

Record Giving: Where are you seeking support?

by Laura Huth, *do good Consulting*, President & CEO

Originally published in *Doing Good*, the e-newsletter of *do good Consulting*, July 2007,
<http://www.dogoodconsulting.org/newsletter/July2007DoingGood.html>

In May 2007, the [Giving USA Foundation](#) released its 2006 numbers for philanthropic giving in the United States. The news bodes well for those involved in one of the 1.4 million non-profits in the country, though the sources of this money routinely shock staff and board members, volunteers, and others.



Tracking donations made by businesses and corporations, foundations, individuals, and through bequests, the report shows that charitable giving rose from an incredible \$260 billion in 2005 by almost 12% to an even more amazing \$295 billion in 2006.

The shocker often comes in where the bulk of the money comes from. While Warren Buffett and his record-making contribution of \$1.9 billion (and other so-called 'mega-gifts') certainly make the list, such contributions are far from the top and comprise only 1.3% of total giving. Thankfully, not having a Rolodex full of famous, rich people will not seriously impact your organization's fundraising.

Last year, foundation grantmaking rose 13% to \$36.5 billion. However, this area of giving is still not the shocker, as foundation giving accounts for only 12% of the \$295 billion. If your organization is spending more than 12% of its designated "fundraising time" writing and researching grants, your fundraising plan is out of whack (you do have a fundraising plan, right?) Now, if you think chasing big dollars from businesses and corporations is where it's at, think again. Giving in this sector *declined* by nearly 8% to just under \$13 billion. Time to rethink all that time it took to sign and send those letters and fundraising packets you just sent to local businesses.

Do not despair: the good news lies in people. Ordinary people, people we know: our neighbors, colleagues, friends, and those that sit next to us at our place of worship. Giving by individuals is always the largest single source of charitable donations - a fact that routinely shocks many non-profit staff and board members. Last year, individual giving rose by over 4% to nearly \$223 billion, accounting for a whopping 76% of all giving! According to George Ruotolo, Jr., chair of the Giving Institute, parent organization of the Giving USA Foundation, about 65% of households with incomes lower than \$100,000 give to charity, higher than the percentage who vote or read a Sunday newspaper. Are you spending over three-quarters of your "fundraising time" forming relationships with, cultivating, and raising money from people?

Last year, the highest donations growth rate was in arts, culture, and humanities organizations, which saw an increase of nearly 10% to \$12.5 billion. Education-

related donations also rose by nearly 10% to almost \$41 billion. And while two subsectors saw declines in overall charitable revenues in 2006 - human services and international affairs - this is due largely to a drop in disaster relief and emergency giving that pushed revenues to unprecedented highs in 2005.

Overall, the news is definitely good for your organization, regardless of the type of work you do. Giving is up, and people are the ones pulling out their wallets. And it is people we know, not necessarily the Warren Buffetts of the world. How does this new report impact your giving program at your organization?

For help redefining the fundraising plan (or creating one!) at your organization, contact **do good Consulting** at dogood@dogoodconsulting.org or (217) 778-1687. For more information from the Giving USA Foundation, go to givingusa.org