Total charitable giving fell 3.6 percent (-3.2 percent adjusted for inflation) in 2009, to an estimated $303.75 billion. This is the steepest decline in current dollar terms since Giving USA began its annual reports in 1956.

Last year was also the worst year economically in America since the Great Depression. At least through mid-year, financial transactions of all kinds slowed while people considered and worried about the future. Nonetheless, Americans continued to give—less often perhaps, more quietly than in the past—to charity.

One of the purposes of Giving USA is to help donors, policy makers, and social observers ask the sometimes difficult questions about how individuals and society collectively set priorities for allocating resources. An equally important purpose is to help practitioners benchmark their organization’s fundraising results and plans. Having annual giving data that has been collected in a consistent manner over more than 50 years enables us to see trends, identify factors that impact giving and develop strategies that can enhance results within our own organizations.

Because Giving USA began keeping records more than 50 years ago, we can compare giving in 2009 with much earlier periods after adjusting for inflation. In 1974, for example, after inflation adjustment, giving fell by 5.5 percent. In 2009, we estimate that decline is 3.2 percent. Some of the potential reasons for a less-severe decline in 2009, compared with the 1973-1975 recession, include the following:

- Average household giving in this decade is more, on average, than it was in the early 1970s.
More women are in control of their own resources in 2009 than there were in 1974. In fact, women are now 50 percent of the labor force. Women often make many, if not most, of a household’s philanthropic decisions. When they have their own income, they give more than men with similar incomes.iii

More nonprofit organizations have organized fundraising programs seeking philanthropic support from donors. Since people say they often give when they are asked, having more organizations requesting gifts is at least part of the reason why giving is higher.

Charitable giving in 2009 includes significant commitments made by many donors, including individuals, foundations, and corporations, to provide financial and in-kind support for the work done by the nation’s 1.4 million or more charitable organizations. Even as many long-time donors felt the need to pull back from giving, some others increased their efforts. Giving USA estimates that charitable giving in 2009 was 2.1 percent of Gross Domestic Product (GDP). In 1974, it was 1.8 percent of GDP.

A drop of 3.6 percent in current dollars for total giving reflects contributions large and small, at organizations of all types and sizes. Some organizations have well-staffed, volunteer-led fundraising programs that successfully raise millions of dollars. Others have less well-established fundraising programs or programs that are heavily dependent on a single source of philanthropic support and are, thus, more vulnerable in an economic downturn. Because Giving USA estimates provide a national look at charitable giving, any one organization might experience changes in its own gift receipts that differ from the overall picture.

Our reported decline of 3.6 percent in total giving (-3.2 percent adjusted for inflation) is consistent with charities that responded to polls conducted by other research groups. Depending on the poll, between 50 and 60 percent of organizations that chose to provide information reported lower gift receipts in 2009 compared with 2008. That means that 40 to 50 percent reported that giving in 2009 was the same as or greater than that in 2008. In any given year, whether overall giving is up or not, at least half of organizations experience a different result.

Giving USA is a trusted source for information, data and trends about the philanthropic sector. We do not rely on anecdotal stories to compile our reports. We use estimating methods developed by experts in philanthropy, statistics, and economics to project what household tax returns and IRS Form-990s submitted by nonprofits will show two or more years down the road, after the Internal Revenue Service completes its analyses.

Our work is guided by an advisory council that includes 20 researchers and scholars of philanthropy. The council reviews the methods and results each year; annually, estimates from the prior year are revised to incorporate the most recent data released by the IRS.

In conclusion, Giving USA is an unparalleled resource for understanding charitable giving. We consider it an honor to offer it as a public service to the American nonprofit sector.

Edith H. Falk
Chair, Giving USA Foundation

Nancy Raybin
Chair, Giving Institute: Leading Consultants to Non-Profits

Patrick M. Rooney, Ph.D.
Executive Director, The Center on Philanthropy at Indiana University
Total estimated charitable giving in the United States dropped 3.6 percent in 2009 (-3.2 percent adjusted for inflation). This reflects the continued recession in 2009, which particularly affected charitable recipients that otherwise receive contributions for new buildings, endowment campaigns, and long-term planning. These include education, arts, foundations, and freestanding donor-advised funds (which are part of public-society benefit). The types of charities that showed estimated growth typically provide immediate services, such as human services, health, international aid, and even environment. Religion showed a very slight decrease.

Individual giving fell an estimated 0.4 percent in 2009 (no change adjusted for inflation). Many reports suggest that individual contributions increased toward the very end of the year, as stock market indices rose and as media coverage highlighted the needs faced by charitable organizations.

Charitable bequests fell an estimated 23.9 percent in 2009 (-23.6 percent adjusted for inflation). This reflects the unusually high level of bequest giving announced in 2008 by the Internal Revenue Service in its data released in late 2009. The 2009 estimate is $0.58 billion (2.5 percent) above the 2007 estimate.

