Walter Dillingham
Well, good afternoon, everyone. I'm Walter Dillingham from Wilmington Trust. It's great to see everyone and welcome to our philanthropic speaker series. A little background on myself, I oversee the Endowment and Foundation practice for Wilmington Trust, which I've been doing for over 20 years.

This is a very important important part of our work at Willington Trust. Today we manage an oversee over 20 billion in endowment and foundation assets across the country. A key part of our work with our clients is our value-added services, and today's a great example of that.

Today's a continuation of our speaker series, and today the title of our talk is The Giving USA Report 2025: Philanthropic Insights in a Changing World. The Giving USA 2025 report is a very important report on philanthropic trends.

In fact, it's the most comprehensive report on philanthropy. It's very important. And today we're going to do two things. We're gonna talk about some of the information and and data points related to that report, but most importantly, we're gonna talk about trends and insights.

Really the goal today is to, is to help you. And I am so happy to have Kate Roosevelt and Carrie Dahlquist with us here today from Campbell and Company. We have spent a lot of time together talking about this session, and I know we're gonna have a great dialogue.

So let me introduce Steve Seivold, my colleague. Steve is a senior investment advisor here at Wilmington Trust who focuses in on endowments and foundations. Steve has over 20 years of experience, so the ups and the downs of the markets don't really stress him out too much, which is great. And then a fun fact about Steve is he says he's very excited about the skiing season, even though it's 80 degrees here in New York city.

He actually said he loves snowboarding black diamonds in the northeast, especially in Vermont, so what what a great hobby Steve to have?

Steve Seivold
Thank you Walter.

Walter Dillingham
Yeah, thanks for for being on the call again today and and you know Steve, thanks for joining back in June also and when we spoke in June, the market was up 7%. Now it's up 15%, and it seems like the risks that you talked about then, the tariffs, all the uncertainty out there, they they are still here. So what's going on?

Steve Seivold
Yeah, there's, those uncertainties and those risks have not gone away, they are persistent, but the market has continued to see through those risks as you know corporate earnings have

come in very strong. The Fed has recently cut short term interest rates, and the economy just continues to kind of plot and plug along.

You know, most recently, for example the August retail sales report came in, you know, quite strong. As consumers continue to spend on goods, and spend less on services. So, it is a an economy where we are keenly focused on those risks that, that I talked about this summer, and we do think that they will continue to be persistent and potentially cause, you know, some volatility in the markets as we look towards the end of the year.

Walter Dillingham
Right, you didn't say tariffs once. So what are your thoughts on the tariffs? Are they still looming out there?

Steve Seivold
Yeah, it's quite a myriad of different tariffs that, that that the administration has put into place. They've also obviously threatened a number of different tariffs, but we have reached trade deals with Japan and and the UK and the EU and working towards a trade deal with China as well, obviously very important. But you know, we are looking at a tariff level that is going from the low single digits to the mid sing or mid double digits, you know, anywhere from ten to 15% likely. So it is certainly an environment where both companies and consumers are gonna share that burden of higher tariffs and higher prices, which again increases uncertainty and and creates a headwind especially for the lower end consumer. So that's kind of an update there.

Walter Dillingham
Okay, thanks Steve. So Steve, I want you to get your crystal ball out. How does the end of 2025 look and then how does 2026 look as far as the markets, as far as the economy because many of my friends on the line here are on the development side, right? And they have endowments so it has a great impact on their work.

Steve Seivold
Yeah, it's a great question. Always the crystal ball, is never completely clear, but, you know, looking into the end of the year, obviously, I mentioned earnings and we're coming up on Q3 earnings now, which we think will be extremely important to the markets.

Also the ongoing tariff, you know, work that's being done will be important. We wouldn't be surprised at all to see the markets, you know, give up some of these recent gains, you know, not, not of course all those gains, but give back some of those gains if there's some headwinds. So you know potentially some, some slippage in earnings or even a potential government shutdown looming at the end of the end of the month here could cause the markets to, you know, correct a little bit.

But overall we can think the market will continue to kind of move higher as the Fed continues to likely cut interest rates into the end of the year and also into the early part of 2026. So that's

kind of our outlook that the markets will continue to to be supported by these tailwinds that I just talked about.

Walter Dillingham
All right. And thank you for that update. One last question. What are you telling your endowment foundation clients today as far as positioning goes?

Steve Seivold
Yeah, what we're telling clients is to stay fully invested based on their unique investment policy statement, so not being too overweight to risky assets or too underweight. Sustaining that, that fully invested allocation and then also to rebalance, because we have had such a strong equity market this year. If you haven't rebalanced recently, you certainly want to consider doing that so that you're, you know, moving some assets out of the risky part of the markets into areas like real assets and also fixed income. So that's been our advice to clients.

Walter Dillingham
All right, well Steve, I have to say there was some slight positive tone in your answers here, so that's a good thing for our, our audience here today, so thank you for being on the call. I hope you can stick around because I know we'll have some questions later on. So thank you Steve.

Steve Seivold
All right, thanks Walter.

Walter Dillingham
All right, so ladies and gentlemen, we're going to move on to second part of our our session here with Kate and Carrie. So let me first introduce Kate Roosevelt, who is co-president of Campbell and Company, and has over 30 years of fundraising consulting experience. She's also on the board of directors of the Giving Institute and a Trustee Amerita of Colby College her Alma Mater, where she helped with their successful recent capital campaign. You know I went to Bates College, so I'm hoping you can maybe give Bates a call and try to help them because we need some help there.

