

Thank you for attending Giving USA 2017: The State of Philanthropy

August 1, 2017 Seattle Breakfast
Hosted by The Alford Group and Pacific Continental Bank

Presented by:

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Giving USA 2017

The Annual Report on Philanthropy for the Year 2016

Researched and written by



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

Unless otherwise stated, all data and information contained in this presentation is sourced from: *Giving USA: The Annual Report on Philanthropy for the year 2016 (2015)*. Chicago: Giving USA Foundation.



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Agenda

- Overview of factors affecting total giving
- Giving by source:
 - 2016 contributions
 - Trends in giving by source
 - Rates of change for giving in last two years
- Giving by recipient type:
 - 2016 contributions
 - Trends in giving by recipient type
 - Rates of change for giving in last two years
- Trends in total giving
- Economic trends and giving
- Trends in volunteering and growth of not-for-profits
- Trends in local giving



Overview of factors affecting total giving in 2016

- **GDP**

- Increased 3.0 percent in inflation-adjusted dollars during 2016

- **S&P 500**

- 9.5 percent change in inflation-adjusted dollars in 2016 (compared with a decrease of 0.8 percent in 2015)

- **Inflation**

- Increased 1.4 percent in 2016, compared with -0.1% in 2015 and +1.6% in 2014



Overview of factors affecting individual giving in 2016

- **Personal disposable income**

- Increased 3.9 percent in current dollars in 2016

- **Unemployment rate**

- Stayed relatively constant from 4.9% in January 2016 to 4.8% in January 2017

- **Consumer confidence**

- Year-over-year customer sentiment grew 2.5% between May 2016 and May 2017.
- However, the U.S. Customer Confidence Index saw a short decline and prolonged stagnation throughout much of 2016, concluding with a sharp increase in the last quarter of the year.



Overview of factors affecting corporate giving in 2015

- **Corporate pre-tax profits**

- Corporate pre-tax profits rose 2.7% in 2016. This economic indicator has been found to positively affect corporate giving.

