

Recent Trends in Philanthropic Giving

The close of an organization's fiscal year, whether in December or at some other time, provides an excellent opportunity to assess financial performance, including challenges and successes in the fundraising arena. One important element of 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 giving patterns, it is advantageous to review the most current data on national funding trends. Research from two widely regarded sources, [Giving USA](#) and [U.S. Trust](#), can provide context and benchmarks for understanding recent financial performance of arts and culture organizations compared to trends in the marketplace.

Charitable Giving Increases

Giving USA 2017: The Annual Report on Philanthropy for the Year 2016 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 from all sources was approximately \$390.05 billion in 2016, an increase of 2.7 percent in current dollars, or 1.4 percent adjusted for inflation. Between 2006 and 2016, total giving increased by \$93.96 billion in current dollars, or \$37.56 billion in inflation-adjusted dollars.

Last year, total giving for nonprofit organizations and charities increased in three of the four major funding sectors. At \$281.86 billion, gifts from individual donors continues to be the strongest contributor to the total growth.

Charitable Sector	Total Dollars	Percentage of Total	Percentage Increase
Gifts from Individual Donors	\$281.86 billion	72%	3.9%
Gifts from Foundations	\$59.28 billion	15%	3.5%
Bequests	\$30.36 billion	8%	-9.0%
Corporate Giving	\$18.55 billion	5%	3.5%

Arts and Culture Subsector Continues to Grow

Giving USA Foundation's report asserts that the arts and culture subsector (arts/culture/humanities) received an estimated \$18.21 billion in contributions from all sources in 2016. This is a nearly 7 percent increase from the previous year and makes up 5 percent of the 2016 total. In 2016, all other charitable subsectors, which includes religion, education, human services, foundations, health, public-society benefit, international affairs, environment/animals, and individuals, increased in contributions. This has happened only six times in the last 40 years.

A free overview of the [Giving USA 2017 Report Highlights](#) provides context and insight into this year's report. The complete report contains detailed data analysis and is available for purchase through the site in several formats.

Focus on Donor Motivations

Giving is a very personal behavior that meets emotional needs and individual philanthropic goals. Conducted in partnership with the Indiana University Lilly Family School of Philanthropy, *The 2016 U.S. Trust Study of High Net Worth Philanthropy* examines charitable practices and preferences of wealthy households. According to the report, giving levels remain high, with 91 percent of high net worth households donating to charity, compared to only 59 percent of the general population. Charitable giving is also predicted to increase, with 83 percent wealthy donors planning to increase contributions in the next three years.

According to the report, high net worth donors indicated that they would like to be more knowledgeable about the following aspects of charitable giving:

Aspect of Charitable Giving	Percentage
Identifying the right volunteer opportunity	42.2%
Becoming more familiar with nonprofit organizations	28.9%
Engaging the next generation in philanthropic giving	19.6%
Getting family engaged/family dynamics of giving	19.3%
Impact investing	15.7%
Integrating personal values into wealth management plan	15.2%
Understanding more about giving vehicles	13.6%
Developing strategic giving plan and mission	12.0%
Other	8.6%
Grantmaking process	6.3%

The 2016 report also provides data that helps organizations understand donors' giving behavior. One effective way to improve charitable giving is to ensure that fundraising efforts align with the values and motivations that drive philanthropic decisions among donors. Evidence suggests that when charities meet the emotional needs of donors, the increased personal connection yields much higher giving. Below are the top ten motivations stated by high net worth donors for wanting to give back:

Motivation for Charitable Giving	Percentage
Belief in the organization's mission	54.1%
Belief that the gift can make a difference	44.0%
Personal satisfaction, enjoyment, or fulfillment	38.7%
To support the same causes/organizations year after year	35.7%
To give back to the community	27.3%
Religious beliefs	23.3%
Tax benefits	18.0%
Political or philosophical beliefs	15.7%
To remedy issues that have affected the donor or those close to the donor	15.7%
Donor is board member and volunteer for the organization	15.3%

To improve donor retention efforts, awareness of the reasons donors stop giving can be a valuable tool. The 2016 study gave the following reasons as to why high net worth donors discontinue their support of an organization, indicating that receiving too many requests or receiving requests that are too close together as the top reason.