Foundation grantmaking by private, community, and operating foundations fell by 8.9 percent, according to the Foundation Center (-8.6 percent adjusted for inflation). This is a less severe drop than foundations anticipated when the Foundation Center surveyed them early in 2009.

Corporate giving rose an estimated 5.5 percent (5.9 percent adjusted for inflation). This unexpected bounce takes corporate giving to within 1 percent of its pre-recession level. According to at least two reports (Committee Encouraging Corporate Philanthropy and Silicon Valley Community Foundation and Entrepreneurs Foundation), corporations increased their in-kind donations, which are less affected by recessions. This shift explains at least some of the growth.

Giving to religion fell an estimated 0.7 percent in 2009 (an estimated decrease of 0.3 percent adjusted for inflation).

Giving to education declined an estimated 3.6 percent in 2009 (-3.2 percent adjusted for inflation).

Giving to foundations dropped an estimated 8 percent (-7.6 percent adjusted for inflation), according to the Foundation Center.

Giving to human services rose an estimated 2.3 percent (2.7 percent adjusted for inflation). This seems to reflect efforts that donors made to continue emergency aid services as an increasing number of people suffered from the continuing recession.

Giving for health shows an estimated increase, with growth of 3.8 percent (4.2 percent adjusted for inflation).

Giving for public-society benefit organizations declined an estimated 4.6 percent (-4.2 percent adjusted for inflation).

Giving to arts, culture and humanities organizations dropped an estimated 2.4 percent (-2.0 percent adjusted for inflation).

Giving to international affairs (which includes aid, development, and relief activities) increased 6.2 percent (6.6 percent adjusted for inflation).

Giving to individuals decreased by 3.6 percent in current dollars in 2009. Most often, these are gifts of medications to patients in need and are made by operating foundations created by pharmaceutical manufacturers. These gifts are estimated to have remained relatively steady in 2009.

**Deductions carried over and other unallocated giving** includes differences in the tax year in which a gift is claimed by the donor (carried over) and the year when the recipient organization reports it as revenue (the year in which it is received). It also includes gifts to government entities, which do not report charitable contributions at a national level; gifts made to entities in other countries by foundations; and gifts made to new organizations that have not been classified. In addition, when a donor forms a charitable trust and takes a deduction, but does not tell the recipient organization, there is an “unallocated” amount.
Total giving for 2009 is estimated to be $303.75 billion. This is a change of -3.6 percent (-3.2 percent adjusted for inflation) compared with the revised estimate of $315.08 billion for 2008.

Individual giving, at $227.41 billion, includes estimated charitable deductions on tax returns filed for 2009 and an estimate of charitable giving by taxpayers who did not itemize deductions.

The charitable bequest estimate of $23.8 billion reflects estimates for charitable deductions on estate tax returns filed in 2009 and a conservative estimate of giving by estates not filing federal estate tax returns.

Individual giving and charitable bequests combined are $251.21 billion (83 percent of the total).

Foundation grantmaking reached an estimated $38.44 billion, according to the Foundation Center. Of that, about $15.41 billion is likely to be from family foundations, based on family foundation grants in 2007 as reported by the Foundation Center. Grantmaking by corporate foundations is included in the estimate of corporate giving.

Individual, bequest, and estimated family foundation giving combined are approximately $266.61 billion, or 88 percent of the total.

Corporate giving is estimated to be $14.10 billion. This includes an estimate from the Foundation Center of $4.42 billion in grants made by corporate foundations.

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1Key Facts on Family Foundations, January 2009
2009 contributions: $303.75 billion by type of recipient organization
($ in billions – All figures are rounded)

- Religion $100.95 (33%)
- Education $40.01 (13%)
- Gifts to grantmaking foundations* $31.00 (10%)
- Health $22.46 (7%)
- Human services $27.08 (9%)
- Public-society benefit $22.77 (8%)
- Arts, culture, and humanities $12.34 (4%)
- Environment/animals $6.15 (2%)
- International affairs $8.89 (3%)
- Unallocated giving** $28.59 (10%)
- Foundation grants to individuals* $3.51 (1%)

Includes rounding to get to 100%.
*Foundation Center estimate.
** See definition in "Key Findings" pages.