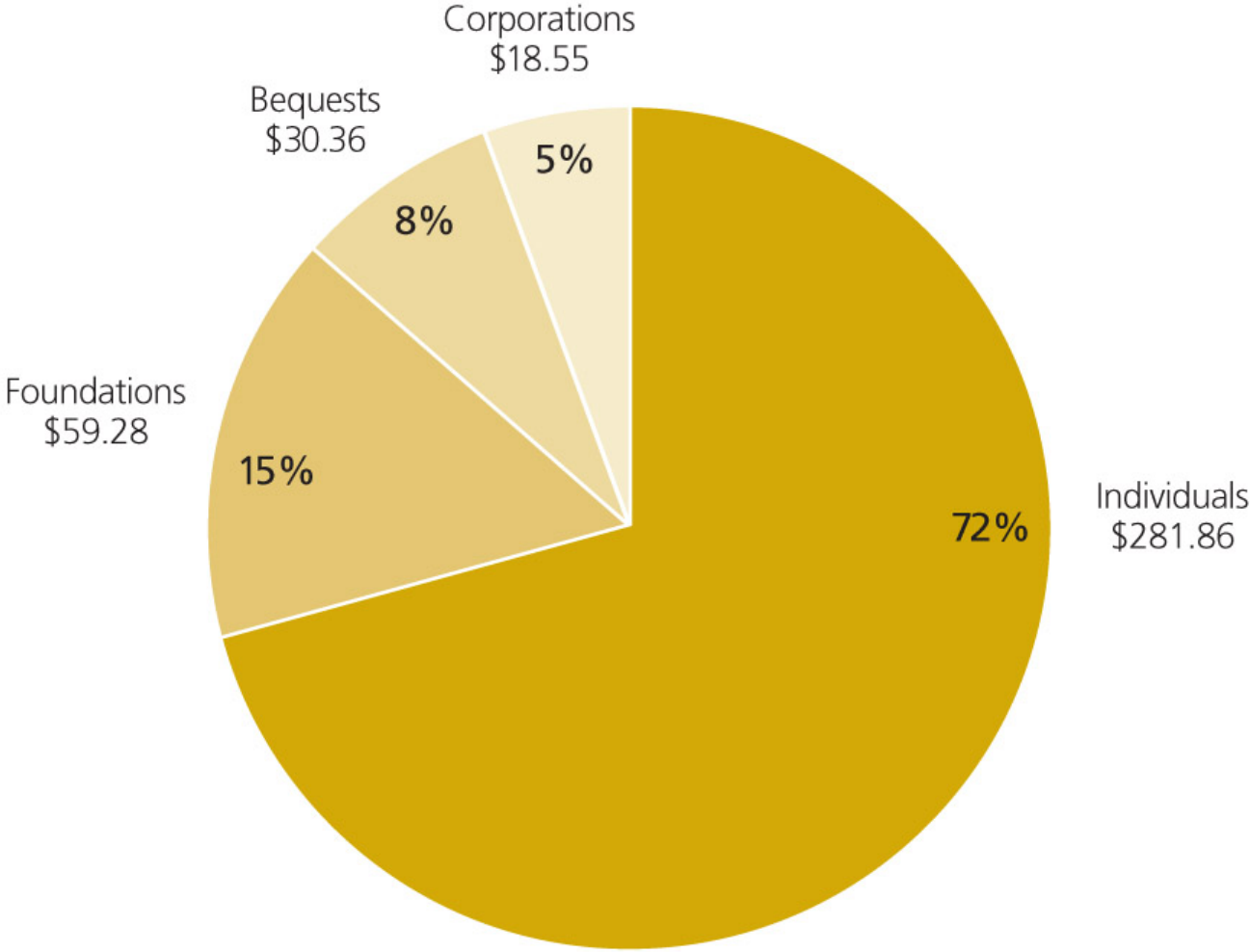
- **S&P 500**

- Increased 9.5 percent in inflation-adjusted dollars in 2016. This is compared with a contraction from 2014 to 2015 (-0.7%) in inflation-adjusted dollars.

