



Arts Consulting Group



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# Recent Trends in Philanthropic Giving in the United States and Canada

## Annual Reports on Key Metrics

The close of an organization’s fiscal year provides an excellent opportunity to assess financial performance, including challenges and successes in the fundraising arena. Even during times of crisis, it is critical for arts and culture organizations to conduct a fact-based review of the recent philanthropic climate, regionally, nationally, and internationally. This issue of *Arts Insights* highlights research conducted in 2021 by widely regarded resources, including *Giving USA*, to provide context and benchmarks for understanding recent charitable giving to the arts and culture sector compared to overall nonprofit philanthropic trends. Moving forward, organizations should monitor the effects of inflation and the possibility of an economic recession, as was recently outlined in an article issued by *The Chronicle of Philanthropy*.<sup>1</sup>

### Overall Charitable Giving

*Giving USA 2022: The Annual Report on Philanthropy for the Year 2021* provides a wealth of data on philanthropic giving across multiple sectors. Provided by *The Giving Institute*, this seminal publication is the most comprehensive and rigorously researched report on the sources and uses of charitable giving in the United States, providing an excellent overview of nationwide philanthropic trends.

This year’s report estimated that total charitable giving from all sources in 2021 was \$485 billion, an increase of 4 percent compared to last year’s revised number of approximately \$467 billion. This is the fifth consecutive year that giving has exceeded \$400 billion in a single year. While three of the four donor sectors realized increased dollars (only bequests dropped), the percentages per sector remained virtually unchanged. Individual donor giving remains the highest funding sector at 67 percent.

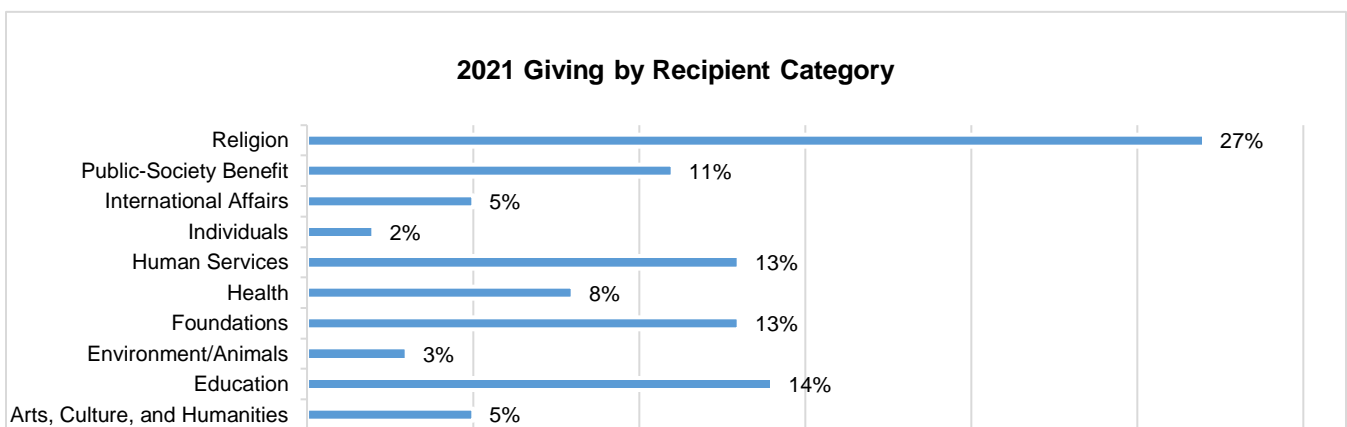
Charitable Sector	Total Dollars			Percentage of Total			Increase / (Decrease)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Individual Donors	\$310 billion	\$312 billion	\$327 billion	68.9%	66.8%	67.4%	6.2%	0.6%	4.8%
Foundations	\$76 billion	\$88 billion	\$91 billion	16.9%	18.8%	18.8%	0.0%	15.8%	3.4%
Bequests	\$43 billion	\$50 billion	\$46 billion	9.6%	10.7%	9.5%	7.5%	16.3%	(8.0%)
Corporations	\$21 billion	\$17 billion	\$21 billion	4.7%	3.6%	4.3%	5.0%	(19.0%)	23.5%
<b>Total</b>	<b>\$450 billion</b>	<b>\$467 billion</b>	<b>\$485 billion</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>5.1%</b>	<b>3.8%</b>	<b>3.9%</b>

