

# Helping Hand

A Fundraising Newsletter to Help Those  
Who Help Others

Alexander Haas  
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

**First Things First**



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[www.fundraisingcounsel.com](http://www.fundraisingcounsel.com)



from the stand-up desk of  
**David H. King** | President & CEO

## 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 2021 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 give more make up the difference. At the risk of jinxing us again, that will be interesting to see.

**2)** I thought, given the divisiveness of the 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 records 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 since 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. With 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 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.

## We Think You Should Know

### **Nonprofits Would Be Eligible for New Federal Aid Under Biden Stimulus Plan**

When President Biden took the oath of office on January 20, he brought with him a new \$1.9 trillion stimulus proposal that would allow nonprofits to participate in a new loan program and draw from a \$3 billion economic development fund. The plan also contains multiple measures that might relieve stress on nonprofits and foundations to provide aid to Americans in need.

Grants from the economic development fund could be used for "initiatives that support bottom-up economic development and enable good-paying jobs." The plan says that "state and local government entities, tribal institutions, institutions of higher education, and nonprofits" would be eligible to draw on the \$3 trillion fund.

The stimulus bill enacted in December provided nonprofits a one-year extension of the temporary charitable deduction available to people who don't itemize their taxes and another round of forgivable Paycheck Protection Program loans. *COP, 1-15*

## Community Foundations Band Together to Fight Structural Racism

Nine regional grant makers will develop common measurements and share strategies and progress reports with each other as they work to combat structural racism in the hope they can generate nationwide progress and attract philanthropic support from wealthy donors and private foundations.

The foundations are members of the Community Foundation Opportunity Network, a group of 45 grant makers that first came together in 2016 to find ways they could ensure that children of poor parents had the same chances of success as children of the rich.

The members of the group include the **Central Indiana Community Foundation; Cleveland Foundation; Hawaii Community Foundation; Lincoln Community Foundation; Seattle Foundation;** and **Silicon Valley Community Foundation.** In addition, three Connecticut grant makers — the **Fairfield County's Community Foundation, Hartford Foundation for Public Giving,** and the **Community Foundation for Greater New Haven** — will work together as a group to test statewide approaches. *COP, 1-26*

## Gifts for Covid-19 & Other Social Organizations

The **American Heart Association** has pledged to raise and invest more than \$230 million over the next four years in support of efforts to eliminate barriers to equitable health for all. Commitments include \$100 million for new scientific research programs and grants focused on evidence-based solutions. *PND, 1-26*

**Google** committed more than \$150 million to support efforts to promote education about and equitable distribution of COVID-19 vaccines. The commitment includes \$100 million in ad inventory awarded through the company's *Ad Grants Crisis Relief* program, enabling recipients like the **CDC Foundation** and the **World Health Organization** to run vaccine-related public service announcements on the Google site; and \$50 million in support of efforts by public health agencies to reach underserved communities with vaccine-related content and information. *PND, 1-26*

Private equity firm **DHS** made a \$200 million commitment in support of temporary housing and services for families of pediatric cancer patients who are undergoing treatment. The largest single gift in 1,600 guest rooms in at least 16 states and Children's Hospital Systems, as well as the enhancement of services and facilities for pediatric patients' families, including food services, laundry, parking, playrooms, and educational initiatives. *PND, 1-22*

With the help of a \$10 million matching challenge from the **Bob & Renee Parsons Foundation,** the **Semper Fi & America's Fund** has announced that it raised more than \$20 million in support of wounded, critically ill, and injured post-9/11 service members and their families through its annual *Double Down for Veterans Campaign.* *PND, 1-12*

Johns Hopkins University School of Medicine received a \$15 million gift from trustee **David M. Rubenstein** in support of its **Department of Otolaryngology - Head and Neck Surgery.** The gift — Rubenstein's second \$15 million gift to the department — will establish the *David M. Rubenstein Precision Medicine Center of Excellence.* *PND, 1-11*

The **National Football League** awarded grants totaling nearly \$4.3 million in support of efforts to advance social justice. Recipients include, among others: **Boys & Girls Clubs of America, Just City-Memphis,** the **Oregon Justice Resource Center,** and the **US Dream Academy.** *PND, 1-11*

**Amazon.com** has announced a commitment of more than \$2.1 billion in support of an in-house *Housing Equity Fund* and affordable housing initiatives in the Puget Sound region of Washington, as well as Arlington, Virginia, and Nashville, Tennessee. *PND, 1-7*

The **National Equity Fund, Metropolitan Atlanta Rapid Transit Authority (MARTA),** and **Morgan Stanley** launched a \$100 million fund in support of efforts to preserve affordable housing near public

transit stations in the metro Atlanta region. *NPD, 1-7*

**Children's Hospital of Philadelphia** received a \$2.5 million naming gift from the **Abramson Family Foundation** for an emergency department in a new inpatient hospital in King of Prussia, Pennsylvania. It will be named for longtime CHOP supporter Madlyn K. Abramson, who passed away last April. *PND, 1-6*

**Bernie Marcus** and his wife made an \$80 million gift to the **Shepherd Center** (Atlanta). 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*

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## You Might Want to Know

### 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.

## We'd Like You to *Know...*

### Transforming Institutions



We are proud to welcome **The Salvation Army of Greater Charlotte** to our team as a Client Partner.

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

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### Our *Transformational Services*

Alexander Haas offers a wide range of fundraising consulting services for organizations of all sizes. Our priority is to help transform institutions that transform lives. Whether you are readying for a capital campaign or need to assess your annual fund, our services are tailored to each individual client.

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