Reason for Discontinued Giving	Percentage
Received too many requests or requests were too close together	40.7%
Changes in household circumstances	40.2%
Organization was not effective or did not sufficiently communicate its effectiveness	18.0%
Other	15.0%
Changes in philanthropic focus	12.8%
Did not support changes in the organization's leadership, mission, or activities	12.1%
Organization did not respect personal information	9.6%
Organization met its impact goal or the funded project was completed	3.9%

Effective Fundraising Does Not Happen in a Vacuum

Without an awareness of current trends in philanthropy, it may be difficult to fully understand and evaluate an organization's recent financial results. Using resources like these reports from Giving USA and U.S. Trust can provide important context as an organization identifies opportunities, develops attainable (or aspirational) fundraising goals, and shapes its strategies for long-term success.

Meet the ACG Contributed Revenue Enhancement Team



Elisabeth B. Galley **Senior Vice President**

Ms. Galley has more than 30 years of experience as a fundraising and development professional for nonprofit arts and culture organizations. Her areas of expertise include capital campaign feasibility, strategy, management, and implementation as well as maximizing major gift and annual fund programs. First joining ACG in 1998, Ms. Galley worked with Tulsa Opera, Nevada Ballet Theatre, Mozart Classical Orchestra, REPRIS! Broadway's Best, and the Carmel Bach Festival as Interim Development Director. Prior to joining the firm, she served as Chief Development Officer at the Perot Museum of Nature and Science. Under her leadership, the museum finished its \$185 million campaign one year ahead of schedule, enabling the new building to open three months early, on budget with no short or long-term debt, and with a \$19 million endowment. Ms.

Galley also expanded the museum's operating reserves by \$26 million and doubled its contributed revenue to \$4 million annually. For seven years, she served as Vice President of Development at the AT&T Performing Arts Center, working on the \$335 million campaign to build the multi-venue complex. Ms. Galley was also Director of Development for the Colorado Springs Symphony, Vice President for Development at the Colorado Historical Society in Denver, and Director of Development for Boston's Handel and Haydn Society. Ms. Galley holds a bachelor of arts in English and master of business administration with an emphasis in marketing and nonprofit administration from the University of Delaware.



Shawn D. Ingram **Vice President**

Mr. Ingram is a human capital and revenue enhancement expert with more than 25 years of professional experience in nonprofit fundraising and management in the arts and social services. Joining the Los Angeles office in 2016, Mr. Ingram leads the firm's Contributed Revenue Enhancement practice, where he supports a comprehensive national roster of ACG clients with strategic management and fundraising solutions. Mr. Ingram has served as Interim Director of Development at Laguna Playhouse, Interim Vice President of Development for Para Los Niños, and provided similar services for The Unusual Suspects Theatre Company. He supported New Roads School's early stages of a \$20 million capital campaign and the American Youth Symphony in enhancing their major gifts program. Mr. Ingram has also held positions as Executive Director at My

Friend's Place, Director of Corporate and Foundation Development at La Jolla Playhouse, and Director of Development at the San Diego LGBT Community Center, Equality California, and The Trevor Project. Mr. Ingram began his career in fundraising at Harvard University, working several years at the American Repertory Theater. Mr. Ingram currently serves as an Advisor to the San Francisco-based EACH Foundation. He has also previously served on the board of directors for the Hollywood Property Owners Alliance in Los Angeles and Creative Response of the Arts and Divisionary Theater in San Diego. Mr. Ingram has performed extensively across the country as a professional singer and dancer and holds a bachelor of science in communication from Boston University.



Linda Lipscomb
Vice President

Ms. Lipscomb joined ACG in 2016, bringing nearly 30 years of experience in fundraising, marketing, and sales to her consulting and interim management work for the firm. She has expertise in facilitating major capital campaigns, maximizing annual funds and major gift programs, conducting feasibility studies, and performing interim management services. Ms. Lipscomb has served in interim management roles, leading the development departments at Dallas Symphony Orchestra, Fort Worth Opera, and Fort Worth Symphony. As Interim Vice President of Development at Dallas Symphony Orchestra, she successfully reversed several years of annual fund declines, increasing those efforts to meet targeted fundraising goals. At Dallas Museum of Art, she led the final phase of the museum's \$185 million endowment and operating campaign. As Deputy Director of

Advancement for Virginia Museum of Fine Arts, Ms. Lipscomb increased annual fundraising by nearly 50 percent and expanded the base of donors following a capital expansion. In these positions, she successfully tackled the challenges faced by nonprofit organizations seeking to improve contributed revenue, build systems and processes, expand major gifts, and mentor fundraising staff. Ms. Lipscomb holds a bachelor of arts in history of art from Sweet Briar College in Virginia and a master of business administration in finance and marketing from Southern Methodist University in Dallas. As an active volunteer, she currently serves on the board of directors for Friends of Art of Sweet Briar College and chairs the marketing committee.

**Contact ACG for more information on how we can help your organization
achieve its contributed revenue enhancement goals.**

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