### Arts and Culture Giving Increased

Giving USA’s report showed that charitable contributions in 2021 increased in about half of the recipient organization types. The arts, culture, and humanities sector received an estimated \$23.5 billion in contributions from all sources, making up 5 percent of the total contributions for 2021. This was an increase of more than 27 percent from the previous year and exceeded pre-pandemic giving to the arts. The following charts and graphs show the total dollars from 2019 through 2021 by recipient category, as well as the 2021 percentage of contributions by recipient category.

<sup>1</sup> The Chronicle of Philanthropy, “Inflation and the Possibility of Recession have Fundraisers Worried,” <https://www.philanthropy.com/article/inflation-and-the-possibility-of-a-recession-have-fundraisers-worried>, (July 2022)

Recipient Category	Total Dollars		
	2019	2020	2021
Arts, Culture, and Humanities	\$21.6 billion	\$18.4 billion	\$23.5 billion
Education	\$64.1 billion	\$72.7 billion	\$70.8 billion
Environment/Animals	\$14.2 billion	\$14.7 billion	\$16.3 billion
Foundations	\$53.5 billion	\$58.8 billion	\$64.3 billion
Health	\$41.5 billion	\$37.7 billion	\$40.6 billion
Human Services	\$56.0 billion	\$64.0 billion	\$65.3 billion
Individuals	\$10.1 billion	\$12.3 billion	\$11.8 billion
International Affairs	\$28.9 billion	\$27.4 billion	\$27.6 billion
Public-Society Benefit	\$37.2 billion	\$45.3 billion	\$55.9 billion
Religion	\$128.2 billion	\$128.9 billion	\$135.8 billion



More information about the Giving USA 2022 report, including ways to leverage its information, can be found on the institution's [website](#). The complete report contains detailed data analysis and is available for purchase through the site in several formats.

### Giving Trends in Canada

There are almost 90,000 registered charities in Canada, contributing 8 percent of GDP and accounting for approximately 10 percent of the full-time workforce in Canada. While the number of Canadians who give to the charitable sector is decreasing, online giving is growing, with online donations rising each year since 2011. Additionally, donations from mobile users have outpaced donations from desktop users.

*The Giving Report 2022* from CanadaHelps noted the following Canadian giving trends in 2021:

- The giving gap continues to widen. The last three reports revealed two concerning trends corollary to the giving gap, a term used to discuss the steady decline in the percentage of Canadians who donate to charities: the increased reliance on a smaller group of aging donors and the funding shortfalls charities from coast to coast will face when these donors can no longer give. The percentage of Canadians who give has continued to decline, with 19 percent of 2019 tax filers claiming donations versus 25 percent in 2006. These declines span all age groups.
- Across generations, how Canadians support charities and causes is different. While fewer younger Canadians make financial donations, many donate and express their generosity in more than one way, which can include volunteering, fundraising, attending protests, or spreading the word about a charity or cause. While mental health is a top five cause supported across all generations, other top causes supported by younger generations are climate change and racial justice. Older generations prioritize medical research and treatment, senior care, and poverty in Canada.

