCENT OF TOTAL ANNUAL DONORS WHO ARE LEGACY DONORS	PERCENT OF FUNDRAISING REVENUE FROM LEGACY GIFTS
Arts, Culture, and Humanities	0.05%	9.7%
Association	0.03%	0.7%
Higher Education	0.27%	16.3%
Primary and Secondary Education	0.19%	18.0%
Environmental and Animal Welfare	0.02%	16.5%
Health	0.35%	15.9%
Religious	0.07%	9.6%
Social and Human Services	0.24%	16.8%
Overall	0.12%	16.7%



# Environmental and animal welfare nonprofits saw the most legacy giving



Legacy gift revenue was distributed unevenly across subsectors, with Education and Environmental and Animal Welfare causes seeing 3.6x the average. Earned revenue in Health, Arts, and Education drove down the percentage of legacy gift contributions, resulting in a smaller percentage of overall revenue.

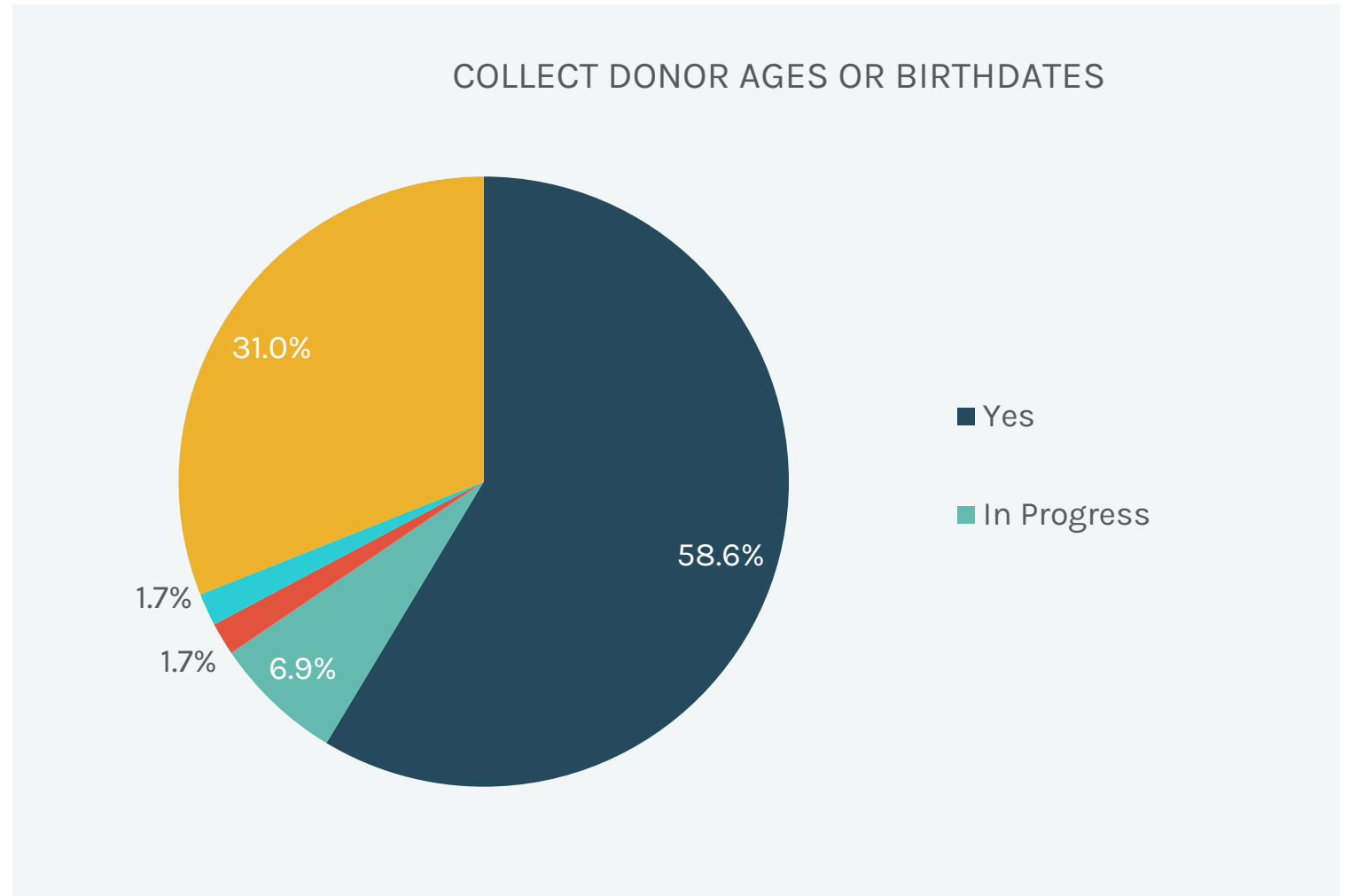
# The average legacy gift is significantly larger than the average annual gift

Across all subsectors, we observed a ratio of 252:1 for legacy gifts to annual gifts, with an average legacy gift value of \$122,540. Environmental and Animal Welfare, and Arts, Culture, and Humanities nonprofits saw the greatest disparity between average annual and legacy gifts.

SECTOR	AVERAGE SIZE OF A LEGACY GIFT	LEGACY TO ANNUAL GIFT AVERAGE
Arts, Culture, and Humanities	\$ 241,288	293:1
Association	\$ 9,650	46:1
Higher Education	\$ 252,546	114:1
Primary and Secondary Education	\$ 458,547	138:1
Environmental and Animal Welfare	\$ 77,527	1084:1
Health	\$ 213,170	96:1
Religious	\$ 50,776	166:1
Science and Technology*	\$ 618,784	54:1
Social and Human Services	\$ 51,242	114:1
Overall	\$ 122,540	252:1

# Just over one-half of nonprofits consistently track demographic data

Collecting donor ages is not standard across nonprofits. Just over one-half of nonprofits (58%) record ages and birthdates; of those, only 55% have age or birthdate data for at least 50% of their donors. Only 19% of nonprofits that track ages have defined age limitations for counting bequests.



# QUESTIONS & DISCUSSION



# DISCUSSION QUESTIONS

- 01 Giving decreased in 2022. What does this mean moving forward? Do you expect similar results in 2023?
- 02 What (if anything) surprised you most about the Giving USA results this year?
- 03 Which trends do you think will be most important in the coming year?
- 04 Do these themes resonate with you and your organization?
- 05 How is your organization reacting to recent developments regarding the economy?

THANK YOU

