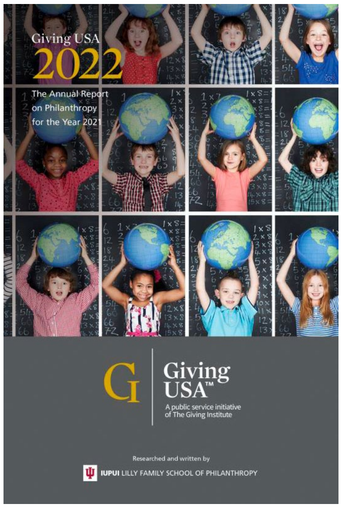

Giving USA
2022
The Results

THE Giving Institute™
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June 21, 2022

from the stand-up desk of
David H. King | President & CEO

Giving in 2021 $484.85 Billion

Despite a strong year for the stock market and GDP, record charitable giving in 2021 failed to keep pace with inflation

Giving USA 2022: The Annual Report on Philanthropy for the Year 2021, was released today and reports giving to nonprofits in 2021 is an estimated $484.85 billion, growing 4.0% over the revised total of $466.23 billion contributed in 2020. However, while giving increased in current dollars, it declined (-0.7%) after adjusting for inflation.

What we are seeing in this report is a mixed bag of good and bad news. One the one hand, giving reached its all-time high in 2021, but the flip side of that is, because of inflation levels that we have not seen in decades, that record amount of money had less purchasing power. So even in a record year for giving, the nonprofit sector finds itself with fewer resources. This mirrors what many people have experienced personally as they saw gains in income levels wiped away by significant price increases.

Giving by individuals continued to be the largest sector of giving with an estimated $326.87 billion, rising 4.9% (staying flat at 0.2%, adjusted for inflation). This sector comprised less than 70% of total giving for the fourth time on record, and for the fourth consecutive year. Mega gifts ($450 million+) by some of the wealthiest Americans reached a total of nearly $15 billion in 2021, representing about 5% of all individual giving in 2021, and played an important role in lifting individual giving.

Several subsectors that struggled in 2020, experienced a rebound in 2021: giving to the health, the arts, and yes even religion. Giving to religion grew by 5.4% (flat at 0.7% adjusted for inflation). Giving to health is estimated to have grown by 7.7%. And giving to the arts is estimated to have increased 27.5%.

The resurgence of giving to arts and culture is a pleasant result. These organizations suffered mightily in 2020 when they were forced to close, which resulted in a double whammy of lost contributed income and lost earned income from admissions and ticket sales. These are largely experience-based organizations, where being "there" is the service they provide. Our museums, theatres, musical venues were all shuttered for over a year, so it is easy to see why there were hit with a decline in 2020, it was an out of site out of mind situation. It’s important that donors returned to these organization in 2021 with significant philanthropy once they were able to resume programming.

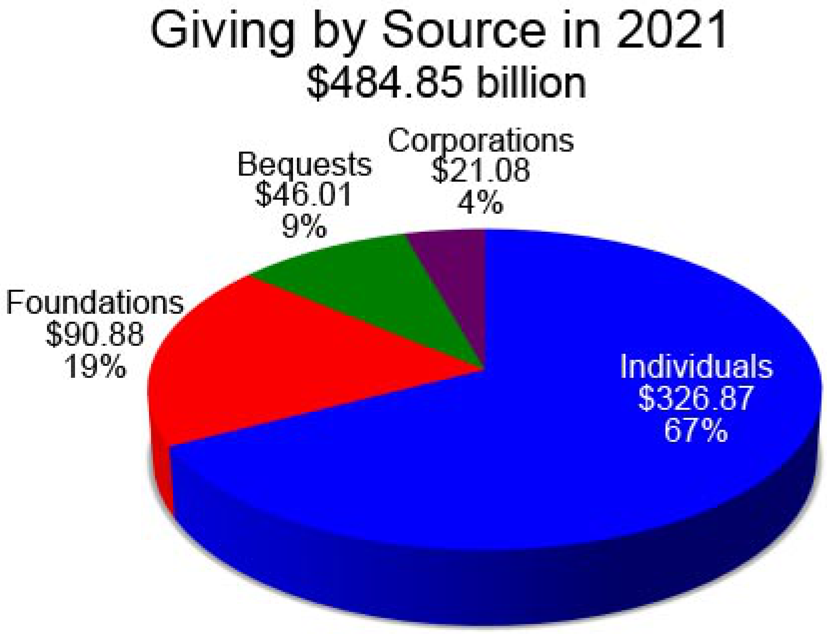
However, several subsectors that experienced strong growth in 2020, did not fare as well in 2021. For instance, gifting to education is estimated to have declined 2.8% (-7.2% adjusted for inflation). Giving to human service organizations increased 2.2%, but declined -2.4%, adjusted for inflation.

