

Giving Recovery after Economic Depression or Recession

Researched and written at the Center on Philanthropy at Indiana University

How long after the recession ends will it take for giving to rise to pre-recession levels?

Giving USA has no magic crystal ball to provide definitive answers, but the past can provide some insights into what might occur when the current recession ends. This issue starts with information about how a recession is defined and by whom.

While the stock market itself is not an indicator of recession, market indices are closely watched measures of economic activity, and many donors time their charitable gifts based on their own assets and sense of financial security. The analysis of charitable giving here focuses on two donor types whose contributions are closely tied to stock market performance: Individuals, who contribute 75 percent of total charitable contributions in a typical year, and Foundations, which contributed 13 percent of the estimated total in 2008. The value of estate gifts does fluctuate with stock market indices, but donors' decisions to make estate gifts are not timed with overall economic indicators. Corporate giving forms a smaller share of the giving total (5 percent in 2008) and is more closely tied to corporate profits than to stock market performance.

We concentrate on charitable gifts itemized as deductions by individual tax filers. For 2007, itemized charitable deductions were an estimated \$194 billion, or a bit more than 80 percent of all individual giving estimated by *Giving USA*. Thus, individual itemized charitable deductions of an estimated \$194 billion account for more than 60 percent of total contributions of an estimated \$314.07 billion in 2007. By concentrating on itemized charitable gifts, we can use the Internal Revenue Service records back to the 1920s to track giving and its recovery after the Great Depression.

Giving USA began tracking estimates of giving by type of recipient organization in 1955. Its precursors, including reports from the fundraising firm John Price Jones, provide some information about the types of recipients of gifts prior to the mid-1950s. Data based on government reports, however, start in 1987 with information from IRS Forms 990. Because the data prior to 1987 are unconfirmed estimates, this newsletter does not examine the recovery period for charitable giving by type of subsector. Readers of *Giving USA 2009* can see from the tables in the back of that publication that estimated giving to human services did not reach its 1972 inflation-adjusted total for decades after the end of the 1973-1975 recession. In contrast, estimates of giving to other types of charities reached pre-recession levels in a matter of years.

What is a recession and who decides?

The National Bureau for Economic Research (NBER) is an independent, nonprofit research group based in Massachusetts that monitors the business cycle. The NBER defines a recession as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators." The NBER's Business Cycle Dating Committee announced in December 2008 that the United States entered a recession in December 2007.¹

Have there been other long recessions?

Yes. In September 2009, we entered the 22nd month of recession since December 2007. There are three prior periods of prolonged economic retreat:

- Great Depression: August 1929 to March 1933 (44 months);

Table 1
Economic indicators, Great Depression and selected recessions
 (Adapted from *Giving USA 2009*)

Years of Depression or Recession	Highest Rate of Unemployment in Period	Highest Dow Jones Industrial Average to Lowest DJIA	-----Cumulative change in-----			
			Personal income	Dow Jones Industrials Average	GDP	Corporate profits*
1929-33	37.6% (1933)	-85% (Feb 29; Jul 32)	-24% (29-33)	-55%	-25%	-101%
1973-75	9.0 % (May 75)	-50% (Jan 73; Dec 74)	0.6% (73-75)	-15%	-1%	-10%
1980/ 1981-1982	10.8 % (Dec 82)	-29% (Dec 80; Aug 82)	4.6% (80-82)	+8%	+1.5%	-9%
2007- mid-2009	9.7 % (Aug 09)	-53% (Jul-07; Mar-09)	-3.8% (qtr 4 07 to qtr 2 09)	-39% (from Dec 07 to Jun 09)	-2.2% (qtr 4 07 to qtr 1 09)	-21% (qtr 4 07 to qtr 1 09)

Note: Inflation adjustment is done using values from the Bureau of Economic Analysis available August 17, 2009, 100 = 2005. This series has a revised value of 121.596 for 2008 and a first-quarter value of 121.253 for 2009.

* Corporate profits with inventory valuation and capital consumption adjustments.

- November 1973 to March 1975 (17 months);
- Back-to-back recessions in 1980 (January to July) and a 17-month stretch from July 1981 to November 1982 for a total of 24 months of recession in three years.

Is this time as bad as the Great Depression?

No. While times are definitely tough now, the economic indicators are much stronger than they were during the Great Depression. Table 1 summarizes some key information about the economy during the Depression and long recessions since then. In the Depression, for example, Gross Domestic Product declined by 25 percent and corporate profits dropped 101 percent. To date in this recession, GDP has declined 2.2 percent and corporate profits have declined 21 percent (both based on values for Quarter 4, 2007, to Quarter 2, 2009 as reported by the federal Bureau of Economic Analysis in July 2009.)