- There is hope. When younger Canadians have the means, they donate. While some younger Canadians do not give financially today, they have the intention to give in the future. Looking at both younger Canadians who give today and those who do not, there are high levels of trust in charities. That said, charities need to understand this generation is savvy. They expect digital engagement, look to modern giving vehicles like cryptocurrency donations, and use more cost-effective ways to give like donations of securities. Another top cause younger Canadians relate to is social justice. To appeal to younger donors, charities need to be aware of these issues, and many will need to shape new narratives to better resonate with these Canadians.
- A decline of 12 percent in total giving is projected from 2019 to 2021 as a result of pandemic impacts and inflationary concerns, further challenging the ability of charities to meet growing demand. This concerning outlook is supported by the declining growth seen in online giving since March 2021. Moreover, the research also shows that four out of five Canadians expect inflation and/or the prolonged impacts of the pandemic will negatively impact their financial situation. As a result, 25 percent of Canadians expect to use or are already using charitable services in 2022, and one in four Canadians anticipate giving less in 2022 than they did in 2021.

To supplement the report, CanadaHelps conducted another survey with the following key results:

- Three quarters (74 percent) of Canadians are concerned about inflation and 82 percent expect their financial situation to be negatively impacted in some way. A sizable portion (15 percent) report that they will not be able to afford necessities such as groceries, medicine, gas, among others, and 30 percent say they will need to cut their spending on necessities if high inflation continues.
- Demand for charitable services will increase, with 25 percent of Canadians expecting to use or are already using charitable services in 2022, mostly in response to the pandemic and/or high inflation.
- Inflation and the effects of the pandemic negatively impacted Canadians' giving behaviors in 2021. Nearly one quarter (23 percent) reported donating less to charities in 2021 than they did in 2020, with 10 percent citing inflation and 10 percent citing the pandemic as factors that limited their ability to donate in 2021. Conversely, 16 percent claimed to have donated more to charity in 2021 than in 2020.
- Charitable donations will be further impacted in 2022. Giving will further decline due to inflation and the effects of the pandemic in 2022. One quarter of respondents indicated they plan to give less to charities compared to 2021, with 17 percent citing the effects of inflation and 12 percent citing the effects of the pandemic. By comparison, just 15 percent plan to give more to charities in 2022 than they did in 2021.

### **Incorporating Data into Philanthropy**

It is vital that arts and culture organizations create strong philanthropic cultures and communication strategies with diverse donors and prospects, particularly as the funding landscape evolves in response to the pandemic. Part of that effort is focused on the inclusion of both objective and subjective 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 subjective data related to specific donor relationships and interests is crucial. Considering the intersectionality within and between personal identities of individual donor prospects and institutional (i.e. corporate, foundation, government) support leaders, for example, will be increasingly important to best address systemic inequities in philanthropy.

Arts and culture organizations should use comprehensive data and ask their donors deeper questions about their concerns, listening carefully over time to ensure a clear understanding of the impacts they seek prior to asking for a contribution. A focus on donor motivations for giving, connection to the organization, and culture of philanthropy in their household or business will deepen the interpersonal relationships with those donors. Considering the recency and frequency of previous contributions, as well as their specific personal and professional circumstances, will best inform their current capacity for ongoing financial support. This information, along with proper quantitative donor (and prospect) research, provides significant insights about financial capacity that can build deeper insights and stronger relationships with donors. These efforts result in more stable contributed revenues as arts and culture organizations scale their programs and operations to adapt during a time of social and economic uncertainty.

## Meet the ACG Contributed Revenue Enhancement Team



### **Nan Keeton, Senior Vice President**

Nan Keeton is a strategic revenue leader, delivering successful cultural program and venue projects and serving artists and communities. With more than 20 years of national leadership experience connecting the arts to broad and diverse audiences, Ms. Keeton has a deep understanding of the needs of arts and culture organizations, the economic realities they face, and the imperative to shape an equitable future that advances inclusion and belonging for all. Prior to joining ACG, Ms. Keeton served as Deputy Director, External Relations for the San Francisco Museum of Modern Art, where she was responsible for leading the capital campaign, annual fund, membership, communications, marketing, visitor experience, museum store, legal, and community gallery programs. In addition to completing a campaign that raised more than \$610 million for the museum's expansion, her leadership enlarged and diversified the donor community, doubling the museum's annual fund and membership. She also served as a

