
The 2008 number is the first decline in giving in current dollars since 1987 and the second since Giving USA began publishing annual reports in 1956, says the annual report on philanthropy, released today for the 54th year by Giving USA Foundation. (www.givingusa.org) Revised estimated giving for 2007 was a record $314.07 billion.

Two-thirds of public charities receiving donations saw decreases in 2008. The exceptions were Religion, Public-Society Benefit and International Affairs. The other types of charities (or subsectors) examined in Giving USA are: Arts/Culture/Humanities; Education; Environment/Animals; Health; Human Services; and Foundations, says the report, which is researched and written for Giving USA Foundation by the Center on Philanthropy at Indiana University.

“With the United States mired in a recession throughout 2008, there was no doubt in anyone’s mind that charitable giving would be down,” said (Ms.) Del Martin, CFRE, chair of Giving USA Foundation. “However, what we find remarkable is that individuals, corporations and foundations still provided more than $307 billion to causes they support, despite the economic conditions.

“It would have been easy to say ‘not this year’ when appeals came their way,” she added, “and we definitely did see belt-tightening. This drop in giving meant that nonprofits have had to do more with less over the past year, but it could have been a lot worse.”
Giving remains core component of GDP
In the context of Gross Domestic Product (GDP), giving is as strong historically as it’s ever been. The estimates for 2008 indicate that giving was 2.2 percent of GDP. In 2007, giving was 2.3 percent of GDP.

“The fact that charitable giving was still more than 2 percent of GDP in 2008 is a bright spot in an otherwise negative climate for donations,” said Nancy L. Raybin, chair of Giving Institute: Leading Consultants to Non-Profits, which created Giving USA Foundation in 1985. “The Institute has been active in examining ways to move contributions upward, and it looks like the American public agrees with us that charitable giving is an integral part of the country’s economic fabric.”

Human Services sector surveyed for trends, issues
This year’s report also includes results from a national survey of human services charities about their fundraising practices and the impact they believe current events had on giving in 2008 and will have in 2009.

Charities in this subsector are among the first to report increasing needs for their services and slower growth in contributions when the national economy slows its rate of growth; for 2008, giving in this subsector declined an estimated 12.7 percent in current dollars, to $25.88 billion. In inflation-adjusted dollars, the drop was 15.9 percent. Human Services giving is 9 percent of total estimated giving for 2008.

The survey results showed that:

- Compared with 2007, 54 percent of human services charities saw an increase in need for their services in 2008; 30 percent saw little change in need; and 16 percent saw a decline;
- For 2009, 60 percent of the surveyed human services organizations were cutting expenses, including cutting services or staff, due to funding shortages;
- The type of human service agency most likely to be underfunded was youth development/serving children and youth. Of this type of group in the study, 74 percent said they are underfunded or severely underfunded, meaning that current available funding was insufficient to meet current demand; and
- Among organizations working to meet people’s basic needs (food, shelter, clothing, etc.), more than half (53 percent) said they are underfunded or severely underfunded for 2009.

This survey went to a random sample of human services charities. The overall response rate was 7.1 percent, with 228 completed surveys.
Giving picture for 2009 discussed
The report also talks about the picture for 2009, when the economy has already seen both continued stressors and faint signs of a recovery. At the time of this release, there was a slight uptick in the housing sector while the stock market was slowly rising. Banks hard-hit by the credit crisis were still facing many challenges.

Advice about how nonprofits can survive in an economic downturn; results from the Giving USA survey of human services charities and how they view their funding prospects for 2009; and, forecasts for the year released by several organizations are included in the report.

2008 estimates outlined
Giving USA reports that, adjusted for inflation, total giving was down 5.7 percent, the largest drop recorded since the group has been keeping track of America’s charitable donations.

Individual giving, which is always the largest component of charitable contributions, was an estimated $229.28 billion, or 75 percent of the total, in 2008. This is a decrease of 2.7 percent compared with 2007 estimates (-6.3 percent adjusted for inflation).

Charitable bequests are estimated to be $22.66 billion in 2008, a decrease of 2.8 percent (-6.4 percent adjusted for inflation). They make up 7 percent of total giving.

Corporate giving, which is closely tied to corporate profits, is projected to have decreased 4.5 percent (-8 percent in inflation-adjusted dollars), to $14.5 billion. It is estimated to equal 5 percent of all charitable giving.

Foundation grantmaking, according to data from the Foundation Center, was $41.21 billion, an estimated 3 percent increase in current dollars but a drop of 0.8 percent adjusted for inflation. It is 13 percent of total giving for 2008.

2008 estimates of giving by type of recipient
Religion: Religious congregations and other religious organizations received an estimated $106.89 billion, which is 35 percent of the total. This is the second year that giving to religion has exceeded $100 billion. Giving to religion increased an estimated 5.5 percent (1.6 percent adjusted for inflation). Religious gifts account for an estimated one-half of all individual giving, not counting gifts made through bequests (5.6 percent) or family foundations (about 3 percent).

Education organizations received an estimated $40.94 billion, or 13 percent of the total. Gifts to this type of organization decreased 5.5 percent (-9 percent adjusted for inflation).

Foundations received an estimated $32.65 billion, according to calculations by the Foundation Center and Giving USA. The estimate for 2008 is a decrease of 19.2 percent (-22.2 percent adjusted for inflation).
Gifts to Health organizations are estimated to be $21.64 billion, or 7 percent of total estimated giving. The decrease in giving to this subsector for 2008 is estimated to be 6.5 percent (-10 percent adjusted for inflation).

Estimated giving to the Public-Society Benefit subsector was $23.88 billion in 2008, or 8 percent of total estimated giving. The increase is 5.4 percent (1.5 percent adjusted for inflation).

Arts/Culture/Humanities organizations received an estimated $12.79 billion in 2008, or 4 percent of total estimated giving. The decrease is 6.4 percent (-9.9 percent adjusted for inflation).

International Affairs organizations, which include relief, direct aid, exchange, and other programs focused on international issues, received an estimated $13.3 billion, or 4 percent of total estimated giving. This is growth of 0.6 percent (but a decrease of 3.1 percent when adjusted for inflation).

Giving to the Environment/Animals subsector is estimated to be $6.58 billion, or 2 percent of total estimated giving. This estimate reflects a decrease of 5.5 percent (-9 percent adjusted for inflation).

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.

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 Foundation™.

Giving USA found total change of -3.1 percent when estimating the dollar amount of gifts received at organizations. When estimating giving by adding together the results of the four sources of contributions, Giving USA found a total change in giving of -2.0 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 1.1 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 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 3.8 percentage points (the rate of inflation
used in the BLS converter for 2007 to 2008). 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.

NOTES TO EDITORS
Data for 1968 through 2008 are available upon request. 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.

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For scholarly citations, the preferred form is the American Psychological Association
style as follows: Giving USA, (2009).

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

The complete Giving USA 2009 report, with data covering giving in 2008, will be
available in early July 2009. Giving USA Foundation also publishes a quarterly
newsletter, Spotlight. Both may be ordered by calling 847/375-4709 or on-line at
givingusa.org. Giving USA 2009 (with data for 2008) is $75. Giving USA Presentation on
CD is $135. Giving USA book and subscription to Spotlight is $165. Giving USA book in
both electronic and soft-cover format, subscription to Spotlight, and Presentation on CD
is $270. Giving USA book in soft-cover format, subscription to Spotlight, and
Presentation on CD is $210. Single issues of Giving USA Spotlight are $45. Costs do not
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