In the Great Depression, income dropped 24 percent, in part because unemployment reached a high of 38 percent. So far in this recession, personal income has dropped 3.8 percent (adjusted for inflation, comparing Quarter 4, 2007 with Quarter 2, 2009). Unemployment reached 9.7 percent in August 2009 after declining

slightly from 9.5 percent in June to 9.4 percent in July, according to the federal Bureau of Labor Statistics.

In the Depression, the Dow Jones Industrial Average (DJIA) fell 85 percent from its high in February 1929 to its low in July 1932. It dropped a total of 55 percent over the entire Depression. The same index declined 53 percent from its high in July 2007 to the lows in March 2009, from which point the DJIA has trended upward.

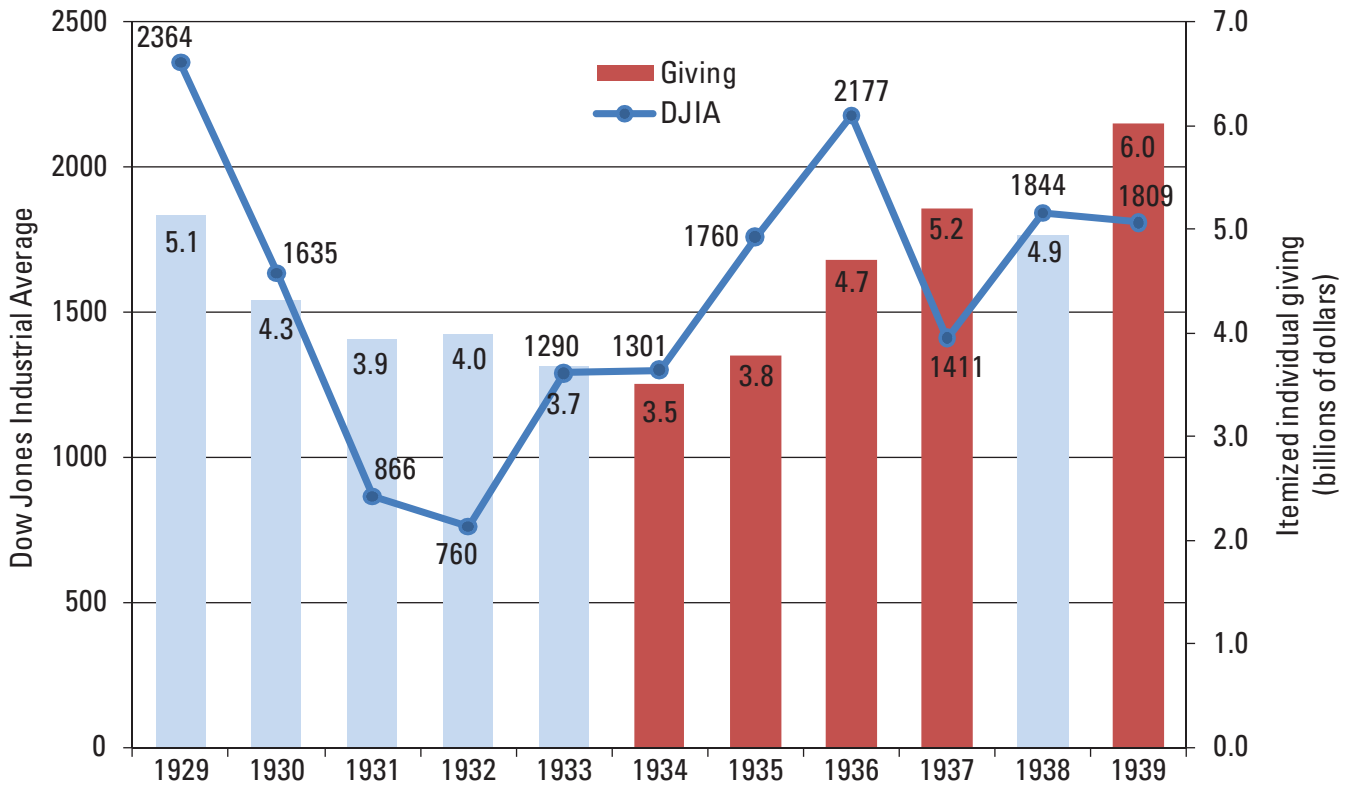
What did giving look like in the Great Depression?

