

## Charitable Giving Up in 2010

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The recently released Annual Report on Philanthropy for the Year 2010 produced by the Center on Philanthropy at Indiana University for the Giving USA Foundation (executive summary available as free download at [www.givingusa.org](http://www.givingusa.org)), contains some encouraging news for not-for-profit organizations. Overall charitable giving increased by 3.8 % over 2009 reflecting the modest economic recovery achieved in 2010. All charitable subsectors either held steady or achieved increased contributions year-to-year.

However, in inflation adjusted dollars, two subsectors – human services and environment/animals, as well as giving to individuals saw slight declines. Certain sectors actually achieved robust growth – international affairs +15.3%, public society benefits organizations +6.2%, arts, culture and humanities +5.7% and education +5.2%. All of these percentages are non-inflation adjusted. Overall, it was a good year for charitable organizations, but that good news is tempered by the bad news of the prior two years (2008 and 2009).

Some takeaways:

- The concept of charitable giving apparently remains alive and well in the DNA of the American public. 2010 saw 2% of disposable personal income going to philanthropic causes, a number that has remained surprisingly consistent over many years, regardless of the economic climate. If you deconstruct this statement, it makes sense. If one is inclined to contribute 2% of one's disposable income, the raw dollar amount contributed will rise and fall with the fortunes of that individual. So in a bad economy, giving will naturally decline and in a good economy it will increase – all in a manner that is basically sustainable by the individual donor.
- \$290.89 billion was donated by individuals, corporations, and foundations in 2010. While not a record, it is still quite significant, particularly coming on the heels of the bad years of 2008 and 2009.
- Even with all the turmoil of the past decade, total giving has exceeded \$280 billion (inflation adjusted) every year. It even surpassed \$290 billion in six out of the past seven years!
- On the flip side, there is a very long way to go and this good news for 2010 may just represent the proverbial light at the end of the tunnel. The impact on charities during the recent "Great Recession" was more significant than in previous recessions, causing giving to fall by a total of 13% (inflation adjusted) in 2008 and 2009. So the encouragement offered by the good news of 2010 is muted somewhat by the long way charities have to go before they get back to where they were.
- The Giving USA Foundation provides the following advice to NFP's:

*"As the nonprofit sector enters the era of the "new normal," clear, mission-based messaging and strong stewardship will be vital. Staying in touch with your donors, past and present, and letting them know how their support impacts the work they are passionate about will keep them engaged...and receptive to increasing their support as they are able."*



EisnerLubin llp stands ready to work with both NFP's and individual and corporate donors in achieving their goals. Please contact your EisnerLubin engagement partner or Ray Russolillo ([rrussolillo@eisnerlubin.com](mailto:rrussolillo@eisnerlubin.com)) for further information.