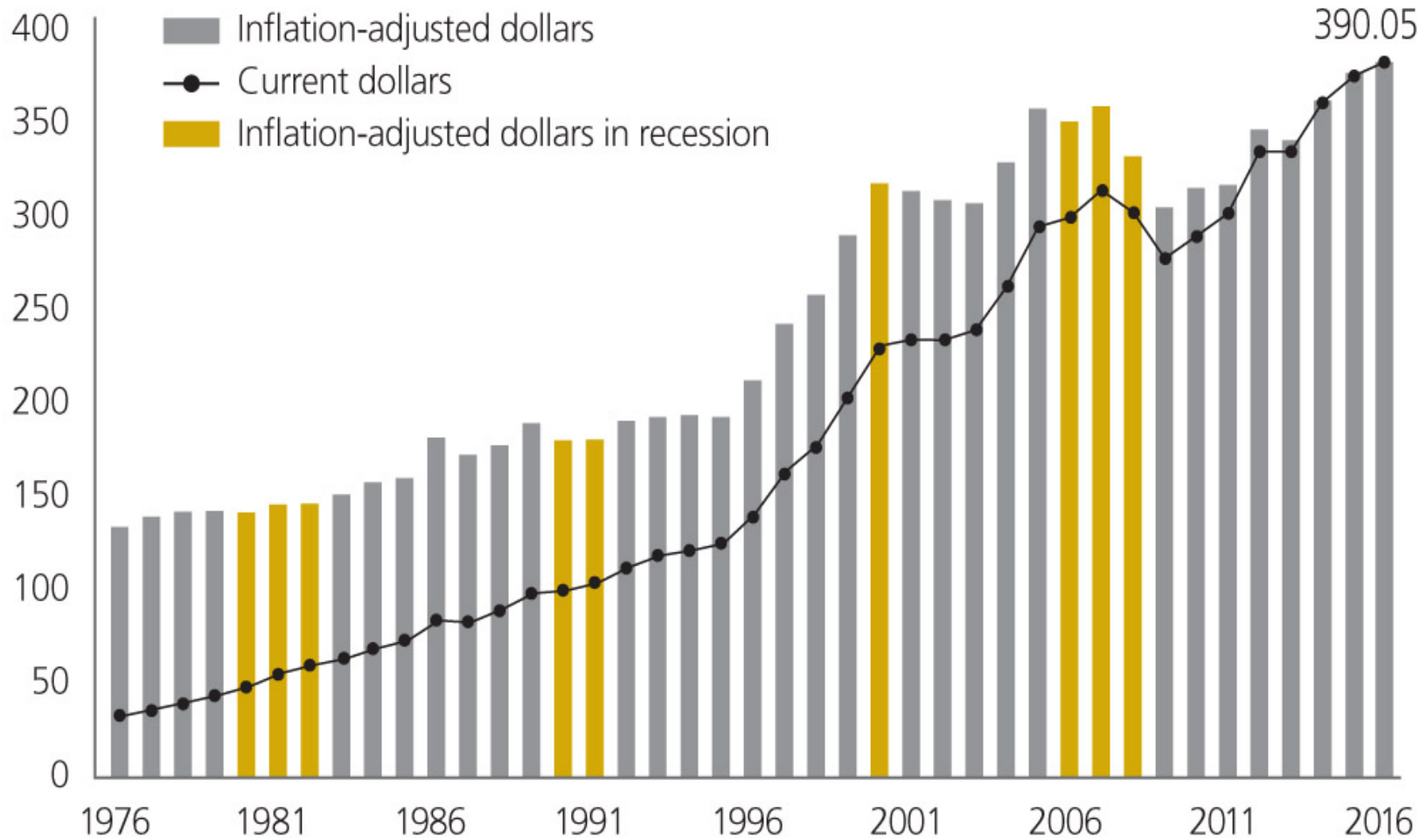


2016 Contributions

\$390.05 Billion by source



Total Giving and Trends for Total Giving 1976–2016, \$ in billions



Trends Impacting Individual Giving

- Personal and household incomes up 3.65% in 2015 (last year of data available)
- Personal consumption expenditures up 3.9%
- Stock market performance
- Home equity
- Generational giving patterns
- What can you do?
 - ***Stay close to your individual donors***
 - ***Focus on donor retention – only 46%!***



Giving by ultra-high-net-worth donors

- Estimated combined net worth of 400 wealthiest Americans grew to \$2.4 trillion in 2016
 - Net worth of the 126 Giving Pledge households in the U.S. totals \$680 Billion
- List includes people with net worth of at least \$1.7 billion
- 14 billionaires under the age of 40
- 50 Largest gifts in us from living individuals and estates = \$5.6 Billion
- Colleges and foundations received lions share at nearly 60% of the total

Sources: 2016 Forbes 400 and Chronicle of Philanthropy's Philanthropy 50 list



Trends Impacting Foundation Giving

- Proliferation of family foundations
- Giving to foundations by high net worth donors
- The economy, endowment earnings
- Total assets held by the three largest commercial donor advised funds exceeded those held by community foundations
- What can you do?
 - ***Think generationally with family foundations***
 - ***Stay close to community foundations***
 - ***Understand the impact of the commercial donor-advised funds***



Trends Impacting Bequests

- Very high net worth donors
- Small percentage of bequest donors
- What can you do?
 - ***Start a PG effort if you don't have one***
 - ***Focus efforts on bequests; look for giving over time***
 - ***Don't forget people in their 40s and 50s***



