

Atlanta Results

Your Monthly Resource for Philanthropic News

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things First



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from the stand-up desk of
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Well, That Was Fun...NOT!

One year ago, almost to the day, I wrote in this newsletter a column entitled “**What Does 2020 Have in Store for Us?**” The first paragraph of that column said this:

I've seen a lot of people referring to 2020 as the start of the Roaring 20s. I assume they are harkening back to the days of great growth and prosperity in the United States following World War I. I'm not sure if 2020 will usher in the second coming of the Roaring 20s, but it does promise to be an interesting year for philanthropy.

“Interesting,” I said. Well, I’m not sure that is the word that I would use in retrospect, but it was “interesting”... I guess. Perhaps, instead of the *Roaring 20s* we were just off a couple of years; and what we really were preparing to repeat was the *Spanish Flu Pandemic of 1918*. I’m not slandering Spain or the Spanish people, that is actually what it’s called – Google it.

At any rate, I feel like I/we have lost a year of our lives, so I’m going to revisit what I thought would be so interesting in 2020 and see if we get a reset for 2021.

1) I felt we would finally have enough data to **determine if the 2017 tax bill and the “bundling of gifts” phenomena had really happened** and would have a negative impact on giving in 2019. I’m still not sure that we have an answer on that one. We saw a record year of giving in 2019, but there still seems to be a trend of fewer donors for many organizations even with increased donation totals. I’m not sure what value the 2020 data, which Giving USA will release in June, will have for us. Can we really take anything that happened in 2020 and use it as a benchmark? With the massive shutdowns and resulting layoffs we are almost certain to see that trend of fewer donors pick up speed. But what about total giving? There were great needs to be met. Did those who were able to give more make up the difference? At the risk of jinxing us again, let's just wait and see.

2) I thought, given the divisiveness in our country and the “high stakes” nature of the 2020 elections, **we might see political giving draw funds away from charitable giving**. Historically that had not been the case, but I thought the highly charged emotions might push people to diverting funds away from their favorite charity to support political campaigns. We do

know that record amounts of money were spent by political campaigns in 2020. But, because of the impact the pandemic had on the economy we may never know if a decline in giving (if there was one) was due to the pandemic or a shift toward political giving.

3) I suggested that if the stock market, specifically **the S&P 500, continued its strong 2019 performance into 2020 that we could see a significant increase in giving**, the performance of the S&P is highly correlated to giving. We certainly saw huge increases in the stock market. But in an almost nonsensical way, these increases were happening as the economy was being put on ice by the pandemic. Will the S&P's history as a predictor of giving behavior hold in the face of a global pandemic?

4) Finally, I said the following:

Add to that the fact that disposable household income is on the rise. There are three factors contributing to this rise: 1) unemployment is at an all-time low; 2) wages are increasing faster than inflation across all income demographics; and 3) the 2017 tax cuts lowered rates for most people, meaning more disposable income in the paycheck. A rise in disposable household income is also a strong leading indicator of the trend for giving; but is it enough to offset the impact of the increased federal standard deduction that has reduced the number of itemizers.

Well, #1 got blown out of the water before the first quarter was even up. That dragged #2 down right along with it and as for #3, lower tax rates don't mean much when you have lost your source of income.

I closed the column last year with this:

What does all this mean? Well, if I could predict that I'd be living on my own private island somewhere. But, what I do know is that we live in interesting times.

Well, I still don't know what it all means, but I do know that the private island would have really, really, really come in handy in 2020. As for the "interesting" times, well I'm not sure that would be the adjective that first comes to mind. Nor am I sure the one that does is suitable for publication in our family friendly newsletter.

Hang in there people. This too shall pass — it may be like a kidney stone, but it will pass.

Metro Atlanta News

MacKenzie Scott Gifts Land in Atlanta

MacKenzie Scott's phenomenal \$4.2 billion charitable gifts announced in December sent enthusiastic applause throughout the country...and she made a big splash in Atlanta.

First, **Clark Atlanta University** announced that Scott had made a \$15 million unrestricted gift – the largest individual gift in the University's history. Second, Scott made a \$5 million gift to **Access to Capital for Entrepreneurs**, the largest contribution it has ever received in its 20-year history.