She's actually based in Seattle but travels the world and a fun fact about Kate is she built a row boat in her garage during the first year of the COVID pandemic. So Kate, thank you for being on the call. And then Carrie Dahlquist is a senior, is senior council at Campbell and Company. She oversees the strategic information services area. She has over 25 years of development and analytics experience that goes beyond the data. Prior to that she worked at the University of Chicago in a variety of roles in advancement. And she actually was a guest speaker for us during COVID, number session number 74 in technology, so really happy to have you come back. She's based in Chicago, and she's very busy lately because she's training for her first Chicago marathon. She told me she gets up at 04:00 and gets her runs in before work. So that is impressive. So ladies and gentlemen, please welcome Kate and Carrie. Kate, let me hand it to you.

Kate Roosevelt
Thank you so much, Walter and greetings to everyone who's with us today. We're really delighted to have the opportunity to be in this conversation with you and our friends at Wilmington Trust. And Carrie and I have a special connection to this report and its implications given our engagement with the Giving Institute and the Giving USA foundation. I serve as our firm's voting director with the Giving Institute. We've been members of the Giving Institute for several decades. And Carrie is on the board of the Giving USA foundation, which of course sponsors and organizes the Giving USA report. So we spend a lot of time with this information talking with clients and friends in the sector and trying to make sense of not only what we think has happened, but what we should be preparing ourselves for going forward.

So as we move into the presentation today, our agenda will get to next here. Thank you. So what we're hoping to do with you today is both share the results of the report, which was released in late June. So I hope some of you have had a chance to spend time with the report and its implications. We're also gonna talk about some emerging data and trends and some things that we're looking at and paying attention to and talking with people about including some pretty significant demographic shifts in the donor pool.

So a little bit about Giving USA. As Walter referenced, this is the longest running annual report on US charitable giving. It includes estimates both for sources of giving and the amounts that are received by type of organization.

And this report is sponsored and published by the Giving USA foundation. The Giving Institute has been around since the mid fifties when it was 1st known as the American Association of Fundraising Council, and the report is made possible by contributions from a number of Giving Institute member firms, including Campbell and Company, foundations and other donors who are really deeply committed to ensuring that we have a longitudinal study of this nature helping us to make sense of charitable activity in the country. And then of course we work closely with Indiana University Lily family School of Philanthropy that brings their research and academic prowess to this report to ensure that it's as rigorous as it can possibly be. So without further ado, let's get into discussing the results from the Giving USA report.

And the 1st thing we'll share with you is the headline, which is that in 2024, Americans gave $592.5 billion to charitable organizations in the United States. That's an increase of 6.3% in current dollars and 3.3% when adjusted for inflation from 2023 giving levels. So giving continues to rise across the country and we look forward to now digging into you, digging in with you about what we think these results mean. So, I'm gonna turn it over to Carrie.

Carrie Dahlquist
Great, thank you. Thanks Kate. Hi everybody. And Kate, before we dig into a little bit more specifically to the numbers, I think one of the things that we love to reinforce every year is, just that that number that you just referenced starts over every single year it goes back to zero. And so just really reinforces the incredible commitment of development professionals across our sector and the and underscores the importance of the conversations that they're having with

donors. So thank you for all of you on the call today who are doing that, that hard work. So we'll dig in a little bit more now to these numbers. In 2024, charitable giving saw solid growth that was really led by individuals and corporations.

Foundation giving held pretty steady and bequest declined just a little bit. So individual giving as many of us know really remains the dominant force in US charitable giving, totaling approximately 392 billion last year and that accounted for about two thirds of all contributions. And I just want to note that, you know, this is slightly lower, this percentage is slightly lower than it was about a decade ago, but individuals really continue to drive philanthropy and we really, when we think about individuals, we really want to, we really want to underscore that their influence extends beyond their direct giving, so individual gifts are reflected through foundations, through deaths, through bequests, and lots of different, in lots of different ways, and over the past five years, individual giving has grown at an average rate of about 5.6 %.

Foundations contributed about a hundred and $10 billion of surpassing the hundred billion dollar mark for the 3rd consecutive year, which is really exciting. The sector now represents about 19 % of total giving bolstered by strong market performance and sustained momentum.

Foundation giving has grown around eight and a half percent annually on average for about the last five years. As I mentioned, bequests have gone down a little bit. This year declined to 46 billion, which makes up about 8 % of overall giving. And while that is down slightly, bequests really remain a critical area to watch.

Especially as we consider and explore the great wealth transport. And we're gonna talk about that a little bit more later. Also for bequest, we vary a little bit less year over year about fluctuations and we'll, we'll talk about that a bit more as well. On the corporate side, giving jumped 9.1 % to nearly 44 billion, that was the highest share in 40 years at about 7% of total giving. And I just want to note that while this is the smallest category, corporate giving has been the fastest growing source in recent years, and that's really being fueled by strong profits, and a rise in strategic values based philanthropy.

So while it's essential to understand how those trends are evolving, one thing really remains clear. Individuals are and will continue to be the primary engine of American generosity.

Walter Dillingham
Can I ask you a question about that?

Carrie Dahlquist
Yeah.

Walter Dillingham
So with corporate giving rising so much, with the new tax code, do you see that that might change at all? You think there's gonna be a change in corporate giving? That, they have the 1% floor now that companies have to reach before they get the deduction?

