

Giving USA Report on 2020 Philanthropy

10.12.21 | Linda J. Rosenthal, JD



For the 66th year in a row, the gold standard of annual reports on “the sources and uses of charitable giving in America” was published in June. But this most recent edition – Giving USA 2021: The Annual Report on Philanthropy for the Year 2020 – was unlike any of the others.

The nonprofit sector, along with every other part of our world, has been rocked by unprecedented chaos and disruption. The usual year-over-year analyses, trends, and predictions seem at odds with the unpredictability of the COVID-19 era.

But while this “tumultuous year created an uneven picture,” the role of research in this time of pandemic and other social upheaval is “more vital” than ever for philanthropy’s “long-term success.”

Uneven Results

Giving USA is a “public service initiative of the Giving USA Foundation.” It is researched and written by the prestigious Indiana University Lilly Family School of Philanthropy (IUPUI).

We discussed the 2019 Report (for the year 2018) in *Giving USA Report Has Troubling News* (July 16, 2019). While overall giving was near or at record levels, there were ominous trends in the demographics of exactly who was doing the giving.

The data for the year 2019 – before the storm clouds rolled in – was analyzed and presented in June 2020 by the IUPUI experts with the crisis in progress. Nevertheless, it presents a valuable baseline. See *2020 Giving USA Report Both Surreal and Suggestive of Larger Change Needs* (June 16, 2020) Ruth McCambridge, *The Nonprofit Quarterly*.

The Report

Each year's report is hundreds of pages long. The most recent edition is [available for purchase](#) on Giving USA's website. But there are important summaries and analyses online free-of-charge.

See, particularly: *Giving USA 2021: In a year of unprecedented events and challenges, charitable giving reached a record \$471.44 billion in 2020* (June 15, 2021) IU Lilly Family ["While a strong year-end stock market and giving in response to COVID-19 and racial justice efforts drove growth in contributions, a tumultuous year created an uneven picture.]"

The bottom line: 2020 is the "highest year of charitable giving on record." An estimated \$471.44 billion to U.S. charities was provided by individuals, bequests, foundations, and corporations. That was a 5.1% jump in "total charitable giving" for 2020, "measured in current dollars over the revised total of \$448.66 billion contributed in 2019." When adjusted for inflation, the rate is 3.8%.

It's difficult to summarize such voluminous data, but it's out now and available in the level of consumption of your choice: skip it entirely, select some bite-size morsels or larger buffet portions, or enjoy the full lavish banquet.

Key Points

With that caveat, there are a few key takeaways:

- Giving by individuals set dollar records, going up 2.2% in 2020 to an estimated \$324.10. Adjusted for inflation, that was a jump of 1%. But "it comprised less than 70% of total giving for only the second time on record" and the relative ability to give varied widely among households. Many richer households were better protected from the economic turmoil and had more ability to make charitable gifts.
- Giving by foundations skyrocketed 17%, to an estimated \$88.55 billion (a growth rate of 15.6%, adjusted for inflation), "reaching its highest-ever dollar amount." This slice of the giving pie has grown in nine of the last 10 years, and achieved its "largest share on record," representing 19% of total giving in 2020, its largest share on record. This performance is attributable "in large part to the jump in the S&P 500 in recent years and the market recovery in 2020."
- Giving by bequest which "often fluctuates form year to year," was up as well, totaling an estimated \$41.19 billion in 2020. That was a 10.3% rise from 2019. Adjusted for inflated, the figure was 9%.
- Giving by corporations dropped by an estimated 6.1% in 2020 to \$16.88 billion). Adjusted for inflation, the drop was 7.3%. "This type of giving is highly responsive to changes in corporate pre-tax profits and GDP, both of which declined in 2020."

Giving USA 2021 also evaluated which categories of organizations were the recipients of this charitable largesse in 2020. certain types of organizations – in particular – social services groups – did well, while others, including arts organizations, were hammered. This "[followed some known patterns](#) for recessionary years...." But there were outliers. While "... giving to religion is typically least impacted by economic shifts," perhaps other factors including the shutdowns preventing in-person events had a larger impact than usual.

More Commentary

For additional comments, observations, and critiques, see – for instance:

- [How Much Can We Really Learn About Philanthropy From ‘Giving USA’ and Other Data Sources?](#) (June 21, 2021) Professor Emeritus Leslie Lenkowsky, *The Chronicle of Philanthropy*
- [Charitable giving rose in 2020, with civil rights and environmental groups benefiting](#) (June 15, 2021) Coral Murphy Marcos, *The New York Times*
- [What ‘Giving USA’ Really Told Us: Average Americans Are Giving a Smaller Share of Their Incomes to Charities](#) (June 25, 2021) Chuck Collins and Helen Flannery, Institute for Policy Studies, *Letter to the Editor of The Chronicle of Philanthropy*
- [Giving USA 2021: Inside the Numbers](#) (June 15, 2021) Nathan Stelter and Lynn Gaumer, J.D., *Stelter Insights Blog*

Conclusion

For interesting charitable-giving projections for 2021 and 2022 from the researchers of the Lilly Family School of Philanthropy, take a peek at [The outlook for charitable giving](#) (February 19, 2021) Andy Ware, *Lilly Family School of Philanthropy Blog*.

Of course, it’s a snapshot-in-time but subject-to-change-based-on-future conditions forecast from late last winter. It was explicitly based on the premise that widespread distribution and acceptance of COVID-19 vaccines would occur by summer 2021. And, of course, there was no mention of the as-yet-slumbering Delta Variant.

If only....

— Linda J. Rosenthal, J.D., FPLG Information & Research Director