"This transformational gift will enable the University to strengthen our academic programs; support academic innovation initiatives; enhance our campus infrastructure; provide scholarship support to students; and, build on our endowment," said College President **George T. French, Jr.**

Meanwhile, ACE, will use its \$5 million to continue helping small businesses in metro Atlanta and north Georgia. The Georgia-based nonprofit works with underserved small businesses across 68 counties to rebound from the "devastating economic impact of COVID-19," according to the release from ACE.

"MacKenzie Scott's inspiring transformative gift comes just in time to enable ACE to continue assisting

these 600 businesses and more Georgia businesses with rebuilding in 2021," said **Grace Fricks, founder and CEO of ACE**. *SaportaReport, 12-15-20*

Movers & Shakers

Lisa Kennedy was named President and CEO of the **Center for the Visually Impaired***. She has served as interim president since the retirement of Fontaine Huey in March 2020. Kennedy spent almost 10 years as chief advancement officer for the Bobby Dodd Institute. *ABC, 1-18*

Street Race merged with **Georgia Cares**. Both organizations work to combat the same issues, including an end to child sexual exploitation. *ABC, 1-18*

The **Atlanta Opera*** received a \$500,000 grant from the **Lettie Pate Evans Foundation**. The funds will be used to purchase equipment and technology to create digital versions of live operas and concerts. *ABC, 1-18*

The **Atlanta Preservation Center*** named **David Mitchell** executive director. He steps into the shoes of Boyd Coons, who led the Center for 21 years and will continue in an advisory role. *MetroAtlantCEO, 1-12*

Richard Harker is the new executive director of the **Historic Oakland Foundation***. He takes over from David Moore, who served for 15 years. Harker joined HOF in 2017 as director of programming and volunteers, and was named co-executive director in 2019. *SaportaReport, 1-8*

The **United Way of Greater Atlanta** was one of five GA United Way chapters to receive a gift from the **United Community Bank**. The Bank made a \$20,000 commitment to selected State chapters. *MetroAtlantCEO, 1-6*

Bernie Marcus and his wife made an \$80 million gift to the **Shepherd Center***. The gift is the largest in the Center's history and will be the cornerstone of its most significant expansion since its founding in 1975. *ABC, 12-18-20*

GAgives, held each year on **GivingTuesday**, announced more than \$3.3 million was raised from more than 17,000 donors during the 2020 event. More than 1,200 Georgia nonprofits benefited from this event. *GAgives, 12-2-20*

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Encouraging Giving News

Early Reports Indicate 4th Quarter Growth in Giving

As we await detailed fourth quarter philanthropic-giving data, let's look at what we know so far, including the optimistic third quarter numbers from the Fundraising Effectiveness Project's 2020 Third Quarter Report (FEP), which is administered by the Association of Fundraising Professionals (AFP) Foundation for Philanthropy in collaboration with GivingTuesday.

Donors in the U.S donated an estimated **\$2.47 billion dollars on GivingTuesday 2020**. This was a 25% increase over the previous year's total and represented a similar increase in participation.

Even in the midst of the ongoing impact of the COVID-19 pandemic, charitable giving grew by 7.6% during the first nine months of 2020 compared to the same time period in 2019; the second consecutive quarter of strong growth in giving. The FEP 2nd Quarter Report found giving at the halfway point in 2020 ahead of the 2019 pace by 7.5%, so the growth in the third quarter continues the upward trend. The increases are especially notable given that at the close of the first quarter, 2020 giving was down by 6% compared to 2019.

The rate of growth in the overall number of donors slowed a little in the third quarter (from 7.2% after the second quarter to 6% after the third quarter compared to 2019). The increase in donors is led by the number of new donors, up 11.7% compared to 2019. The only area of significant decline is in new repeat donors—donors who gave for the first time to a charity in 2019 but haven't given again to the same charity in 2020 so far—down 10.3%.

The increase in giving and number of donors for the first three quarters of 2020, compared to 2019, sets up nonprofits for a potentially very successful final three months of the year. There may be a sense of optimism among donors with the COVID-19 vaccine beginning to be distributed.

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