Carrie Dahlquist
I think, you know, I think it's gonna, we're gonna have to see what happens. I think that's a really interesting question that a lot of people are asking right now, and it's gonna we're gonna have to balance. So I think as long as Corporate pre tax profits keep going up, there's going to be added incentive to to meet those minimum thresholds to get deductions, so I think it could be if, if everything continues to sort of go the way it's heading right now in the market, that's something that that we're going to be on the lookout for, which would be really wonderful and trying to encourage more and more corporate donations to to opt in.

Again, there it's already on pace and the sort of the fastest growing sector, so I think this reinforces some of the incentives along with employee engagement, and there's a lot of different factors that are driving corporate involvement, but I think that that could be, could continue to help reinforce engagement.

Walter Dillingham
Okay, thank you.

Carrie Dahlquist
Sure. So we're gonna dive in a little bit now to how giving has changed over these four sources over a couple of years because sometimes when you look at something in just one year, you know, you, you sort of lose a little bit of context. We want to look over the last couple of years and see what that tells us about the overall direction of the philanthropic landscape. And I should note really quickly, Kate mentioned that I am, on the board Giving USA the foundation board. I just want to also note that I'm the co-chair of the advisory council on methodology for the distribution of this report. So I work closely with our colleagues at Lily school, to think about how we're looking at the data that really drives this report. So if anybody has questions offline about methodology, it is one of my favorite conversations to have and you can feel free to to connect with me. Happy to talk more. So as I said I want to wanna focus now on what's happened over the last couple of years, and what we can say is that charitable giving has grown for the last two years again driven especially by individuals and corporations. In current dollars, we saw giving rise 2.2% in 2023 and 6.3% in 2024. That's a cumulative increase of 8.7 since 2022. And this really marks the the kind of return to what we are sort of seeing as a more typical healthy growth that the sector had been waiting for since the volatility of the pandemic and some of those inflation spikes. It's an it's an encouraging sign, but I think we're, we're sort of waiting to to see what happens next.

As you can see here individual giving the largest source followed a similar trend up 2% in 2023 and accelerating that growth to 8.2% in 2024, so we have a total of 10.4% overall. Foundation rose for 2nd year, 4.9% in 2023 and 2.4% in 2024 for a total of 7.4%. Just want to note that this this year's giving did not outpace inflation, but overall for, for two years, we're looking at some really solid growth for foundations.

Corporate giving, as I mentioned posted the largest and strongest gains up 12.6% in 2023 and another 9.1% in 2024 for a total of 22.9% in cumulative jump. And again, that's really reflecting those robust profits and expanding interests in strategic and values aligned philanthropy.

And again, I think, you know, in addition to the new sort of tax incentives that Walter was just asking about, we're gonna have to wait and see if that, that trend continues.

In contrast, as I mentioned bequest giving has now declined for a second straight year down 9% in 2023 and another 1.6 % in 2024.

That was really after a very strong year in 2022. So again with bequests year over year shifts reflect more about timing of the estate settlements, which are just gonna be more volatile, and based on you know sort of particular estates that are that are coming into settlement at any given year. So with bequests we're really looking at longer term trends.

Overall giving in 2024 really benefited from a strong stock market, a stable economy and easing inflation, and that's really a combination that helped restore donor confidence, which we'll talk a little bit more about later. So we'll still be watching closely to see whether this momentum continues or if new headwinds emerge.

Just want to zoom out one more time before we switch over to talking about where the gifts went as opposed to where they came from. So now we are gonna zoom out sort of one additional level and look at how each source of giving performed over, you know, a longer series of times. So this slide looks at the longer term shifts and giving my source over the last 40 years offering a broader perspective on how philanthropy the philanthropic landscape is really evolving.

Just want to note individual giving still the start still the largest share has steadily declined from 80% of total giving in the mid eighties to about two thirds in the most recent five year period. Again, this trend is offered, interpreted not really as a drop in generosity, but as a shift, and you're probably all seeing this in in your programs as well. Individuals are increasingly showing up in more and more of these categories through vehicles like foundations and through for donor advised funds obviously as well as bequests. Reflecting that foundation giving has also grown significantly from about 7% in the eighties to 18% today, in the last five year average. This is a sign of both increased assets and a more strategic long term giving behavior as well as the influence of of individuals as I mentioned. Bequest giving has made remained pretty stable and relatively stable. Capturing somewhere between 7 % and the eighties, you know fluctuating between seven and 9% over that time of total giving with notable peaks in the five year periods beginning in 1995 and 2015. And corporate giving, which has held steady at 5% for decades has now reached 40 year high of about 7%.

Again strong earnings especially in the tech sector, which we're gonna talk a little bit more about later and a heightened sense of corporate social responsibility. And just want to note that these long term shifts are really, you know, driven by individuals. They remain critical to American

philanthropy. How they give and what vehicles they're giving through is changing. It's really a more diversified ecosystem and one that calls for thoughtful engagement across all channels.

Kate Roosevelt
Thanks Kerry. I'm gonna step in now and talk a little bit about where all of this generosity has landed. So we want to start with this slide, which is where did the charitable dollars go in 2024? In 2024 giving grew and current dollars across all of the nine major recipient categories.

When we adjust the numbers for inflation, only one area declined and that's in the bequest category. Giving to religion declined in inflation adjusted terms continuing a steady long term trend. Religion still accounts for the largest share of charitable dollars, but that share has been slowly shrinking over time. It's important to note that this category measures giving to formal religious institutions like churches.

Synagogues and mosques and that other broader faith based organizations are accounted for in other categories such as human services, international, health, and education. Meantime, human services surpassed education for second year in a row reflecting sustained donor focus on basic needs, housing and community well being, especially in a time of high living costs and ongoing recovery from the social effects of the pandemic and inflation.

