

Recent Trends in Philanthropic Giving

The close of an organization's fiscal year 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 2018: The Annual Report on Philanthropy for the Year 2017 provides a wealth of current data on philanthropic giving. Researched and written by the Indiana University Lilly Family School of Philanthropy, this publication of the Giving USA Foundation provides an excellent overview of nationwide philanthropic trends.

The report estimates that total charitable giving from all sources was approximately \$410.02 billion in 2017, an increase of 5.2 percent in current dollars, or 3.0 percent adjusted for inflation. This is the first time giving has exceeded \$400 billion in a single year. This can be attributed to the S&P 500's nearly 20 percent growth, as well as other economic factors—like personal income and personal consumption. These are certainly associated with households' long-term financial stability and have historically been correlated with giving by individuals, according to Giving USA.¹

Last year, total giving for nonprofit organizations and charities increased in all four major funding sectors. At \$286.65 billion, individual donor giving remains the highest major funding sector.

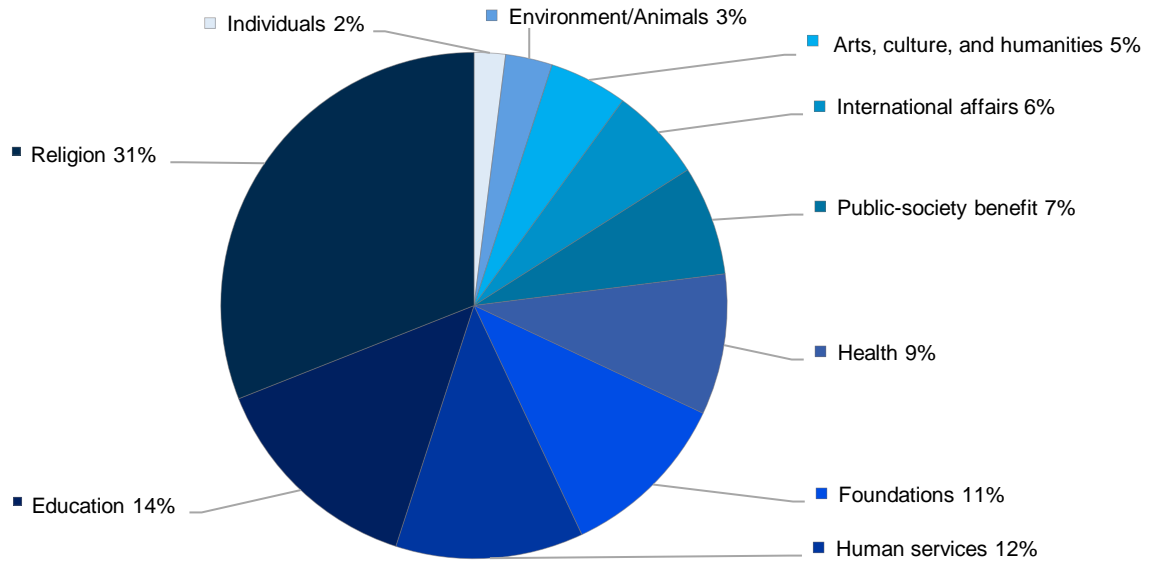
Charitable Sector	Total Dollars	Percentage of Total	Increase
Individual Donors	\$286.65 billion	70%	5.2%
Foundations	\$66.90 billion	16%	6.0%
Bequests	\$35.70 billion	9%	2.3%
Corporations	\$20.77 billion	5%	8.0%

Arts and Culture Subsector Continues to Grow

Giving USA Foundation's report shows that charitable contributions in 2017 increased in eight of the nine major types of recipient organizations, with the arts and culture subsector (arts, culture, and humanities) receiving an estimated \$19.51 billion in contributions from all sources. This is a nearly 8.7 percent increase from the previous year and makes up 5 percent of the overall 2017 total. International affairs organizations were the only charitable subsector that did not see an increase in giving however, giving to this subsector still reached its third-highest level ever recorded.

The following graphic shows the 2017 contributions by recipient category by percentage of the total.