The Great Depression began in August of 1929. The stock market crash of that year occurred in October, after the Depression had already begun. Compared to the prior year, individual itemized charitable contributions, adjusted for inflation in:

- 1929 fell by less than 7 percent
- 1930 fell by 16.0 percent
- 1931 fell by 8.7 percent
- 1932 increased by 1.5 percent

The Depression ended in March of 1933. Itemized charitable giving declined in 1933, compared with 1932, by 7.7 percent and fell again in 1934, compared with 1933, by 5.1 percent.²

Figure 1
Itemized charitable contributions shown with Dow Jones Industrial Average, 1929-1939
Adjusted for inflation
Giving \$ in billions



Note: Inflation adjustment is done using 2005 = 100. Light blue bars are Depression or recession years (Depression 1929-1933; recession in 1938).

Cumulatively, from 1928 to 1934, itemized charitable giving fell 35 percent. Adjusted for inflation, the Dow Jones Industrial Average fell about 57 percent in the same span, but was down as much as 85 percent from its pre-crash high.

Figure 1 graphs inflation-adjusted values for the Dow Jones Industrial Average from 1929 through 1939 (the line) with the inflation-adjusted values for itemized individual giving (bars). In 2006, the amount claimed in itemized contributions on individual tax returns made up about 83 percent of total estimated individual contributions.³ F. Emerson Andrews, in his 1950 book *Philanthropic Giving*, developed estimates of total giving during the Depression. The IRS data for itemized contributions during the Great Depression represent approximately one-half of the amount that Dr. Andrews shows for total individual giving.

After rising from 1935 through 1937, itemized charitable deductions adjusted for inflation reached the 1929 level first in 1937, then fell slightly in 1938 but returned to the 1929 level in 1939. Not graphed are the years after 1940, when individual itemized giving

remained above the 1929 inflation-adjusted amount consistently. There was a brief recession in 1938, and itemized individual giving in that year declined by 3.9 percent (adjusted for inflation).

Note that this analysis includes only charitable gifts claimed as deductions on tax returns. It does not take into account contributions made by households that did not claim deductions, which is the majority of households. However, the majority of dollars contributed are itemized as deductions, according to findings from the Center on Philanthropy Panel Study and earlier research by INDEPENDENT SECTOR and other organizations.

What happened to giving during the Great Depression?

At the beginning of the Depression, President Herbert Hoover called on the public to support and engage in local efforts via voluntary agencies.⁴ However, with the Roosevelt administration, the federal government expanded existing governmental programs or created new ones like the Social Security Administration and public welfare agencies. Some thought such programs

threatened the work done by congregations and private charities, especially to provide poor relief.⁵ Charitable giving persisted in the Great Depression, yet historians note that it shifted from religious organizations and social welfare agencies toward other purposes. Three key themes dominate our knowledge of charitable giving during the Great Depression:

- Religious congregational spending on relief declined as government assumed more financial responsibility for social welfare;⁶
- Wealthy donors tended to give at the same rate in which they gave prior to the Depression;⁷ and
- Giving amongst the poorer citizens was markedly limited.⁸

Religious institutions were especially hard hit during the Great Depression. Despite increased membership at congregations and YMCAs (Christian-based nonprofit) across the United States, these institutions' income fell by as much as two-fifths during the first half of the Depression. Historian David Hammack, in a review of giving during the Great Depression, finds that wealthy donors who gave prior to the Depression to religious institutions shifted their giving toward secular causes, perhaps especially as government began poor relief activities. In addition, donors who were not wealthy, many of whom previously gave to help others, became dependent themselves on relief services. This drastic downturn of support matched with the increased need propelled many religious charities to take federal funds for the first time.⁹

Supporting Hammack's findings, economists Jonathan Gruber and Dan Hungerman looked at congregational expenditures during the Great Depression and report a direct connection between increased government spending for poor relief and lower levels of congregational aid directed to those in need. They argue that because government agencies began providing services, congregations stopped their activities in this area.¹⁰

Wealthy donors tended to maintain their 1920s' level of giving throughout the 1930s, but often directed it differently. Hammack writes that many of these donors, rather than funding religious-based institutions, used their philanthropy to support the federal government's new efforts to standardize healthcare, education, and social welfare programs. These donors substantially began supporting educational institutions, hospitals, museums, and arts organizations.¹¹

Poor and working class families were obviously the most financially hard hit during the Depression. The crash of the stock market, bank failures, and the unemployment

rate all contributed to the depth of the financial crisis during the Great Depression. The unemployment rate, in particular, skyrocketed from 5.3 percent in 1929 to a staggering 25.2 percent in 1931, peaking at 37.6 percent in 1933.

Charity among the poorest families was largely directed to kin and members of their religious community. In the heart of the Depression, citizens gave "labor and homemade goods" more than money.¹² Nevertheless, despite the difficult times, middle-class citizens often met the financial challenges of the Great Depression and many supported innovative charitable campaigns. For example, the March of Dimes' campaigns were extraordinarily successful during the 1930s.