We also saw record breaking giving to several categories that includes education, health, arts and culture, and environment and animals, each of which reach their highest levels of giving in history and current dollars. And of course this signals growing donor interest in those categories, long term societal investment access to care, creative expression and climate and conservation related causes. While stronger economic conditions, no doubt played a role in lifting overall giving, this snapshot shows that donor priorities continue to shift and nonprofits must stay nimble and responsive especially as competition for attention in dollars intensifies.

When we look at changes over two years, a few things that I'll point out to you here.

First of all, the good news is, is that nearly every major subsector saw growth and current dollars from 2022 to 2024. The biggest gains were in the categories of education, public society benefit, which includes organizations like community foundations, United Ways, other federated giving organizations, international affairs, health, and again environment and animals. These double digit increases have accumulated over the past two years. Human services also saw consistent growth. Arts, culture and humanities continues to grow over these two years.

Religion again essentially flat over the two year period up just 2.8% when we know that this reflects an ongoing shift in how Americans engage with faith based organizations.

Overall, this two year view confirms that 2024 was the stronger of the two years with many sub sectors seeing their biggest gains especially again in education, public society benefit and international affairs. As we look at longer term snapshot on the next slide.

The most dramatic change clearly here again, as you can see, is giving to religious organizations, which has declined from 56% of total giving in the mid 1980s to 25% today. In contrast, giving to human services and foundations has more than doubled.

And other sub sectors have seen more modest but steady growth, each rising between one and four percentage points over these decades. Again, including education, health, public society benefit, arts and culture and international affairs. These long term shifts, from our perspective, really reveal a philanthropic landscape that's becoming more diversified with donors spreading their support across a wider range of causes.

So, let's go now to looking at some of the demographic shifts that are in play. For those of you who would like to take a deeper look at this, I really encourage you to subscribe to the giving USA report and explore the chapters in full. The data and analyses are just really robust and super interesting. Lots of great examples and so if you want to dig in more to again the sources and recipient categories and what has happened over the last several years, please do subscribe to the report and check it out.

So, let's talk about one of the most significant shifts that we're seeing in philanthropy and that is really has to do with the number of donors that are participating in charitable activity. In 2024, the total number of donors declined by another four and a half percent, the 4th consecutive year of decline. This troubling trend is being driven by a combination of lower donor retention, slower acquisition, and it means that we're not only losing more donors year over year, we're also not bringing enough new ones to the table to replace them.

While giving levels may be holding steady or even increasing in some cases, if we go back to the previous slide there, thank you. The pool of people participating is shrinking. This deepens the long term trend that we've just discussed and raises some serious questions about the future pipeline for philanthropy.

I'll put a plug in here for both the fundraising effectiveness project and the generosity commission, which released a report in 2024, looking at this trend of decline declines in what we call everyday donors or everyday givers. So on to the next slide, what this shows in just slightly.

Walter Dillingham
Can I ask you a question about that slide? Sorry.

Kate Roosevelt
Of course.

Walter Dillingham
Why do you think that that's happening? Is it, primarily because they changed the tax code? Do you think that has an impact, had an impact on giving?

Kate Roosevelt
There is a little bit of research Walter that that suggests that there were some unintended consequences from the 2017 Tax Cuts and Jobs ACT, when they set, a lower threshold for charitable deductions. There's some sense that that may have disincentivized smaller donors from making gifts. However, there are much broader trends at play here, including the growing income and equality pressures on people in terms of what we call checkbook giving, you know, am I gonna pay my utility bill this month or am I gonna make a gift to you know my favorite charity and so on. So there are a lot of factors of play here.

Here I think another one that we hear people talking about and again this is referenced a bit in the generosity commission report is just a growing distrust and institutions that unfortunately does flow into people's perceptions of the nonprofit sector and organizations that present as sort of big institutions and people wondering, you know, about their effectiveness and so on. So there as you would imagine, a multitude of factors of play here.

Walter Dillingham
Thank you.

Kate Roosevelt
Yep, you bet. So as we look at this slide, this just gives us an even, a deeper look into now the sort of the the relationship between declining donors, but giving going up. You know, how can we make sense of this? And what you can see here is a couple of things. First of all, you know, while we saw a four and a half percent drop in the total number of donors, total giving did increase, right? And that giving has really been driven as you can see on the slide by a rise in major and what we might call supersized gifts, gifts of $50000 and above. So you can see this chart simply showing us that the year over year change in dollars and then percent of dollars really significant when you get down to those mid size and small categories is where we start to see negative changes in year over year giving even more dramatic at what we call the micro giving level. And just need, you know, we need to note that the major and supersized gifts here collectively provide 75% of dollars, charitable dollars in our country.

So pretty stark stuff that a lot of people are looking at and thinking about and really trying to understand what we need to do to reverse these trends. So going a little bit deeper into the influence of mega donors, we hear of course about the Forbes Philanthropy 500, we get notices and sometimes written up in national newspapers of gifts from the folks that you see on the screen here, whether it's Warren Buffett, Mackenzie Scott, Michael Bloomberg, incredible generosity happening in lots of different ways.

And I think a couple things I would point out to you here in recent years mega donors like these three people have contributed between twelve and $15 billion annually, a significant share of total giving. That's a bit below the pandemic area peaks.

In 2020 e.g. mega donors contributed $24 billion in 2021, it was $33 billion, so they have a really outsized impact on the scale and shape of philanthropy in this country. And I think another

thing that I'll say is just as giving becomes more concentrated at the top, it does raise really important questions about influence equity and the long term balance in the philanthropic landscape that we need to address as a sector.