- Overall charitable giving is estimated to have changed by -3.6 percent in 2009.
- Despite the total decrease in giving, the relative ranking of recipient types remained substantially the same compared with 2008 rankings (according to adjusted estimates).
- As has been the case for 55 years, religion received the largest share, with one-third (33 percent) of the total.
- Education received the second-highest share, at 13 percent of the total.
- Gifts to grantmaking private, community, and operating foundations are estimated to be the third highest ranking recipient category, with 10 percent of all charitable giving for 2009.
- Human services organizations include those responding to the economic crisis with emergency care and supplies. This type of charity received an estimated 9 percent of total giving in 2009.
- The majority of gifts in the public-society benefit subsector are to funds such as United Ways, Jewish federations, and freestanding donor-advised funds. This subsector received an estimated 8 percent of giving.
- Health organizations received an estimated 7 percent of giving, and since 2008 have ranked in fifth place amongst the subsectors.
- Arts organizations have ranked in 7th place for well over a decade and remain there now with 4 percent of the total.
- International affairs organizations received 3 percent of the total estimated for 2009.
- Environment/animal-related organizations received an estimated 2 percent of giving in 2009.
- Individuals received an estimated 1 percent of the dollar value of charitable distributions, mostly in the form of medicines provided by operating foundations sponsored by pharmaceutical companies.
(In current dollars)

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<td>Corporate</td>
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Percentage change from previous year

* The two-year change is calculated separately and is not the sum of the changes in the two years.

- Total giving decreased in current-dollar terms, with an estimated change of -3.6 percent. This is attributable to the deep and prolonged recession in 2009.
- Initially estimated as a decline in Giving USA 2009, contributions in 2008 were revised to show a slight increase. The IRS released data with exceptionally large charitable bequests on estate tax returns for 2008.
- The two-year estimated total change from 2007 to 2009 was -2.2 percent.
- Individual giving in 2009 shifted an estimated -0.4 percent compared with 2008. This drop follows a decline of -2.1 percent estimated for 2008. The cumulative change from 2007 to 2009 is -2.4 percent.
- Estimated charitable bequests in 2009 (which include realized planned gifts) resulted in a change of -23.9 percent compared with a revised estimate for 2008. The 2008 results, as finalized by the IRS, include at least two very large estates from Arkansas and New York that filed in 2008. The cumulative change from 2007 to 2009 is 2.5 percent.
- Foundation grantmaking shifted an estimated -8.9 percent in 2009, following a growth of 5.5 percent in 2008, according to data released in spring 2010 by the Foundation Center. This donor type saw a two-year change of -3.9 percent from 2007 to 2009.
- Corporate giving grew an estimated 5.5 percent in 2009. The two-year change from 2007 to 2009 was a modest decline (-1.0 percent). While many—even most—corporations gave less in 2009, the Committee Encouraging Corporate Philanthropy found that some of the largest companies increased their contributions, both in-kind and cash. This growth among the top corporate donors was enough to counteract the more frequently observed declines.
The total estimated change of -3.2 percent, (after adjustment for inflation for 2009) is a larger decline in charitable giving than the revised estimated change of -2.4 percent for 2008.

Comparing 2009 with 2007, giving changed an estimated -5.5 percent.

Individual giving is estimated to be nearly the same in 2009 as in 2008 (0.0 percent change after adjusting for inflation). It changed an estimated -5.8 percent in 2008. The two-year change from 2007 to 2009 was -5.7 percent.

Estimated charitable bequests changed by -23.6 percent, adjusted for inflation, in 2009. IRS data received in late 2009 show that charitable bequests increased an estimated 29.6 percent in 2008. This includes multi-billion dollar estates in New York and Arkansas. The two-year change from 2007 to 2009 was -1.0 percent, adjusted for inflation.

Grantmaking by independent, community, and operating foundations shifted -8.6 percent, adjusted for inflation, in 2009. In 2008, foundation grantmaking rose by 1.5 percent. However, the two-year change from 2007 to 2009 was -7.2 percent.

Corporate giving showed a change of 5.9 percent, adjusted for inflation, in 2009. This includes reported growth in giving among the very largest companies, especially in finance and pharmaceuticals, according to the Committee Encouraging Corporate Philanthropy. Corporate giving declined by an estimated -9.6 percent in 2008. The shift from 2007 to 2009 was -4.3 percent.
(In current dollars)

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* The two-year change is calculated separately and is not the sum of the changes in the two years.

Giving to religion changed by -0.7 percent in 2009, compared with an estimated increase in 2008 of 0.8 percent.

Giving to education declined for the second consecutive year in 2009. The change is estimated to be -3.6 percent in 2009 and -5.4 percent in 2008. The two-year change, since 2007, is a drop of 8.8 percent.

Human services organizations are estimated to have realized a slight increase of 2.3 percent, in 2009. However, despite higher giving, many studies showed they struggled to meet increased demand. The drop in 2008 was 12.4 percent.

Health organizations are estimated to have seen growth of 3.8 percent in 2009, compared with a decline of 6.5 percent in 2008. The two-year change is a drop of 3.0 percent.

Public-society benefit organizations, including United Ways, Jewish federations, and donor-advised funds, saw an estimated drop of 4.6 percent in 2009.

