



June 28, 2022



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

## Giving in 2021 \$484.85 Billion

Despite a strong year for the stock market and GDP, record charitable giving in 2021 failed to keep pace with inflation

**Giving USA 2022: The Annual Report on Philanthropy for the Year 2021**, released June 21, reports that individuals, bequests, foundations, and corporations gave an estimated \$484.85 billion to U.S. charities in 2021. Total charitable giving in 2021 grew 4.0% over the revised total of \$466.23 billion contributed in 2020. However, while giving increased in current dollars, it declined (-0.7%) after adjusting for inflation.

What we are seeing in this report is a mixed bag of good and bad news. On the one hand, giving reached its all-time high in 2021, but the flip side of that is, because of inflation levels that we have not seen in decades, that record amount of money had less purchasing power. So even in a record year for giving, the nonprofit sector finds itself with fewer resources. This mirrors what many people have experienced personally as they saw gains in income levels wiped away by significant price increases.

After strong growth in giving to human services in 2020, much of which reflected increased needs related to the pandemic, giving to human services slowed in 2021 to a level that, when adjusted for inflation, actually represents less "buying power" for these organizations compared to 2020. This does appear to reflect a move away from giving to human services, but more of a correction to pre-pandemic giving patterns across all of the subsectors.

What concerns me now is how 2022 is going. We are already seeing over 8% inflation this year, with much higher rates than that in the energy and food sectors, which are items every single person and organization has to have. Higher costs on those items eats into discretionary income in a very real and immediate way, which can translate into less discretionary income available for charitable contributions. If 2022 continues to see inflation at this rate, or higher, and steep stock market declines, I don't see any way that giving will be able to keep up. I think 2020 could be a struggle as prices increase at the same time that philanthropy remains flat or declines again.

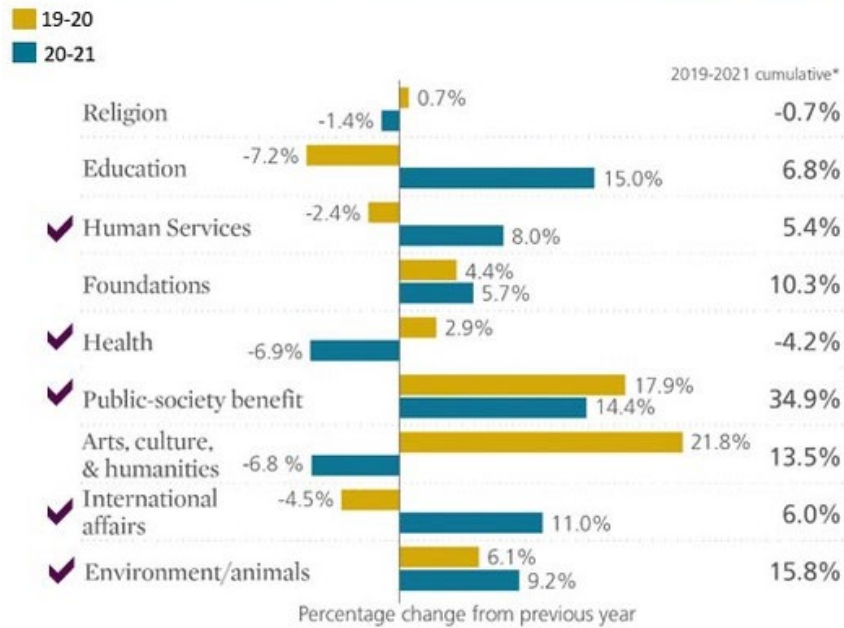
Once again, I was honored to share this data on the day the report was released at a meeting sponsored in partnership with **AFP Greater Atlanta Chapter**. Take a look at some of the report I shared below.