On to the next slide, another thing and you saw this as Carrie was talking through the sources of philanthropy and giving in the United States is the rapid rise of private foundations and donor advised funds. So these are giving vehicles that are still largely influenced by individuals, but they are accounted for in different ways and they behave in different ways and nonprofits engage with them in different ways.

So a few things that we would point out here. first of all, over the last 30 years, the number of foundations in the United States has grown by 294%. Just take that in, 294%. And this reflects the long term strategic approach that many wealthy donors take to managing their philanthropy. They might be giving, you know, out of a, literally checkbook giving as we call it.

Giving through foundations, they may also have one or more donor advised funds that they've set up. They may be doing impact investing. So the larger wealthier donors tend to have a wider array of giving strategies and vehicles that they're using. At the same time, donor advised funds, as you can see here have, they have just exploded in growth and usage up 848% in just eleven years. So lots to talk about on both of these fronts. Again, I would encourage you to go to the Giving USA website. There is a couple of special reports on donor advised funds in particular, which is an area of great interest, I know, and we'll get to that a little bit later in our presentation, so please take a look.

Walter Dillingham
I have a question on doing revised funds. I was I was meeting with a large museum recently and they said their fundraising is going great, but they're spending more time with their compliance department on dafs. Do you have questions from your clients on dafs? Like what you what you can use them for, what you can, it just seems to be very confusing.

Kate Roosevelt
It is confusing and I would hazard the I would make the statement Walter that I think it presents is more confusing than it actually needs to be. But one of the things that people get tripped up on a lot is that is who controls a donor advised fund, right? So a donor advised fund gets created when the donor makes a gift to create that fund or makes additional gifts to the fund once it's created. Then they move into the role of advising the fund holder, a community foundation or other large institution on how to then make gifts from that fund to nonprofit organizations. So one of the things that groups get tripped up on is that once the gift is made to the donor advised fund, a donor can't actually, e.g., make a pledge from that fund.

Walter Dillingham
Gotcha.

Kate Roosevelt
They can't encumber that asset without permission from the entity that holds the fund. So we do know of a number of examples where donors just quite innocently have signed a pledge form, right, for a million dollar contribution over five years to be paid from their donor advised fund. They can't actually do that. So what I think is happening now with this sort of increased understanding of how these entities operate is, asking donors to sign gift intent forms, so they're not legally binding pledges, but it's a way for a donor to preview for a non profit. Here's what I'm intending to do over a period of time and assuming that my advice is followed by the fund holding entity, that that my gifts will come from a donor advised fund if that makes sense. So tricky stuff, yeah, people are getting better at working this, but yeah, it's it's it's tricky for sure.

Carrie Dahlquist
Kate, can I quickly add that I think one area of our development departments who are really, this is becoming a pretty large headache for are our gift processors cause there are so many different types of entities that are popping up like on a daily basis that are sort of shuttling these types of gifts into, into nonprofits and so just wanna, you know, just want to give a shout out to those folks that are having to figure out new ways to connect to this information, new APIs that they need to connect to their systems, new ways to process, and hopefully that will become more sensical as time goes on.

Kate Roosevelt
Thank you, Carrie. So so true. So the last slide I'll cover here is just sort of a, I would say a note of encouragement or warning to our audience, which is that if you are not actively thinking about how you're engaging with the great wealth transfer that is underway, you need to do so immediately. And you know this there has been a lot of discussion about this over many years. I think it's coming into sharper focus as we see the aging of the baby boomer generation, 77 million Americans who are age 60 or older. The wealth of older Americans grew by 30% from 2019 to 2022. That wealth is estimated between, its north of $70 trillion. Trillion with a T, and all of the sort of current research shows that if nothing else is done, 14% of that wealth may go to nonprofits 86% will go to heirs.

So all this to say, this is a really important time for people to be doubling down on planned giving programs, you know, working with major donors on legacy gifts and just ensuring that you're at the table as people are contemplating what kind of a legacy they want to leave and what kind of giving they want to do while they're living, right? This isn't just about waiting for that event to happen when an estate goes into action, but what kind of giving do people want to do while they're living? So with that, I will turn it.

Walter Dillingham
I just wanted to make a comment there. Sorry. You know, a lot of our clients ask us for help, to start up a planned giving program because they start to get the bequests that come in unexpectedly, usually they’re unrestricted. One thing we've been talking to them about is setting up a windfall policy. In other words, do something in advance. Write write it out. So then if these

gifts come in, it's a chance to maybe have a portion go into a quasi endowment. Yeah I don't know if you see the same thing.

Kate Roosevelt
Walter, you are it's music to my ears. I think this is one of the most important conversations we have with our clients is what are you gonna do when an attorney calls you and says that someone is sending $5 million from their estate to your organization completely by surprise. So we encourage people to be I love the term windfall policy, but we do encourage boards before they have to to have policies in place about how they are going to handle extra extraordinary gifts that come their way that are unrestricted. And sometimes it's you know a threshold gets set that if it's less than $25,000, the gift automatically gets swept into the operating account if it's more than $25,000 than the board, there's a committee that makes a recommendation on what to do with those funds often going into a quasi endowment or reserve funds. So thank you so much for bringing that up, really important. So Carrie over to you.

Carrie Dahlquist
Thanks Kate and I think one other one other thing I'd love to just tack on to your comments around the great wealth transfer is also thinking about the importance of how you are dealing with the next generation. So as we think about 86% of that wealth transferring to you know, younger generations making sure that you're really engaging in those generations and increasingly Kate, I know you and I have had this conversation, increasingly thinking about legacy, family legacies, so that older generation wants to be plugged into conversations with their younger generations to think about how legacy will continue from generation to generation.

