



THE ALFORD GROUP™

Giving USA 2021: Overview

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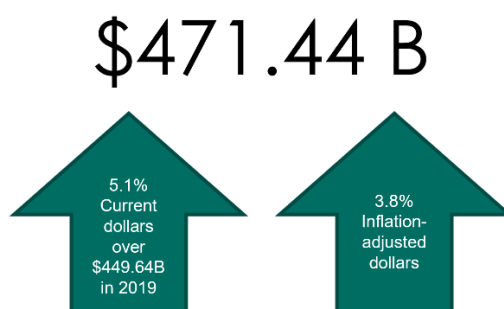
On Tuesday, June 15, Giving USA released The Annual Report on Philanthropy for the year 2020. It was a much-anticipated report given the upheaval of daily life everyone has experienced in the past year and a desire to see how that upheaval has impacted the philanthropic space. Here is a brief overview following the release of this year's report.



Giving in 2020 was spurred in large part by the economic fallout of the COVID-19 pandemic and a desire to address the racial and social inequalities that exist at the core of American society. Wealthy individuals and mega donors were well-positioned to begin to tackle these issues due to the stock market's performance in recent years.

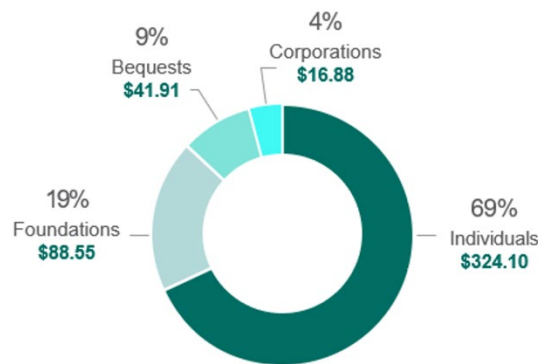
#1 – Growth in giving over the past year was driven by donors rising to meet the increased need and the racial justice movement:

Despite the economic turmoil of the last year, total giving grew over the previous year for a grand total of \$471.44 billion. While this may come as a surprise after such a tumultuous year, it reflects a direct response by individuals, foundations and corporations to respond to the economic devastation inflicted by the COVID-19 pandemic on communities across the country. As Americans lost their jobs in the economic downturn and unemployment grew to 14.8% at its highest peak, according to the Congressional Research Service, and families turned to foodbanks and nonprofits for relief, philanthropy stepped in to meet the growing need. The racial and social justice movements also gained substantial momentum over the summer of 2020 compounding a desire to correct and address the inequalities that have existed at the core of American society for centuries. Check out what The Alford Group's President and CEO, Brenda B. Asare, had to say about last summer's social justice reckoning and creating a culture of equity at your organization [here](#).



#2 – Total giving grew by 5.1%, or 3.8% in inflation-adjusted dollars:

The growth in giving of 5.1% in 2020 sets a new all-time record when it comes to total giving and continues the trend of a rise from year to year. Some of this strong performance can be attributed to the impact of the economic stimulus packages, along with the growth of the S&P 500 by 16.3% in current dollars. Individuals continue to be the biggest source of contributions, as they made up 69% of total giving in 2020. That was followed by foundations which represented 19% of total giving and by bequests which made up 9%. In 2020, foundation giving increased by 17% in current dollars as independent, community and operating foundations likely saw an opportunity to help Americans cope during the ongoing crisis.



#3 – The stock market’s growth in recent years increased the ability of wealthy individuals and foundations to give in response to the needs and events of 2020:

The stock market’s growth in recent years and rebound at the end of 2020 meant that foundations and wealthy individuals were well-positioned to respond to the challenges of 2020. According to Forbes, MacKenzie Scott stepped up to meet the increased demand by giving around \$5.8 billion in charitable gifts to tackling the economic fallout of the COVID-19 pandemic and in addressing long-term systemic inequalities that have historically disadvantaged BIPOC individuals in the United States. It remains to be seen how this trend continues in 2021 and whether we see a larger increase in giving by individuals in 2021 after only a 1.0% increase in inflation-adjusted dollars from 2019-2020.

Giving USA 2021 Reflections

Overall, the past year has been incredibly complex and the giving environment reflects that sentiment. The Alford Group will be posting more information to fully unpack this year’s report and understand how funders, donors and philanthropists can use it to guide their strategies for the following year and continue to center equity and social justice as part of their work. Stay tuned to our blog for a deeper dive into the report and to learn what this means for the philanthropic sector moving forward!

All data in this article is from Giving USA 2021: The Annual Report on Philanthropy for the Year 2020, a publication of Giving USA Foundation, 2021, researched and written by the Indiana University Lilly Family School of Philanthropy, unless otherwise noted.