Large foundations continued giving generously. Giving by philanthropic foundations bloomed from the early 1900s through the 1930s. The most significant of these foundations, Rockefeller, Carnegie, and Russell Sage, to name a few, committed to "scientific philanthropy" beginning in the 1920s.¹⁴ These foundations largely focused their grantmaking on scientific innovation, healthcare, medical research, and education.¹⁵ Rather than stifling these efforts, the Great Depression led to government's advancement of similar initiatives. This actually bolstered some foundations' efforts. For example, the Kellogg Foundation was a major catalyst in the creation of private health insurance, which served to provide revenue for government-subsidized hospitals and medical centers. The Carnegie Corporation continued contributing to literacy and educational causes and was able to provide an additional \$2 million in social welfare relief in the early 30s.¹⁶

How long does it take for giving to recover after the economy recovers from a recession?

National indicators as of August 2009 suggest slight improvements in the national and global economies. Changes in giving are closely tied to economic changes, especially in household wealth, household income, and for foundations, stock market performance. Records for giving after the Depression and after the recession of 1973-1975 show that individual giving recovered in three to four years. Foundation giving took longer and is discussed after individual giving in this newsletter.

Individual giving recovery after 1973-75 and 1980/1981-1982 recessions

Evidence suggests individual giving reached pre-downturn levels three to four years after the recovery began in March 1975. During the 1980/1981-1982 recessions, individual itemized giving continued to increase despite the overall economic performance and lower tax rates. Economists Garrett and Rhine have suggested that

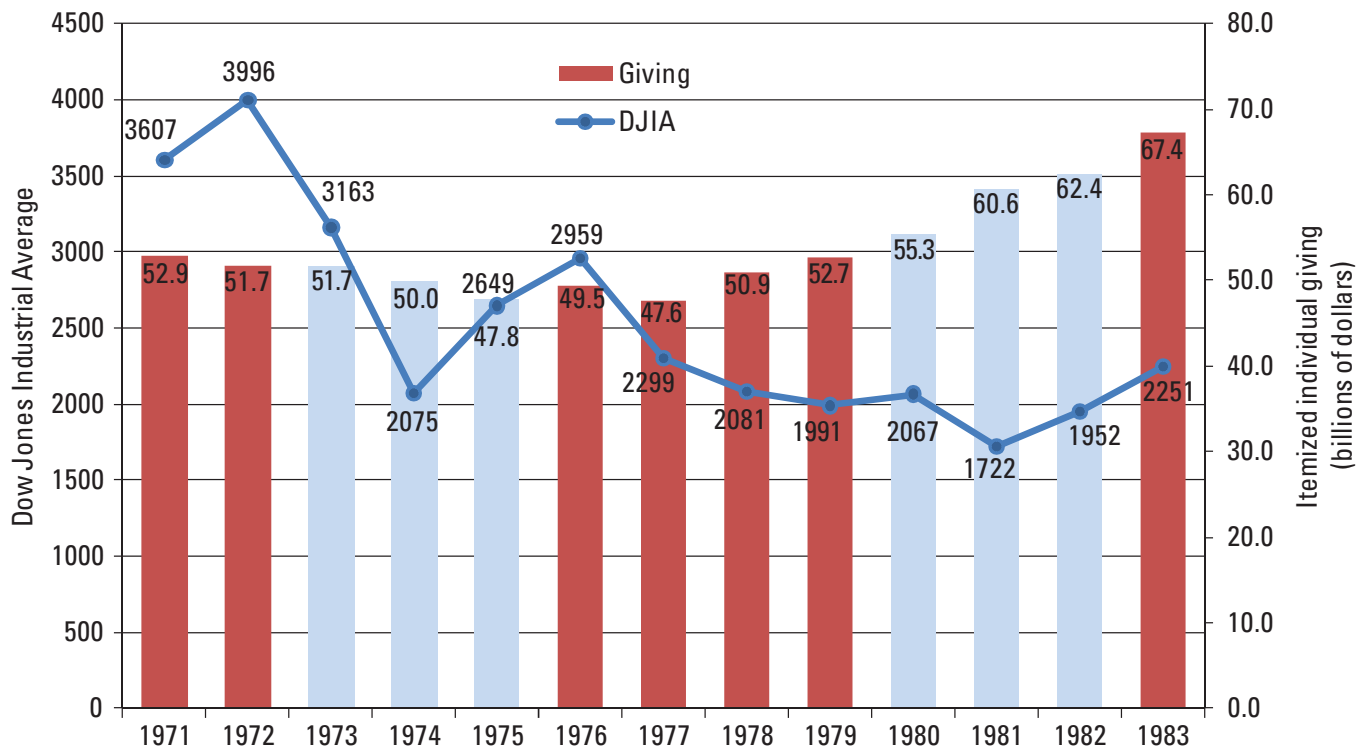
members of the public gave more because of their concern about cuts in government spending—especially in education.¹⁷

Figure 2 illustrates the inflation-adjusted levels for the Dow Jones Industrial Average and for itemized charitable giving for the period of 1971 through 1983. Itemized individual giving was \$51.7 billion in 1972, the year before the recession. In 1979 it reached that level again, when it was \$52.7 billion (adjusted for inflation).