With that, I think we're gonna turn the corner into our final section looking forward and I just wanna note I'll go through this fairly quickly because Walter, I want to make sure we have some time for questions although you've been asking some great ones along the way. And so just want to know, you know, this is where we're gonna consider trends and kind of extend the Giving USA report. And so Giving USA doesn't make predictions. We're, we're gonna continue to work on the data this year. But what we'd like to do is take a look at other data in the ecosystem and think about what we should be watching for. So we're gonna start with one major factor, which is government funding. While philanthropy continues and often fills gaps, government support really remains a critical revenue stream for so many nonprofits. And as many of us know that like that support increasingly may be at risk. In 2023 a national panel study showed that about two thirds of US nonprofits received at least one government grant, and that the average nonprofit generating roughly 25% of its revenue from government sources.

So this is, this is an area that can have a real impact. For some it's even more consequential, more than a 3rd received over a quarter of their funding funding from government. And two and ten, about 20% received more than half of their funding from government, from government grants. And I just want to note a study that came out or a tool that came out in May, released by Candidate. I don't know if folks have seen this, but they produced a dashboard that really looks deep at how government funding is, is being impacted across nonprofits, and it showed that the analysis showed that nearly one in five government grantees would run out of cash in three

months if everything sort of stays as is. So talk about putting even more pressure on those philanthropic sources. So as government budgets, you know, tightened or shift, it's really unclear how much of the potential shortfall philanthropy is gonna really be able to realistically fill, but it's gonna be something that's you know, critical to be watching as we plan for funding stability and and long term resistance resis resilience and resistance maybe.

Alright, so we're gonna ship gears now and look at another major force that's really still shaping the philanthropic landscape. We all hear a lot about inflation. Inflation is continuing to ease a little bit from its from its peak. Households although are still feeling these pressures especially small and mid level donors, they're still feeling these pressures. Prices remain more than 26% higher than pre pandemic levels and everyday essentials are continuing to strain discretionary spending. So when we think about nonprofits and the impact that that's having, it really creates a dual challenge. Fundraising can become harder as donors tighten their belts.

And that really kind of gets back to those, those donors that Kate was talking about a few minutes ago. Especially those door donors that we're seeing at the the lower end of the pyramid. And while that's happening, the cost of delivering programs and services is continuing to climb. So again, nonprofits are really feeling it on two fronts.

So even as indicators, economic indicators stabilize, the financial reality for many organizations and supporters really does remain complicated. Next we're gonna shift to the S&P 500 and there's a real significant correlation between changes in the total charitable giving and year end values of the S&P 500 index, and you can really see here, see that shown here on the left, everything is sort of going in tandem. In other words, households and corporations tend to donate more when the stock market is up. Makes sense. Especially those extraordinary gifts and those major gifts that we were talking about at the top end of the pyramid. But it's really important to note that the impact of the stock market changes on total giving usually lags a little bit and that can be influenced by policy changes as well.

And it becomes really important at the the back part of the year, the, the part of the year that we're that we're heading into now. In 2024 the S&P surged about 23%, really driven by strong tech performance optimism around AI and an easing inflation.

In early 25, the market hit record highs briefly topping 6100. That was before a sharp correction of about 19%. That was in response as we talked a lot a little bit earlier to trade tensions and geopolitical risks, and while that rattled confidence, as we mentioned, you know, the recovery since April has been pretty steady, but there are still risks as as we mentioned at the top of the hour related to trade policy, inflation stickiness and geopolitical flare ups that we're really just gonna have to keep an eye on.

So another factor that we are paying close attention to is disposable personal income or DPI. That is really the money that households have left over after taxes. So this is kind of to that, that checkbook giving that Kate was talking about earlier. This is really a key indicator of giving potential especially for broadbase giving and mid level philanthropy.

So in 2024, DPI grew modestly, but inflation canceled out a lot of that gain, leaving real DPI flat for most households. So many donors felt squeezed despite strong employment, which you've probably heard from, from some of your donors. And I think according, you know, according to the latest figures, real DPI has climbed a little bit about .2% in in recent months continuing its positive momentum after a dip in May.

So this steady growth really means that more households maybe feeling more financially secure, which is really promising for the philanthropic sector especially as we gear up for the fall fundraising season and and end of year. And again especially on those sort of lower end of the pyramid donors as they're feeling hopefully more confident and feel like they've got more, more dollars to spend.

If this trend continues, we could see donor, greater donor flexibility, you know, at all of the income tiers.

And we just need to balance that as we're watching for inflation interest rates and sentiment as they're gonna all together shape giving confidence in the final quarter of the year. And as we talk about sentiment, consumer sentiment is another really important indicator that we're tracking, and this is really reflecting how confident households feel about their finances and the economy. It is often a predictor of spending and giving behavior. So in 2024, we saw sentiment remain relatively solid coming back from lows in 2022 and 2023, which indicated steady consumer optimism and supportive economic conditions.

But so far in 2025 that sentiment fell sharply. By April and May it plunged to about 52, one of the lowest readings in the survey 70 or 75 year history, and that was really driven by trade worries, rising inflation expectations, and geopolitical uncertainty. June preliminary data in July show shows bounces, the 1st increase in six months as inflation fears are really easing for now, and trade tensions are paused, for now. And you know again we're gonna have to we're gonna have to continue to watch that as encounter as confidence right now is is well below the 2024 levels.