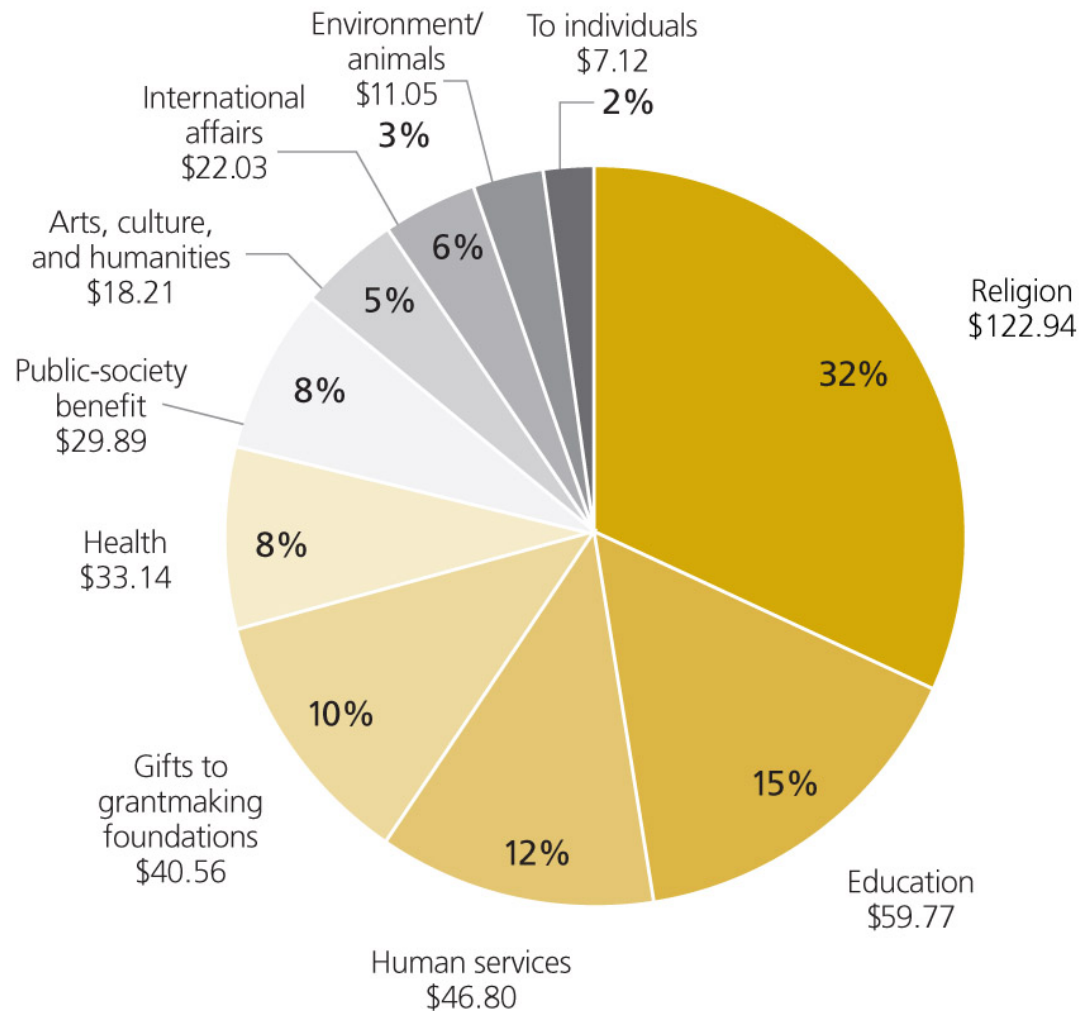
Trends Impacting Corporate Giving

- The economy and pre-tax profits
- Natural disasters
- Excess inventory
- What can you do?
 - ***Don't ignore in-kind/non-cash gifts***
 - ***Pay attention to "WIIFM"***



2016 Recipients of Contributions

Total = \$390.05 Billion



Local Perspective



Giving & Income Comparisons Washington/Oregon

	Giving Ratio*	Median Contribution	Median Income (AGI**)	Total Contributions** *
Washington	3.08%	\$3,118	\$85,365	\$4.4 B
Oregon	2.88 %	\$2,700	\$76,440	\$2.04 B

Source: Chronicle of Philanthropy – How America Gives 2014, October 5, 2014

*Giving Ratio = ratio of itemized charitable contributions to adjusted gross income

**Adjusted Gross Income (AGI) = deducted expenses, including retirement plan contributions, unreimbursed business expenses, medical expenses, alimony, etc.

***Based on tax returns filed by Americans who itemize deductions, including charitable gifts; this covers approximately 80% of charitable contributions as reported by Giving USA.



Giving by Income Levels

Washington State

	Giving Ratio	Median Contribution	Median Income (AGI)	Total Contributions
All income levels	3.08%	\$3,118	\$85,365	\$4.4 B
Up to \$25,000	7.26%	\$1,757	\$14,885	\$90 M
\$25,000 - \$50,000	3.82%	\$2,149	\$38,412	\$248 M
\$50,000 - \$75,000	3.00%	\$2,493	\$62,494	\$386 M
\$75,000 - \$100,000	2.77%	\$2,986	\$87,087	\$445 M
\$100,000 - \$200,000	2.51%	\$3,909	\$136,149	\$1.07 B
\$200,000 +	3.41%	\$20,414	\$553,589	\$2.2 B



Giving by Income Levels

Oregon

	Giving Ratio	Median Contribution	Median Income (AGI)	Total Contributions
All income levels	2.88%	\$2,700	\$76,440	\$2.04 B
Up to \$25,000	7.73%	\$1,713	\$14,546	\$77.9 M
\$25,000 - \$50,000	3.89%	\$2,090	\$38,203	\$177 M
\$50,000 - \$75,000	2.96%	\$2,379	\$62,462	\$259 M
\$75,000 - \$100,000	2.64%	\$2,787	\$86,818	\$278 M
\$100,000 - \$200,000	2.45%	\$3,703	\$133,636	\$546 M
\$200,000 +	2.95%	\$14,799	\$467,679	\$704 M



Your Turn!

- How does this data compare to your organization?
- How did your sources of giving compare in 2016?
- What is your forecast for 2017?
- What other giving trends have you noticed?
- What will you do with this information?
 - Who needs to hear it?
 - What action steps will you take?
- What questions do you have?



For More Information:

Download the *Giving USA* 2017
free report Highlights and purchase other
Giving USA 2017 products at
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Thank you for joining us!

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Please visit our website at www.alford.com
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