In the recessions of 1980 and 1981-1982, itemized individual contributions rose consistently, even as the Dow Jones Industrial Average declined from 1980 to 1981 (all adjusted for inflation). There was no lag between economic recovery and giving recovery after this recession. In general, taking into account all variables, giving rises when tax rates increase (because of the higher value of the tax deductions for gifts). Giving decreases when tax rates fall, again, controlling for all other factors. The impact of the changes in tax rates is relatively short-term, lasting a year or two.¹⁸

Interestingly, the highest marginal tax rate declined from 70 percent to 50 percent effective in 1982, which should – after taking into account all other factors – have resulted in giving that was lower than in 1981 by an estimated \$3 billion using *Giving USA*'s model for changes in individual giving. Other factors not examined in depth that might explain the increase in giving from 1980 through 1982 include concern about government cut-backs, the number of nonprofit organizations seeking support, efforts by politicians business executives, and civic leaders to promote charitable giving, or prevailing social norms and expectations about giving. In tests of the importance of consumer confidence as a separate indicator for charitable giving, Deb, et al. (2003) found that it was not a significant measure on its own. It is, of course, associated with measures that are linked with giving, such as changes in income, changes in financial assets, and changes in tax rates. Those are stronger influences on giving than the confidence measure is.¹⁹

Figure 2
Itemized charitable contributions shown with Dow Jones Industrial Average, 1971-1983
Adjusted for inflation
Giving \$ in billions



Note: inflation adjustment is done using 2005 = 100. Light blue bars are recession years.

What is different now, compared with the Great Depression, that might affect the recovery period?

Changes in the stock market influence giving more now than in the 1930s and 1940s.

In the 1930s and 1940s, the correlation between wealth held in stock and itemized giving was much weaker than what it has been in the past two decades. This analysis considers two periods separately, 1930 to 1963, the last year of a highest marginal tax rate at 91 percent, and 1964 to 2006 (the most recent year for which final data are available).²⁰

- From 1930 to 1963, a 10 point increase in the Dow Jones Industrials Average (DJIA) was associated with a very small increase (approximately \$1.85 million) in giving nationally. Adjusted for inflation, individual giving in 1963 increased by \$5.94 billion compared with 1962. A 10 point increase in the DJIA was three one-hundredths of one percent (0.03 percent) of that increase in individual giving.
- From 1964 to 2006, a 10 point increase in the DJIA was associated with \$16 million more in giving nationally. In 2007, individual giving rose by a total of about \$5.5 billion, adjusting for inflation. Each 10 point change in the Dow would be associated with nearly one-third of one percent (0.29 percent) of the increase in individual giving for that year.

The impact of income changes on changes in giving remained much more consistent across the periods.

- From 1930 to 1963, a \$1 billion increase in personal income nationally was associated with an \$11.6 million increase in giving.
- From 1964 to 2006, the same \$1 billion increase in personal income was associated with \$15 million more in charitable giving.

All of these values are adjusted for inflation, which allows comparison across time.

During the recovery in giving that will follow the end of the current recession, changes in the stock market are likely to matter a great deal. Growth in income will generally lift giving holding other variables constant, but it alone will not be sufficient to recoup the losses from declining wealth.

Up to one-quarter of the wealthy plan to reduce their giving

A recent report released by Barclay's Bank and based on surveys of American and British wealthholders concludes that wealthy donors view philanthropy as an important part of who they are and intend to continue giving at significant levels. In fact 77 percent of high net worth individuals surveyed said that they would

not decrease their level of giving in the current downturn.²¹ However, that leaves 23 percent who said they would decrease their giving, and an uncounted number who will reduce their giving but did not want to report that on a survey. These facts suggest that recovery from the present recession may be longer than the recovery from the 1973-1975 recession.