So for nonprofits, this really matters because when sentiment is weak, households are more cautious. Recurring donors may pause or reduce contributions and recurring donors are sustaining donors are really one of the the primary means that we have to sort of bolster those those decreasing donor numbers that we saw earlier, and so as sentiment is improving, you know, we can, we can focus on those mid level donors, those annual donors, and again those sustainers and all of that happening together really gives us the better chance of recovery.

Kate Roosevelt
Thanks Carrie. So to wrap things up, just want to build on Carrie's review of economic indicators to share a few other things that we're looking at and you can go ahead and click through the slide here all the way through. That'd be great. So I think just top line three things that we and I know many other people are watching to see how they will affect and influence giving for the remainder of this year and going forward. The first of course is the One Big Beautiful Bill act of 2025 that introduced several pretty significant changes to charitable giving provisions and

incentives for individuals, corporations, endowment, execise taxes and so on. You know, we're I think cautiously optimistic that the new above the line deduction and the increase in the standard deduction may actually encourage incentivized incentivize some of those smaller dollar donors, everyday donors to give more. At the same time, the value of that high income donors can receive for itemizing giving their charitable gifts. That cap has actually been reduced, so we're not sure yet how that's gonna affect giving. I think, you know, lots of talk in all aspects of our life about artificial intelligence. I'll say that as nonprofits are increasingly adopting their use of AI, they're doing so to help map, meaningful donor journeys, especially focusing on donor retention and growth and monthly giving programs through more personalized engagement at scale. So we hope that this will have a positive effect as well, assuming that AI of course is used responsibly in this regard.

And then finally, when it comes to corporate giving mega donors and alternative assets such as crypto, we'll have to wait and see how these items respond to ongoing economic and market uncertainties. Notably crypto gifts to donor advised funds were used 14 times more frequently in 2024 than 2023. So if you don't have a crypto gift acceptance policy in place, we also encourage you to take a look at that and build one with your board as well.

So overall, these are some of the things that we're watching and talking with folks about and really appreciate the opportunity to share our thoughts with you here today. So back to you Walter.

Walter Dillingham
Oh, thanks Kate and carrie. That that was excellent work. I love how you take the the data and actually spend time to provide trends and insights. I mean that's true value add. So I I thank you for that.

All right, so let's get on with the Q and A session. We have about 10 min here. So I'm gonna start off with with a few questions that have been sent to me already. So Carrie, one question I wanted to ask you is, you talked about how many nonprofits have been, have large portions of their revenue streams related to to government contracts. Can you talk about the importance of a diverse of diversification? Cause that's a topic we've been talking to our clients especially like things like reserve funds and endowments, but just diversifying the revenue away from some of these larger items.

Carrie Dahlquist
That's a great question. And I think, you know, diversification has always been, you know, really, really important. And, and I think now more than ever it's essential, so combinations of individual major gifts and mid level recurring donors of sustainers that we talked about, foundation grants, you know, earned income if you have it corporate partnerships, DAF strategies, all of these together are really gonna reduce risk, and I think where we're spending more and more of our more of our time is really focused on scenario planning for best and worst case scenario for government funding and restricted versus unrestricted revenue mixes, and and thinking about how we can sort of shift things around. So I think diversification is, is really,

really critically important. And, you know, there are push pull effects in, in some of these, these things. So the mass cutting of government funding impacted organization's ability to, you know, to do things sometimes including fundraising. But I think the response has been that there's been, you know, at least anecdotally a strong donor motivation to, to make up the difference. So I think, you know, having organizations really get clear eyed on what their strategies are to, to be in front and talking about their need now more than ever is really important.

Walter Dillingham
All right. Thank you very much. This is a question from Michelle Celioa out of Washington DC. The question is what what is the most common questions you're getting from your clients this year? I guess both of you, if you have any insights there.

Kate Roosevelt
I'm happy to take that one. It's a great question and it makes me think of, you know, how much I wish I had a crystal ball on a daily basis because I think there are two or three flavors of questions that we are hearing on a, on a very regular basis. First of all, what should we expect for the balance of this year and to inform our planning for 2026 especially as it relates to the changes in the tax code. So what are the small, medium, and large things we should be doing to account for any possible ripple effects from changes in the tax code. So that's a big one.

The second one really has to do with how knowing that so many more dollars now are being directed and given through donor advised funds, how can we develop meaningful relationships with donors who are advising funds? Especially in cases where those donors are not necessarily known to the organization cause they're working maybe through a community foundation or another entity that is holding those funds. So we talk a lot about the importance of first of all practicing the same good stewardship practices that you put in place when you know who the donor is. It's perfectly ok to send a donor impact report, e.g., to a community foundation, and ask them to share it with the donor advised fund holder. So that's a big one, Walter. And then, I think the third thing is really questions around how to meaningfully engage with corporations especially as we continue to see the level of corporate giving increase and what does a smart strategy look like for corporate giving? And I think for us it all starts with engagement. Engagement, at all levels of the corporation, employee engagement, executive engagement, really understanding what that corporation's priorities are for engaging with community and what they hope to accomplish and looking beyond dollars to other resources that corporations can bring to bear, whether it's in kind gifts, volunteer time, skilled expertise that they maybe able to bring to your organization to build sort of a holistic and robust corporate engagement strategy. So hope that's helpful.

Walter Dillingham
Yeah

Carrie Dahlquist
And I would just add quickly to that Kate, that we’re getting more and more questions about AI and, and how to use it effectively, and I know we don't have time to go into it today. I would just

say quickly, there is an AI solution for everyone, and the most important thing is that you think about it carefully, strategically, and ethically.