Arts, culture, and humanities organizations received an estimated 2.4 percent less in 2009, following a steep decline estimated at 6.5 percent in 2008.

International affairs organizations saw an estimated 6.2 percent rise in giving in 2009 (before any 2010 gifts for Haitian earthquake relief). This reflects, in part, growing interest in this mission or purpose among many foundations, corporations, and individual donors.

Environment/animal-related organizations are estimated to have seen 2.3 percent growth in giving in 2009, following a drop of 5.9 percent in 2008. Many gifts to these types of organizations are in the form of land and easements. It is also an area of increased interest as climate change and other issues are highlighted in the media.

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<td>Education</td>
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<td>-11.9%</td>
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<td>6.6%</td>
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<tr>
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<td>-7.0%</td>
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* The two-year change is calculated separately and is not the sum of the changes in the two years.

Rates of change on this page reflect adjustment for inflation. Generally, inflation means $100 loses buying power over time. However, in 2009, there was a slight rate of deflation, with $100 in 2009 equivalent in buying power to $100.40 in 2008.

- Giving to religion changed by -0.3 percent in 2009, compared with an estimated -3.0 percent in 2008.
- Giving to education shifted by -3.2 percent in 2009, following a -9.0 percent change in 2008.
- Human services contributions rose 2.7 percent in 2009, a sharp change from the estimated decrease of -15.8 percent in 2008.
- Contributions to health organizations increased an estimated 4.2 percent in 2009. The 2008 estimate was a change of -10.1 percent from 2007.
- Public-society benefit contributions shifted by an estimated -4.2 percent in 2009, after an increase of 1.4 percent estimated for 2008. Many of these organizations use a fiscal year, therefore were most affected by the recession and stock market downturn in late 2008 and early 2009.
- Arts, culture and humanities organizations have seen repeated drops in recent years. The change in 2009 was -2.0 percent, and in 2008 it was -10.1 percent.
- International affairs (which includes development, aid, relief, and other types of charities) is estimated to have increased by 6.6 percent in 2009. The estimate for 2008 was a -2.8 percent change.
- Environment/animal-related organizations received an estimated 2.7 percent more in contributions in 2009, compared with 2008.
Total giving has increased in current dollars in every year but two: 1987 and 2009.

- The decline previously estimated for 2008 was eliminated when extraordinarily high charitable bequests were reported on estate tax returns filed for that year.

- Adjusted for inflation, giving typically increases in non-recession years and stays flat or falls in recession years.

- This year's inflation-adjusted estimated change of -3.2 percent is not as dire as was seen in some earlier recession years. In part, this is because many donors – foundations, individuals, and others – pledged to try to maintain their giving at earlier levels as much as possible.

- The 1973–1975 recession was the longest recession on record from 1938 to 2007. In those years, giving changed a total -9.2 percent (adjusted for inflation). The worst single-year decline between the Depression and 2009 was in 1974 when total giving changed by -5.5 percent, adjusted for inflation.

- In 1987, total inflation-adjusted giving changed -4.8 percent, following an unusual increase (14.1 percent) in 1986. The increase followed a well-publicized tax law change. In 1987, the law limited tax deductions for charitable contributions. Many people “pre-gave” in 1986 to maximize their tax deductions.

- History suggests that giving will increase as the economy overall recovers, although growth in giving is likely to lag economic growth by a year or more. After prior recessions, giving took three to five years to attain pre-recession, inflation-adjusted levels.
Total estimated giving for 2009 was 2.1 percent of gross domestic product (GDP), based on data available in spring 2010.

While a decline from earlier levels as high as 2.3 percent of GDP (2000, 2001, and 2005), this level remains above the 2.0 percent threshold that marks the period beginning with the run-up in stock market values in the mid-1990s.

With 13 years above the 2.0 percent threshold, giving will need to be sustained at similar levels for several more years to match the duration of the period from 1956 through 1972, when charitable giving was also consistently above 2.0 percent of GDP.
The number of 501(c)(3) organizations, 2000–2009

- The Internal Revenue Service annually reports the number of nonprofit, charitable organizations registered under Section 501(c)(3) of the Internal Revenue Code.
- The number of organizations continues to increase. However, not all organizations register with the IRS. Some register only at the state level; many grassroots organizations do not register at all.
- Tax-exempt nonprofit organizations are required to register with the IRS (Form 1023) within 90 days of the end of the first calendar year in which they have total revenue of $5,000 or more (http://www.irs.gov/pub/irs-pdf/p4220.pdf, p. 11).
- On April 22, 2010, the New York Times reported that as many as 400,000 registered nonprofit organizations (which includes membership associations, not just charities) were threatened with loss of their tax exempt status because they did not know about or did not understand the IRS requirements implemented in 2006. Those rules require organizations to file an informational return with the IRS annually or, after three years, have their nonprofit status revoked.
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