A different percentage of households are itemizing giving now compared with the 1970s

Several studies show that itemizing on tax returns yields higher contributions than would otherwise be the case. In recent years, approximately 30 percent of individual tax returns benefit from itemizing deductions. Among itemizing households, more than 80 percent itemize charitable gifts. This compares with 94 percent in 1975.²² The tax code was very different in the 1930s and there are no comparable percentages. Despite the fact that donors report on surveys that tax benefits are typically not a major incentive for contributions, studies show repeatedly that when tax incentives for giving increase, giving is likely to be higher than it would be in the absence of these incentives.

A greater percentage of households are able to give than could after the Depression

In 2008, according to the Census Bureau, 13.2 percent of Americans lived below the poverty level. In 2008, the poverty threshold for a family of four (two adults and two children under 18) was \$21,843.²³ The Census Bureau began collecting poverty data only after World War II, so no comparable figures are available for the Great Depression. However, Moore and Simon say that in the 1930s, given unemployment and the Depression, the poverty rate was above 40 percent of the population at the time.²⁴

With a larger percentage of households living above the poverty level now, there are a larger number who can make charitable contributions to causes that matter to them. As household incomes rise over time, donors tend to increase the number of charities they give to, rather than increasing the total amount given to any one type of charity.²⁵

About two-thirds of households give currently for secular causes

The Center on Philanthropy Panel Study shows that about 60 percent of households in a nationally representative sample made contributions in 2000, in 2002, and in 2004 for secular (non-religious) causes. On average, these households gave about 1 percent of their income for non-religious charities. Data for the distribution of household charitable gifts by type of recipient for the years of the Great Depression are not available. .

A higher percentage of households have higher education now than was true in the 1930s

Research has shown that, even after taking into account differences in income, individuals with a college degree are more likely to give and give more than people who have a lower level of education. As of 2007, 29 percent of the adult population age 25 and above had a college degree, compared with 5 percent in 1940 and 14 percent in 1975.²⁶ This increase in the percentage of people with college educations suggests that there is a high probability that more households give, that they give higher amounts, and that they remain donors even during tougher economic times, compared with 70 years ago or even 40 years ago. There is also the possibility that during the Great Depression, charitable giving was not associated with educational attainment, simply because so many people did not have the option to continue to college.

Recent experience suggests a long recovery period for foundation giving

Despite reports from selected foundations, aggregate data about total foundation giving in the 1920s and 1930s are rare. We do not know for sure whether total

foundation giving fell or rose, nor do we know how long it took foundations to recover their assets and, if giving fell, to resume grantmaking at pre-Depression levels.

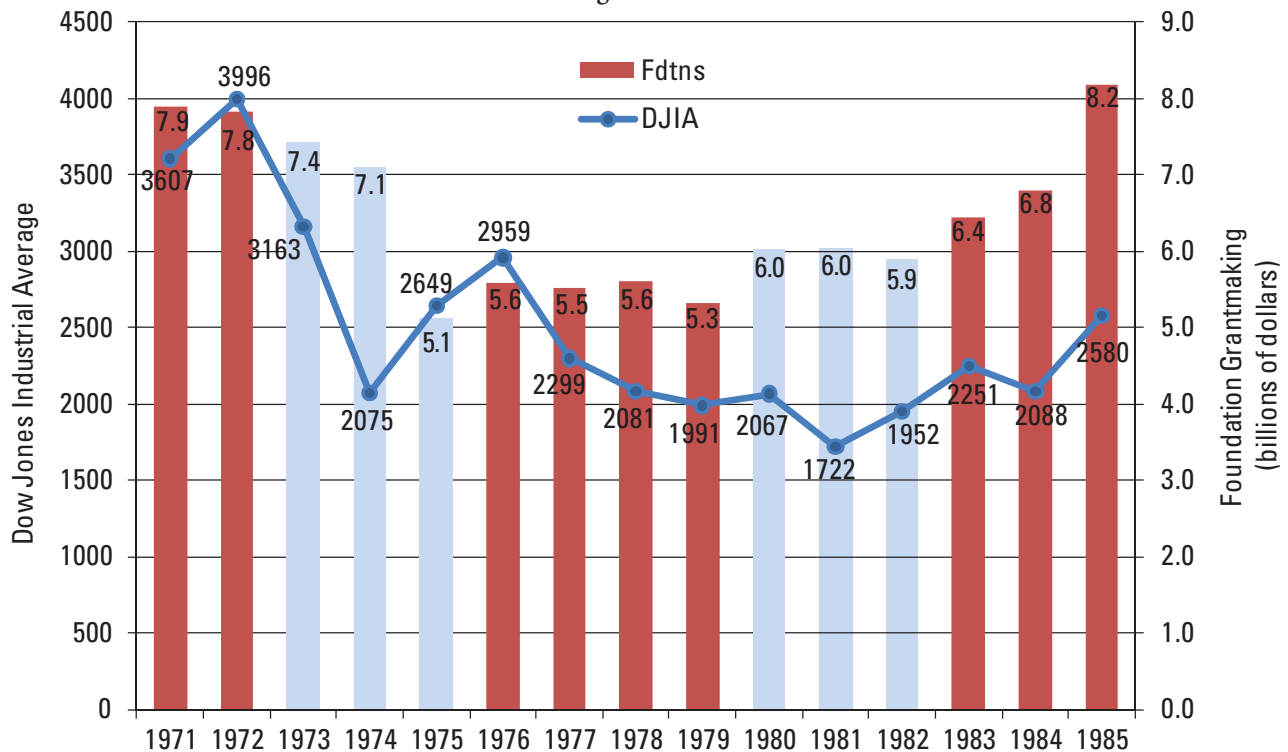
However, there are data for the recessions of the late 20th century. After the 1973-1975 recession and indeed, into the 1980s, foundation giving showed virtually no growth (adjusted for inflation) until 1983. It did not reach the 1972 level again until 1985.

