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Perspectives from the Dean about *Giving USA 2013*

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American charitable giving continues to grow at a moderate rate. This is inspiring given the uneven pace of growth in the economy.

Our data reveal that American households and individuals gave 3.9 percent more in 2012 than in 2011. Growth in individual giving was fueled by Americans' sense of improvements in the economy, reflected in rising consumer confidence, a moderate increase in personal consumption expenditures, and strong growth in the S&P 500 Index between 2011 and 2012.

When analyzed in inflation-adjusted dollars, however, individual giving rose just 1.9 percent, reflecting that perhaps the average American household continues to struggle financially in some areas. These mixed economic indicators suggest that individual giving may continue to rise slowly in the near future.

The 10 percent inflation-adjusted growth in corporate giving was driven by strong gains in corporations' pre-tax profits and a moderate rise in the GDP. This marks a bright spot for giving in 2012. The rise in corporate giving not only reflects growth in the national economy, but also corporations' use of non-cash giving, such as giving of products, as an element of their strategic giving programs.

While the rise in corporate giving is impressive, gifts from corporations comprised just 6 percent of total giving in 2012. This compares with the 80 percent of total giving that comes from households and estates. When adding in family foundation giving, this percentage rises to 86 percent, demonstrating that American households are the real drivers of charitable giving in the United States. This point is illustrated by the changing dynamic of allocation of giving across the charitable subsectors.

In 2012, we see what appears to be a return to donors giving according to their personal giving priorities. During and immediately following the Great Recession, donors gave increasing amounts to human services organizations to attend to the immediate needs of individuals and communities, or to international causes to support disaster relief efforts. In contrast, giving to international affairs organizations rose just 2.5 percent in 2012, and giving to human services increased 3.8 percent. We also see large increases in giving to the arts, culture, and humanities subsector (7.8 percent), as well as to the environment/animals subsector (6.8 percent). Charities within these subsectors tend to be recession sensitive.

As the 2012 data show, overall U.S. charitable giving is on a slow uphill climb—with some bright areas and some that are not as bright. The Indiana University Lilly Family School of

Philanthropy estimates that if giving continues to grow at the rate seen in 2012, it will take between 6 and 7 years for total giving to reach the pre-recession high of \$344.48 billion reached in 2007 (in inflation-adjusted dollars).

Each year, the Indiana University Lilly Family School of Philanthropy is pleased to research and write the most comprehensive annual report on charitable giving on behalf of Giving USA Foundation. As always, it is an honor to share this important information with nonprofit professionals, donors, researchers, and the public to help improve the practice of philanthropy in order to improve the world.