I think to understand some of this you must look past the numbers to the environment of 2021. I think this is particularly true for giving to education. Giving to education fell in 2021 for the first time since 2013. I think this is reflective of a widespread dissatisfaction with how educational institutions responded to the pandemic. To be fair, educational institutions were truly in a no-win situation. Whether they returned to in-person learning or continued virtual, or whether they maintained or lifted mask mandates, either decision was going to meet with disapproval from a significant number of their constituents. I think many people may have expressed that dissatisfaction by withholding contributions.

What concerns me now is how 2022 is going. We are already seeing over 8% inflation this year, with much higher rates than that in the energy and food sectors, which are items every single person and organization must have. Higher costs on those items eats into discretionary income in a very real and immediate way, which can translate into less discretionary income available for charitable contributions. If 2022 continues to see inflation at this rate, or higher, and steep stock market declines, I don't see any way that giving will be able to keep up. I think 20202 could be a struggle as prices increase while philanthropy remains flat or declines again.

Today, I will present the details of the report today at a meeting sponsored in partnership with AFP Greater Atlanta Chapter. Below are the highlights from this year’s report.

Quick Look at the Results for 2021

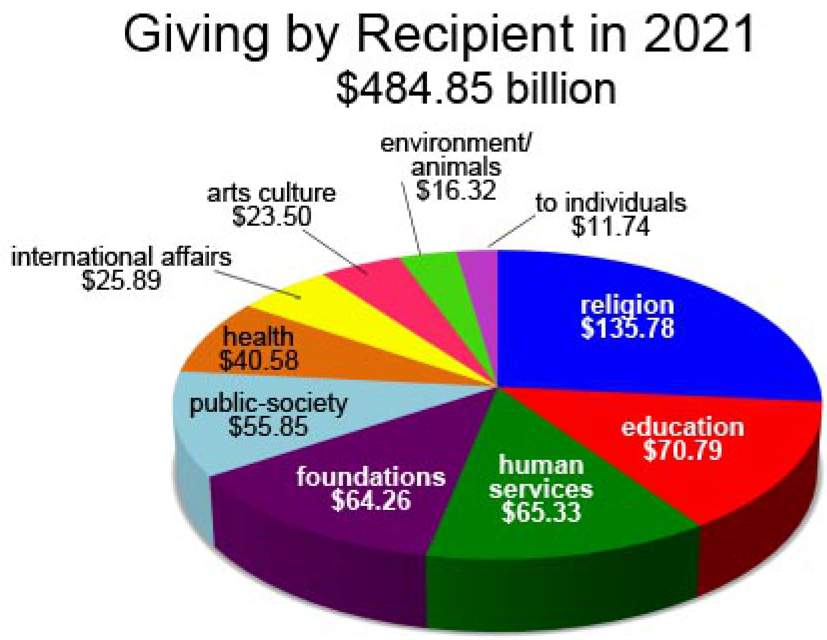


- Giving by **individuals** totaled an estimated $326.87 billion, rising 4.9% in 2021 (staying flat at 0.2%, adjusted for inflation). The cumulative change in inflation-adjusted giving by individuals between 2019 and 2021 is 4.7%. In 2021, none of the four giving sources reached an all-time high in inflation-adjusted terms, but individuals (also foundations, and bequests) reached the second highest levels of giving on record. Giving by individuals has declined considerably as a percentage of total giving over the last 40 years, from 81% in the first five-year period beginning in 1982 to 69% in the last five-year period beginning in 2017.

- Giving by **foundations** grew 3.4%, to an estimated $90.88 billion in 2021 (a decline of -1.2%, adjusted for inflation) and amounted to 19% of all gifts made in 2021. Giving increased the most during the five-year period beginning in 1997, at 80.4%. This giving did not decline once between any of the five-year periods between 1982 and 2021.