What is different now?

A number of foundations have sought to sustain their giving during the current recession. The Foundation Center reports 100 largest foundations' commitments and budgets for 2009 and beyond based on their announcements at its Foundation Giving Forecast page.²⁷

The number of foundations continues to increase, and new gifts to foundations continue to be made, often through large estates. Foundation asset growth will not be restricted to market changes, as it will also reflect new donations. However, even with these potential increases to foundation assets, The Foundation Center reported that its members expected grantmaking in 2010 to be lower still than in 2009, which is likely to be lower than in 2008.²⁸

Figure 3
Foundation grantmaking shown with Dow Jones Industrial Average, 1971-1985
 Adjusted for inflation
 Giving \$ in billions



Note: Adjustment for inflation: 2005 = 100. Light blue bars are recession years.

Conclusion

The United States is in the midst of the longest economic downturn since the Great Depression. Yet the economy now is not having the same impact on unemployment rates, corporate profits, and other economic indicators as the Depression did in the 1930s. The recession now underway resembles, in broad economic terms, the recession of 1973-1974.

If the recovery of individual giving after the Depression and after the 1973-1975 recession is any indication of what to expect, it is likely that donations from households and individuals will not reach their 2007 levels until at least three years after the end of the current recession, when measured in inflation-adjusted dollars. Using current (not adjusted for inflation) dollars, there is no historical record to use for predictions, as giving in 2008 fell for only the second time since *Giving USA* began. After the 1.3 percent drop in 1987, which was associated with tax law changes, giving returned to the 1986 levels by 1988.

Compared with individual giving, foundation grant-making may take longer to regain pre-recession levels – but it could increase more quickly than it did after the 1973-1975 recession given the recent creation of new foundations and the trend among those with assets over \$20 million or more to endow a foundation through their estate plan.

A number of factors suggest that recovery in giving might occur more rapidly once this recession ends than it did in prior downturns. In our era,

- Income is higher per capita than it was in the 1930s or early 1970s;
- A greater percentage of people have completed college; and
- A greater percentage of households support secular causes.

All of these could contribute to higher levels of giving than were experienced after the Great Depression or after the 1973-1975 recession. There is also a much greater understanding of the role that public policy, tax rates, and governmental funding can play in creating incentives (or even disincentives) for giving. On the other hand, slow growth in the stock market could moderate the recovery in giving, because stock market changes now play a larger role in overall philanthropy than they did in the past, when income growth (not wealth growth) was more important. Another potential roadblock to a return to pre-recession levels of giving could be governmental policy changes that discourage charitable gifts, such as lowering the tax rates, which reduces the benefit of the deduction for gifts, or increasing government funding for some types of

services such as education. There are at least some donors who change the amount they give when they perceive that their own tax benefit will be reduced. There are also donors who prefer not to use their charitable dollars to support programs that have significant financial support from the government.

Through the end of this recession, fundraising professionals should be planning for a period of recovery, when donors again feel a sense of financial security and willingness to make commitments. Members of Giving Institute: Leading Consultants to Nonprofits offer the following counsel:

- Conduct assessments to determine which elements of your fundraising program yield positive returns for the investment.
- Consider shifting expenditures from the fundraising activities with low return per dollar spent toward those with higher return.
- This is also a good time to lay the ground work for a planned giving program, if your organization does not currently have one. Identify loyal long-term donors and start having conversations with them about how they would like to continue to support the organization in the future – even if their current gift amounts have shown no growth.
- Keep demonstrating your organization's success and impact. Continue to communicate and to make your organization's story known.
- Invest in learning new approaches, whether that means testing social media for a mature giving program or exploring a major gifts program for a charity that typically relies on events or a number of relatively small gifts.
- Be certain to remain in touch with your most reliable donors and let them know that their continued, or renewed, support is essential to your organization's success.