¹ <https://givingusa.org/giving-usa-2018-americans-gave-410-02-billion-to-charity-in-2017-crossing-the-400-billion-mark-for-the-first-time/>



A free overview of the [Giving USA 2018 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. The *2017 U.S. Trust Insights on Wealth & Worth®* survey examines charitable practices and preferences of wealthy households. The survey affirms that giving back to society is a priority among the vast majority of high-net-worth individuals and families. According to the U.S. Trust's findings, contributing to the greater good is an important goal for these individuals and families, listing the following as how they make an impact:

Ways to Make an Impact	Percentage
Give financially to nonprofit organizations	74%
Volunteer time, skills, or service	69%
Serve on the board of a nonprofit organization or foundation	27%
Invest in companies that support positive social and environmental policies and practices	17%
Own a company that creates jobs and opportunities for others	14%
Work for a nonprofit organization	13%
Engage in social entrepreneurship (own a company to address social and environmental solutions)	7%

The 2017 survey results also provide data that helps organizations understand donors' giving behavior. At 53 percent, expressing personal values and the desire to make an impact ranked as the most important reason why high-net-worth individuals and families give back. However, giving trends can vary across generational lines. At 83 percent, baby boomers are far more likely to make a charitable contribution than younger generations, while millennials are most likely to engage in social entrepreneurship.

Motivations for Charitable Giving	Millennials	Gen X	Boomers	Silent	All
Expressing personal values and desire to make an impact	39%	40%	59%	52%	53%
Sense of responsibility and obligation	25%	34%	28%	28%	28%
Tax benefit	21%	22%	11%	18%	15%
Access and status	15%	4%	2%	1%	3%

Giving Trends in Canada

According to the 2017 Global Trends in Giving Report, the sister report to the Global NGO Technology Report, philanthropic giving trends throughout North America mirror those solely in the United States. Of the nearly 3,000 North American survey participants, 67 percent stated that they volunteer their time and 61 percent stated that they attend fundraising events. Religious services and faith (12 percent), children and youth (11 percent), and human services (11 percent) were the top three giving recipient categories in North America. The Global Trends in Giving Report provides additional information indicating how North Americans give, with 62 percent of North American donors preferring to give online, compared to 15 percent through direct mail and 13 percent through fundraising events. At 63 percent, the vast majority of respondents indicated that the social media platform that inspires the most giving was Facebook.

Incorporating Data Into Philanthropy

It is vital that arts and culture development teams create strong, healthy philanthropic cultures. Part of that cultural creation is the inclusion of both hard and soft data when developing solicitation strategies. While it is critical to examine the quantifiable facts, such as where and how much donors give, a review of the softer data is crucial. Arts and culture organizations should use data to ask their donors leading questions. Focus on their motivation for giving and the culture of philanthropy in their household or business. Most importantly, ask why opera, music, dance, theater, and so on is their philanthropic giving priority. The answers to these questions not only provide significant insight but also support the building of stronger relationships with donors—resulting in increased contributed revenue for your organizations.

Meet the ACG Contributed Revenue Enhancement Team



Elisabeth B. Galley, Senior Vice President

Ms. Galley has more than 34 years of experience as a fundraising and development professional for nonprofit arts and culture organizations. One of ACG's original Senior Consultants, she rejoined the firm in 2015 to open its Dallas office and to lead and expand the Revenue Enhancement practice. Prior to rejoining ACG, Ms. Galley served as Chief Development Officer at the Perot Museum of Nature and Science in Dallas from 2010 to 2015 where, under her leadership, the museum finished its \$185 million campaign one year ahead of schedule, expanded its operating reserves by \$26 million, and doubled its contributed revenue to \$4 million annually. She served as Vice President of Development at the AT&T Performing Arts Center from 2003 to 2010, overseeing its \$335 million campaign to build the multi-venue complex and establishing its development programs. 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's capital campaign to raise endowment, working capital reserve, and bridge funds. Her areas of expertise include capital campaign feasibility, strategy, management, and implementation as well as maximizing major gift and annual fund programs. She has authored several *Arts Insights* articles on these topics and has conducted fundraising workshops and presentations at various national and international conferences, including OPERA America, Canadian Museum Association, and American Alliance of Museums. 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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