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RECENT TRENDS IN PHILANTHROPIC GIVING

For many organizations, the summer months mean a (slightly) less hectic program schedule. Additionally, this time of year often coincides with the closing months of the fiscal year for many arts and culture organizations, making it a natural and appropriate time to review recent financial performance. One important element of any such a review is a fact-based understanding of the current philanthropic climate, both regionally and nationally. Rather than rely on past conclusions or general impressions about giving patterns, it is a good idea to review the most current available data on national funding trends. New research from two widely regarded sources, Giving USA and The Foundation Center, can provide important context and benchmarks for understanding your organization's recent financial performance compared to trends in the marketplace.

CHARITABLE GIVING INCREASES

Giving USA 2015: The Annual Report on Philanthropy for the Year 2014 provides a wealth of current data on philanthropic giving. A publication of Giving USA Foundation, researched and written by the Indiana University Lilly Family School of Philanthropy, this report provides an excellent overview of nationwide philanthropic trends. Giving USA Foundation's findings estimate that total charitable giving in America **from all sources** was an estimated \$358.38 billion in 2014, an increase of 7.1 percent in current dollars. This total (which equals a 5.4% percent increase over the revised estimate of \$339.94 billion for 2013 after adjustments for inflation) means that giving in the United States increased for the fifth year in a row.

Last year, total giving for nonprofit organizations and charities in each of the four funding sectors tracked by the report increased as follows:

- Gifts from individual donors increased 5.7 percent in current dollars to \$258.51 billion, accounting for 72% of total for 2014 (the same percentage of the total as in 2013).
- Gifts from Foundations (15% of the total) rose 8.2% to \$53.97 billion.
- Bequests (8% of the total) increased 15.5 percent to \$28.13 billion.
- Corporate giving, which includes in-kind gifts, was recorded at \$17.77 billion (5% of the total), an increase of 13.7%.

ARTS AND CULTURE SECTOR OUTPACES OTHERS IN GROWTH

Giving USA Foundation's report asserts that the arts and culture sector (arts/culture/humanities) received an estimated \$17.23 billion in contributions from all sources in 2014, a 9.2% increase over 2013 in current dollars. This figure represents the highest percentage increase over the previous year of any sector tracked by Giving USA. Other sector totals: Religion (giving totals increased 2.5%), Education (4.9%), Human Services (3.6%), Health (5.5%), Environment/Animals (7%), Public-Society (5.1%), Foundations (1.8%), and International Affairs (which experienced a 2% drop from 2013). All figures calculated using current dollars.

When adjusted for inflation, 2014 philanthropic gift totals reached record-setting highs for six sectors: arts/culture/humanities, religion, education, human services, health, and environment/animals.

Although religion continued to receive the highest percentage of total contributions (32% of \$358.38 billion) the report notes that its categorical share of total philanthropic giving has dropped dramatically over time, from 53% of total contributions in 1987 to 32% in 2014.

A free overview, ***Giving USA 2015 Highlights*** available at: <http://givingusa.org/product-category/2015-products>, provides context and insight into this year's report. The complete report, published in June 2015 includes detailed data analysis and is available for purchase through the site in several formats, including a PowerPoint presentation package.

FOCUS ON FOUNDATIONS

While ***Giving USA 2015*** reports that foundations represent only 15% of nationwide giving, they remain a critical source of support for many arts and culture organizations. ***Foundation Giving Trends*** and ***Foundation Growth and Giving Estimates***, two valuable sources previously published by The Foundation Center, have been combined into one new publication: ***Key Facts on U.S. Foundations***. The 2014 edition of this report estimates there were 86,192 grant-making foundations in the United States in 2013 (an increase from 81,700 in 2012). The report also cites that giving by foundations in 2013 was \$54.7 billion, a figure that surpassed all previous levels of giving. The median grant amount across all sectors was \$30,000.

Funding for the arts by foundations in 2013 was reported at \$2.2 billion, or 10 percent of all foundation giving. In terms of the types of grants made by foundations, 52 percent of all foundation giving was for program support and 23 percent was contributed to organizations for general support. Noting that some giving categories overlap, the remaining 16 percent of foundation funding was designated for research, 10 percent was contributed for capital support and 4 percent of grants from foundations were for student aid.

Based on its annual survey of more than 1,000 active foundations, The Foundation Center forecasts "ambiguity" in economic indicators during the next few years, suggesting that individuals who have profited from recent stock market gains will likely start new foundations and that family foundations will likely show a higher rate of growth than overall foundation totals.

The Foundation Center also provides a detailed breakdown of foundation giving specific to arts and culture organizations on its website. Although 2012 is the most recent year for which this data is currently available, <http://data.foundationcenter.org/#/fc1000/subject:arts/all/total/list/2012> provides access to information on giving patterns for specific types of organizations (performing arts, visual arts, museums, etc.) as well as state by state statistics.

EFFECTIVE FUNDRAISING DOESN'T HAPPEN IN A VACUUM

Without an awareness of current trends in philanthropy, it may be difficult to fully understand and evaluate the performance of your organization's recent financial results. Using resources like those mentioned above can provide important context as your organization identifies opportunities, develops attainable (or aspirational) fundraising goals, and shapes its strategies for long-term success.

**FOR MORE INFORMATION ON HOW ARTS CONSULTING GROUP
CAN HELP YOUR ORGANIZATION TO ACHIEVE ITS REVENUE ENHANCEMENT GOALS,
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