In any year, some nonprofit organizations see increases in the amounts they receive in charitable contributions. By using the best practices known for fundraising, your organization will be prepared to be among that percentage.

Author credit: Melanie Miller, Sarah Schaefer, and Corinne Wagner researched and wrote this edition of *Giving USA Spotlight*. Editorial assistance from Xioanan (Coco) Kou. All are graduate students in the philanthropic studies program at Indiana University-Purdue University Indianapolis.

Endnotes:

- ¹ Determination of the December 2007 Peak in Economic Activity, December 2008, <http://www.nber.org/cycles/dec2008.pdf>.
- ² All calculations are done by *Giving USA* using data from the Internal Revenue Service for itemized charitable contributions claimed on individual tax returns. Inflation-adjustment is done using the Personal Consumption Expenditures Index released by the bureau of Economic analysis, www.bea.gov, accessed August 17, 2009. For this index, 2005 = 100.
- ³ *Giving USA 2009*.
- ⁴ R. H. Bremner, *American Philanthropy*, 1988.
- ⁵ D. Hammack, Failure and Resilience: Pushing the Limits in Depression and Wartime, in L. Friedman and M. McGarvie (eds.), *Charity, Philanthropy, and Civility in American History*, 2003.
- ⁶ J. Gruber, and D. M. Hungerman, Faith-based charity and crowd-out during the great depression, *Journal of Public Economics*, 91(5-6), 1043-1069, June 2007.
- ⁷ D. Hammack, as in note 5.
- ⁸ Ibid.
- ⁹ Ibid.
- ¹⁰ Gruber, J. and Hungerman as in note 6.
- ¹¹ Op cit, Hammack.
- ¹² Ibid.
- ¹³ Ibid.
- ¹⁴ R. Bremner, as in note 4.
- ¹⁵ D. Hammack, as in note 5.
- ¹⁶ R. Bremner, as in note 4.
- ¹⁷ T. Garrett, and R. Rhine, Does government spending really crowd out charitable contributions? New time series evidence, Working paper 2007-012A, The Federal Reserve Bank of St. Louis, 2007, <http://research.stlouisfed.org/wp/2007/2007-012.pdf>.
- ¹⁸ The Center on Philanthropy at Indiana University and researchers at The Tax Policy Center and elsewhere have analyzed the impact of proposals to cap allowed deductions for higher-income households, and in all estimates—holding everything else constant—giving declines in the first year of the proposed caps.
- ¹⁹ P. Deb, M. Wilhelm, P. Rooney, and M. Brown, Estimating charitable giving, *Nonprofit and Voluntary Sector Quarterly*, December 2003.
- ²⁰ The highest marginal tax rates rose from 25 percent in 1930 to 81 percent in 1940 and continued as high as 94 percent during World War II. The highest marginal tax rate decreased from 91 percent in 1963 to 77 percent 1964. From 1964 forward, the highest marginal tax rate trended downward to the current rate of 35 percent, after three decades of trending upward.
- ²¹ Barclays, 2009.
- ²² Number of tax returns that claimed itemized charitable deductions in 2007: Internal Revenue Service, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>. Data for 1975: sent by e-mail from Statistical Information Service, September 30, 2007.
- ²³ Census Bureau, Appendix B in *Income, Poverty, and Health Insurance in the United States: 2008*, P60-236(RV), September 2009, <http://www.census.gov>.
- ²⁴ S. Moore, and J. Simon, *It's Getting Better all the Time*, 2001.
- ²⁵ Commission on Private Philanthropy and Public Needs, *Giving in America: Toward a Stronger Voluntary Sector*, 1975, available at the IUPUI University Library Special Collections & Archives, <http://hdl.handle.net/2450/889>. Center on Philanthropy Panel Study, 2005, <http://www.philanthropy.iupui.edu>.
- ²⁶ Current Population Survey, Table A-1. Years of School Completed by People 25 Years and Over, by Age and Sex: Selected Years 1940 to 2008, 2008, <http://www.census.gov/population/www/socdemo/educ-attn.html>.
- ²⁷ The Foundation Center, Foundation Giving Forecast page, <http://foundationcenter.org/focus/economy/forecast.html;jsessionid=0ZYSPQ1EVOY4HLAQBQ4CGW15AAAACI2E>.
- ²⁸ S. Lawrence, Foundations address the impact of the economic crisis, 2009, http://foundationcenter.org/gainknowledge/research/econ_outlook5.html.



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