key staff liaison to the board nominating group for the 70-member museum board, advancing a multi-year commitment to diversity. Ms. Keeton previously led External Affairs for the San Francisco Symphony and served as the Vice-President of Marketing and Business Development for Lincoln Center for the Performing Arts. She is current board mentor for the Amateur Music Network, a recent board member for San Francisco Travel, and a founding member of San Francisco's Civic Center Community Benefit District. Ms. Keeton holds a bachelor of fine arts degree and a bachelor of science, business administration degree from the University of Florida, as well as a master of fine arts in drawing from New York Academy of Art.



### **Shawn Ingram, Vice President – Practice Leader**

Shawn D. Ingram is a revenue enhancement expert with more than 25 years of professional experience in nonprofit fundraising and management in the arts and social services. Joining ACG in 2015, Mr. Ingram serves on the firm's Contributed Revenue Enhancement team, supporting a comprehensive international roster of clients with strategic fundraising and interim management solutions. His additional areas of expertise include capital campaign management, donor prospecting, major donor strategy, executive search, and organizational assessment. Mr. Ingram guided Cincinnati Playhouse in the Park through a comprehensive campaign planning and feasibility study, which culminated in his counsel on its \$47.5 million integrated capital campaign. As an integral part of ACG's interim management practice, he has served as Interim Director of Development at Laguna Playhouse, Interim Chief Advancement Officer at Arizona Broadway Theatre, and Interim Executive Director at Los Angeles Children's Chorus.

Prior to joining ACG, Mr. Ingram held positions as Executive Director at My Friend's Place, Director of Development at the San Diego LGBT Community Center, Director of Development at The Trevor Project, and Director of Corporate and Foundation Development at La Jolla Playhouse. Mr. Ingram currently serves as an Advisor to the San Francisco-based EACH Foundation and previously served on the board of directors for Creative Response of the Arts and Divisionary Theater in San Diego. He has performed extensively across the country as a professional singer and dancer and holds a bachelor of science in communication from Boston University.



## **Todd Ahrens, Vice President**

Todd M. Ahrens (he/him/his) has 30 years of nonprofit experience in the arts, museums, and education sectors, including 15 years in senior-level management positions. In addition to his extensive experience organizing and leading capital and endowment campaigns, his areas of expertise include major and planned gifts, corporate sponsorship, memberships, and grants. He also has experience in revitalizing earned revenue streams, including subscriptions, retail sales, and facility rentals, as well as with marketing, communication, and branding strategies. Since joining the firm, he has assisted clients with capital campaign fundraising, development assessments, and executive search for development leadership positions. Prior to joining ACG as a Project Consultant, Ahrens held various roles at the Toledo Museum of Art over the course of 15 years, including Development Officer for Grants, Manager of Grants and Sponsorships, Associate Director of Development, and Director of Development. During

his time with the museum, he was actively involved in two campaigns: a \$75 million capital campaign that included construction of the Glass Pavilion, new glass studios, and a sculpture garden, and more recently a \$40 million endowment campaign that exceeded its goal by \$6 million. During the endowment campaign, he also helped increase annual operating support by more than \$1 million. Ahrens also has experience working in the education sector, serving as Director of Leadership Gifts at the University of Findlay, Director of Advancement at St. John's Jesuit High School & Academy, and Director of Development for the University of Michigan Museum of Art, where he led a \$40 million campaign for art. He began his career in the arts at the Chicago Symphony Orchestra in finance and marketing. Ahrens has served on the boards of numerous arts organizations, including Arts Commission of Greater Toledo, Black Swamp Arts Festival, and Ohio Museums Association. Fluent in German, he completed two internships at Daimler Benz in Stuttgart, Germany, and spent a year studying at the University of Salzburg in Austria. He earned a bachelor of arts degree in international business and German from Simpson College and a master of arts degree from Bowling Green State University in Ohio.

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

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