- Giving by **bequest** totaled an estimated $46.01 billion in 2021, declining -7.3% from 2020 (a decline of -11.4%, when adjusted for inflation) and accounted for 9% of all gifts made in 2021. This source sector has captured between 7% and 9% of total giving over the last 40 years, with its highest point in the five-year periods beginning in 1992, 1997, and 2017, and its slowest rate of growth during the five-year period beginning in 2007, growing 4.2%. Estimated bequest giving from estates $10 million and above (filing estates) amounted to $23.24 billion.

- Giving by **corporations** is estimated to have increased by 23.8% in 2021, totaling $21.08 billion (growth of 18.3%, adjusted for inflation) and comprised 4% of total giving. Giving by corporations increased the most during the five-year periods beginning in 1997 and 2012, with 28.3% and 14.8% increases, respectively. The five-year period beginning in 2017 recorded a -6.6% decline. Corporate pre-tax profits are a significant factor in how much corporations give each year, and changes in corporate giving closely follow corporate pre-tax profits and is estimated to be 0.7% of corporate pre-tax profits for 2021.



- Giving to **religion** grew by 5.4% between 2020 and 2021, with an estimated $135.78 billion in contributions. Inflation-adjusted giving to the religion subsector stayed flat with growth of 0.7% in 2021 and comprised 27% of all donations received by charities in 2021.

- The **education** subsector comprised the second-largest portion of charitable dollars in 2021, receiving $79.70 billion,14% of total gifts. Between 2020 and 2021, inflation-adjusted giving to education declined -7.2%. The cumulative change in giving to education between 2019 and 2021 is 6.8% in inflation-adjusted dollars.

- Giving to **human services** increased by an estimated 2.2% in 2021, totaling $65.33 billion and received 13% of charitable dollars in 2021. Adjusted for inflation, giving to human services organizations declined by -2.4%.

- Giving to **foundations** is estimated to have increased by 9.3% in 2021, to $64.26 billion. Adjusted for inflation, giving to foundations grew by 4.4%. In 2021, giving to foundations reached its highest inflation-adjusted value recorded to date.

- Giving to **human services** organizations grew 2.2% in 2021, totaling $65.33 billion, ranking third in total gifts received, at 13% of charitable dollars in 2021. Adjusted for inflation, giving to human services increased 8.0% between 2019 and 2020, and declined -2.4% between 2020 and 2021.

- Giving to **health** organizations increased 7.7% in 2021, totaling $40.58 billion, and ranked sixth in total gifts received, at 8% of charitable dollars in 2021. Adjusted for inflation, giving to health increased 2.9% between 2020 and 2021.

- Giving to **public-society benefit** organizations increased an estimated 23.5% between 2020 and 2021, receiving $55.85 billion. Comprising the fifth-largest portion of charitable dollars in 2021, public-society benefit organizations received 11% of total giving. Adjusted for inflation, giving to public-society benefit organizations grew 17.9%.

- Giving to **arts, culture, and humanities** is estimated to have increased 27.5% between 2020 and 2021, to $23.50 billion. Adjusted for inflation, giving to the arts, culture, and humanities subsector increased 21.8%. This subsector received the eighth-largest portion of charitable dollars in 2021, at 5% of total giving.

- Giving to **international affairs** is estimated to be $27.44 billion in 2021, staying level with 2020 with 0.0% growth. Adjusted for inflation, giving to international affairs organizations declined -4.5%. This subsector ranked seventh in total gifts received, amounting to 5% of charitable dollars in 2021.

- Giving to **environmental/animal** organizations is estimated to have increased 11.0% between 2020 and 2021, to $16.32 billion. Comprising the ninth-largest share of charitable dollars in 2021, the environment and animals subsector received 3% of total gifts. Adjusted for inflation, donations to the environment/animals subsector increased 6.1%.

- Giving to **individuals** is estimated to have grown 1.8% between 2020 and 2021, to $11.74 billion. Adjusted for inflation, donations declined by -2.7%. The bulk of these donations are in-kind gifts of medications to patients in need, made through the patient assistance programs of pharmaceutical companies' operating foundations.

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