Walter Dillingham
Right. By the way Kate, Bates actually emailed me and asked me where my DAF donation was. I wonder if Colby does that.

Kate Roosevelt
Love it. I love it.

Walter Dillingham
I wanted to bring **Steve Seivold** back into the conversation. Steve, there was a a question from Nancy McGraw here in New York City about impact investing. What are your thoughts there? Do are you are you seeing an increase in in impact investing? Any comments there?

Steve Seivold
We're seeing a modest uptick in interest in impact investing. I wouldn't say it's very significant, particularly the interest seems to be primarily along the lines of private foundations that we that we manage funds for. So I think that there is a a modest uptick there. I think always looking to balance that with any sort of impact on the returns, from an investment perspective is is also important, but yeah, that's that continues to be an ongoing area of interest.

Walter Dillingham
Right. And then there was another question on the endowment tax policies, which I thought was a good question because initially that that got a lot of attention because it was gonna be 21% and many of the colleges and universities were definitely stressed over that. It ended up being that private foundations, they did not increase the tax rate, so it's still 1.4% of net investment income. And then colleges they lowered it the max being 8%, so it was a lot different than what it started, but it's still, there's probably a dozen colleges it's gonna increase dramatically and you know their their colleges that are very large and have significant endowments. So you know that that's the update there, but Steve, I don't know, you know, as, as colleges have to pay this higher execise tax, if you will, any, any observation on what they might do to respond to that?

Steve Seivold
Yeah, I mean, you know, one of the areas that we've, you know, sort of put out some thought leadership on there is is just around looking at the overall asset allocation of your endowment or foundation portfolio and, and looking to ways to maximize the returns while managing the risk.

And one of the areas is, is of course adding an asset class like private markets[1]. And, and so that's, that's been kind of a key area that we've seen some endowments and foundations not taking advantage of fully. Obviously there's a, a percentage that you want to consider there because there's there's risk associated with liquidity. So there's, you know, a proper percentage to add. So that, that would be sort of a thought that for those types of institutions to take a look at. Of course, many of those endowments are already investing in that area, but it's an area that that our, you know, sort of midsized foundation should potentially consider as well.
I think the other impact of of that conversation around taxes is just, you know, the sort of the the thought that it put in the minds of many endowments and foundations that the government could sort of come after, you know, their level of endowment or foundation with an additional tax. So it it just it it sort of put that thought in their minds and then caused them to go back and make sure that they're doing everything that they can with the resources that they have.

Walter Dillingham
Okay, well thank you very much Steve. Before we finish up, I was gonna ask Kate and Carrie, are there any final pearls of wisdom that you wanna share before I before I conclude?

Kate Roosevelt
I don't know that this would rise to Pearl Walter, but one of the things that we talk with our clients about a lot is the importance especially at times where there's a lot of noise and confusion in the system to be communicating clearly and consistently with your stakeholders. I think there's a tendency that we have as human beings that when things get noisy and loud, we pull back and retrench, and this is exactly we should be doing exactly the opposite. And I think in particular, being as clear and non alarmist as we can be in our communications about what the real and intended and possible effects are of executive orders, cuts and government funding, and where the opportunities are because people are looking for good, like good news optimism and stories as well. So I just think really doubling down on thoughtful, clear, and consistent communications with your stakeholders so that they understand where you are in the world and what role philanthropy can play in moving your mission forward is so critically important. One of the things we're saying to all of our clients right now is your mission can't wait. You've gotta keep going.

Carrie Dahlquist
And I think I would I would echo that Kate. I think the the only other thing that I would add is it's ok that we don't have all the answers right now. I think sometimes, you know, as Kate mentioned, we have a tendency to sort of recoil and say, we can't go out to our donor base yet because we don't understand everything. And what they really need to hear from you right now is that you have a plan for this moment and a strategy and a, you know, a sort of a theory about the future and how you're gonna show up in it. So you don't have to have all the answers. In

[1] These funds are available only to certain investors who meet the specific income, experience, and investable assets thresholds set forth by the U.S. Securities and Exchange Commission's definition of accredited investors and/or qualified purchasers as necessary. Investments such as private funds and mutual funds that focus on alternative strategies are subject to increased risk and loss of principal and are not suitable for all investors. These types of investments may use aggressive investment strategies, which are riskier than those used by typical mutual funds, and you may lose more money than if you had invested in another fund that did not invest as aggressively.

fact, I think coming coming to your donors and your funding partners with a little bit of, you know, being honest about where we are in this moment and, and your concerns I think can often be an opportunity to pull them in even more to the conversation and have them even more invested.

Walter Dillingham
Well, I wanted to thank you too for a great presentation. Thank thanks for taking the time to make it value add. And Steve, thank you for your for being here again and giving your market update. That's, I think it's very important to follow that trend. Secondly, I wanted to thank the production team of Peter Ragano, Dennis Bruno, and also we have a new member of our production team, Sequoia Lopez with Campbell and Company. She did a great job and and she's our new friend. So, Sequoia, thanks for all your help. And then finally, I wanted to thank you all. Our clients, our friends. Thank you for being on the call. I hope this session was useful. And then finally I'll I'll keep everyone posted on our next event. Number 113 will be probably late November. Can you believe it's almost around the corner? We'll be talking about Thanksgiving. So ladies and gentlemen, thank you again for being on this call. Have a great day and I'll see you in November. Take care.

Disclosure

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