



First Things First



February 6, 2020
www.fundraisingcounsel.com



from the desk of
David H. King | President & CEO

What Does 2020 Have in Store for Us?

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.

Firstly, when Giving USA is released in June we will see the full picture of the impact that the 2017 tax law changes had on philanthropy. In 2018, we saw significant growth in giving. But one question that hangs over that growth is: How much of that was people bundling gifts in 2018 or making substantial contributions into Donor Advised Funds to meet the threshold to itemize their tax return and deduct contributions. If a lot of that happened, then those gifts likely were not repeated in 2019. How much of an impact can that have? That's the \$400 billion question that we won't know the answer to until the data comes in. But, will we see the first non-recession year decline in giving that has every occurred? Stay tuned.

Secondly, this is going to be a monumental election year. The stakes for both parties are extremely high. Here in Georgia, we have been somewhat shielded from it because our primary is still months away. But I was in South Carolina last week and billboard, tv and radio ads for the democratic primary are ubiquitous. Even in the relatively rural part of the state I was driving through, there were plenty of candidate billboards. All of this energy around the elections likely means that campaign contributions will reach levels never before seen. We are already seeing that on both sides. Will political campaign giving divert funds away from nonprofits? It never has in the past, but as we've seen a lot of late, the past is not necessarily a good predictor of the future. This could be another "first" for philanthropy as these campaigns intensify and need more and more money.

Thirdly, turning to a more positive note, is the stock market. The most reliable indicator of how giving will trend is the performance of the S&P 500. Giving tends to follow the direction of the S&P. I'm not sure it is possible to have missed the run

that the stock markets were on in 2019, and continue to follow in early 2020. If the S&P continues its role as a leading indicator for philanthropy, we could be in store for a very good year of giving in 2020.

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 pay check. 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.

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.

We Think You Should *Know*....

Donor Advised Funds Big Increase

Schwab Charitable, provider of donor-advised funds, facilitated more than 600,000 grants totaling over \$2.7 billion to more than 89,000 charities in 2019, a 26 percent increase in dollars granted and a 24 percent increase in the numbers of grants compared with 2018.

The record high in donor-advised giving by the organization - nearly double the \$1.5 billion it awarded in 2016 - was driven by the runup in stock prices in 2019, with many donors choosing to protect their gains by donating appreciated shares of stock and other assets to their Schwab-sponsored DAF. Indeed, more than two-thirds (69 percent) of donors' contributions to a Schwab donor-advised account were in the form of non-cash assets such as publicly traded securities, restricted stock, and privately held business interests. And with donors having a better understanding of how to manage their giving and tax planning under changes introduced in the 2017 Tax Cuts and Jobs Act, many chose to "bunch" their contributions and itemize their deductions rather than take the increased standard deduction. *PND, 1-28*

Interest in 'Giving While Living' Growing

A new survey from Rockefeller Philanthropy Advisors shows wealthy families increasingly are adopting a "time-limited" - rather than "in-perpetuity" - approach to philanthropic giving.

Based on a survey of more than 200 wealthy families across the globe that collectively give \$2.4 billion annually, the report found that 62% of respondents had adopted the in-perpetuity model, while 32% favored a time-limited approach - also known as a spend-down, spend-out, or giving-while-living model. But the report also found that interest in time-limited giving has grown significantly in recent decades, with nearly two-thirds of those who have adopted the model doing so in the 2000s (26%) or 2010s (38%). Among those electing to spend down, an equal share, 38%, opted for a time frame of between one and five years or between six and 15 years.

According to the survey, the key motivations cited by donors for adopting a time-limited approach were to see the impact of their giving during their lifetime (30%); to increase the impact of their giving by focusing it on a specific interest area (23%); and to transfer more of their wealth to good causes sooner rather than later (17%). The most commonly cited motivations for choosing the in-perpetuity approach were to provide sustained, long-term support to nonprofits working to address a persistent challenge (71%); to more effectively engage future generations in the family's philanthropy (56%); and to have greater impact on beneficiaries over multiple generations (41%). *PND, 1-21*

**TAKE OUR
READINESS
ASSESSMENT**

CLICK HERE

ARE YOU READY

for a fundraising
campaign?

Alexander·Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

Bits & Bites....

In an Instagram post, **Jeff Bezos**, founder and CEO of Amazon, announced that he was committing an initial \$10B to the **Bezos Earth Fund**, which will begin to award grants in support of efforts to address climate change this summer. *NYT, 2-18*

The **Helen DeVos Children's Hospital** (Grand Rapids, MI) received a \$15M commitment from insurance broker **Acrisure**. The funds will be used to establish the *Acrisure Center for Innovation in Children's Health*. *PND, 2-18*

JPMorgan Chase announced a five-year, \$75M global initiative aimed at connecting underserved youth to well-paying jobs. It is part of the firm's \$350M *New Skills at Work* initiative launched last March. The initiative will be launched in Denver, where JPMorgan has already invested \$4M over the last four years in such efforts, and five other cities. *PND, 2-14*

Dell Children's Medical Center of Central Texas received a \$30M matching grant from the **Michael & Susan Dell Foundation**. The grant will support the hospital's plans to invest more than \$300M over the next three years, including construction of a \$113M pediatric outpatient facility to be called the *Dell Children's Specialty Pavilion*. *PND, 2-12*

Boca Raton Regional Hospital received a \$15M gift from the **Marcus Foundation** to expand and renovate the *Marcus Neuroscience Institute*. The gift is to the hospital's \$250M fundraising campaign. *PND, 2-9*

The **Animal Humane Society** with outlets across Minnesota, received a \$3M gift from former Toro CEO and chairman **Ken Melrose**. The gift - the largest in the 142-year history of AHS - is an early investment in a planned capital campaign and will support the eventual construction of a new, first-of-its-kind adoption and animal care campus in St. Paul. *AHS Press Release, 2-7*

The **Bill & Melinda Gates Foundation** announced that it will provide up to \$100M to improve detection, isolation, and treatment efforts related to the novel coronavirus outbreak. The commitment, which includes a \$10M pledge announced by the foundation in January, will support efforts to protect at-risk populations in Africa and South Asia and accelerate the development of a vaccine, drugs, and diagnostics. *PND, 2-6*

The **Georgia Power Foundation** awarded a \$15M gift to **Children's Healthcare of Atlanta** for their North Druid Hills campus, which includes a hospital set to open in 2025. The gift was announced during the 17th annual Hope and Will Ball, one of the largest fundraising events for the healthcare system. *MetroAtlantaCEO, 1-28*

We'd Like You to Know....

Transforming Institutions

Welcoming New Client Partner



Georgia Center for Opportunity in Peachtree Corners is a new Client Partner. We are honored to work with this organization.

For more than 30 years, Alexander Haas has been a fixture in the Atlanta nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, organizations that help make Atlanta a better place to live.

[Our Metro Atlanta Client Partners](#)

Our Transformational Services

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transformational Services.

[Jump!](#)



3520 Piedmont Road | Suite 450 | Atlanta, GA 30305
404.525.7575



This email was sent to: gingerchakalall@me.com

This email was sent by: Alexander Haas
Piedmont Place, 3520 Piedmont Road, N.E., Ste. 450 Atlanta, GA 30305

We respect your right to privacy - [view our policy](#)

[Manage Subscriptions](#) | [Update Profile](#) | [Unsubscribe](#)