## Look at Giving to the Social Service Sector in 2021

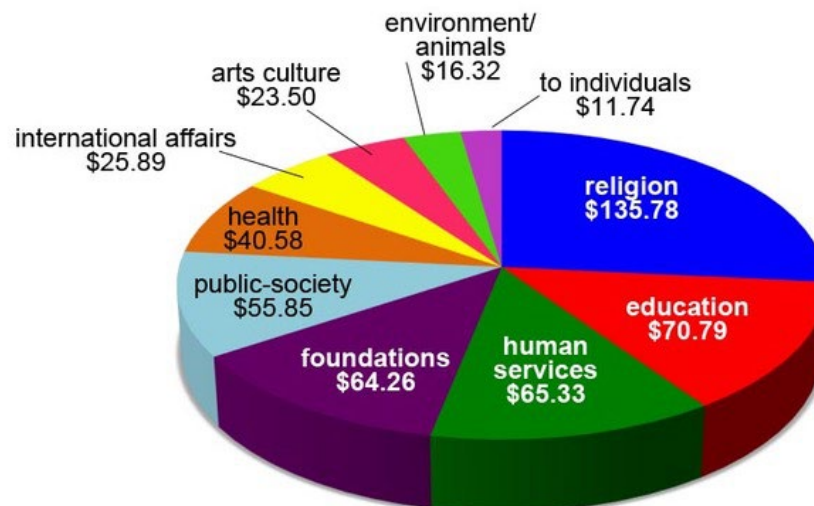
- Giving to **human services** increased by an estimated 2.2% in 2021, totaling \$65.33 billion and received 13% of charitable dollars in 2021. Adjusted for inflation, this subsector declined by -2.4%. Cumulatively, giving has increased 5.4% in inflation-adjusted dollars between 2019 and 2021. Giving to this subsector was at single-digit percentage levels for the five-year periods beginning in 1982, 1987, and 1992, but rose to 10% starting in the five-year period beginning in 1997 and has steadily increased since then.
- Giving to **health organizations** increased 7.7% in 2021, totaling \$40.58 billion, and ranked sixth in total gifts received, at 8% of charitable dollars in 2021. Adjusted for inflation, giving to this subsector increased 2.9% between 2020 and 2021. Adjusted for inflation, giving declined -6.9% between 2019 and 2020. Cumulatively, giving declined -4.2% in inflation-adjusted dollars between 2019 and 2021. Giving to the health subsector has comprised between 8% and 10% of the total over the last four decades.
- Giving to **public-society benefit organizations** increased an estimated 23.5% between 2020 and 2021, receiving \$55.85 billion. Comprising the fifth-largest portion of charitable dollars in 2021, this subsector received 11% of total giving. Adjusted for inflation, giving grew 17.9%. Giving to this subsector increased 14.4% in inflation-adjusted dollars between 2019 and 2020. The cumulative change in giving to between 2019 and 2021 is 34.9% in inflation-adjusted dollars. Total contributions to the public-society benefit subsector reached the highest inflation-adjusted value recorded to date in 2021.
- Giving to **international affairs** is estimated to be \$27.44 billion in 2021, staying level with 2020 with 0.0% growth. Adjusted for inflation, giving to international affairs organizations declined -4.5%. This subsector ranked seventh in total gifts received, amounting to 5% of charitable dollars in 2021. Giving to this subsector increased 11.0% in inflation-adjusted dollars between 2019 and 2020. The cumulative change in giving between 2019 and 2021 is 6.0% in inflation-adjusted dollars. Total contributions to the international affairs subsector recorded the highest inflation-adjusted value in 2020.
- Giving to **environmental and animal organizations** is estimated to have increased 11.0% between 2020 and 2021, to \$16.32 billion. Comprising the ninth-largest share of charitable dollars in 2021, this subsector received 3% of total gifts. Adjusted for inflation, gifts increased 6.1%. Adjusted for inflation, giving increased 9.2% between 2019 and 2020. Cumulatively, gifts increased 15.8% in inflation-adjusted dollars between 2019 and 2021. In the five-year period beginning in 2017, giving to environmental/animal organizations (as well as public-society benefit organizations and human services organizations) saw the highest rates of growth.

## Changes in giving by recipient: 2019-2020, 2020-2021, 2019-2021 cumulative

(inflation-adjusted dollars)



## Giving by Recipient in 2021 \$484.85 billion

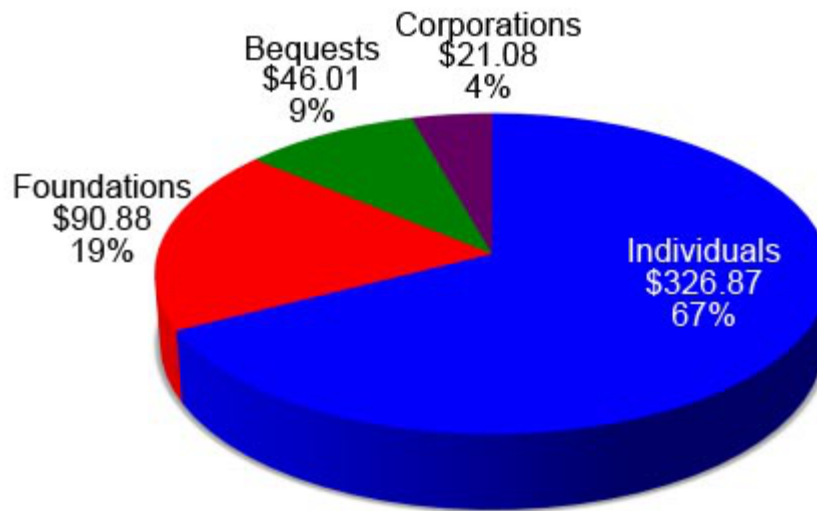


- Giving by **individuals** totaled an estimated \$326.87 billion, rising 4.9% in 2021 (staying flat at 0.2%, adjusted for inflation). The cumulative change in inflation-adjusted giving by individuals between 2019 and 2021 is 4.7%. In 2021, none of the four giving sources reached an all-time high in inflation-adjusted terms, but individuals (also foundations, and bequests) reached the second highest levels of giving on record. Giving by individuals has declined considerably as a percentage of total giving over the last 40 years, from 81% in the first five-year period beginning in 1982 to 69% in the last five-year period beginning in 2017.
- Giving by **foundations** grew 3.4%, to an estimated \$90.88 billion in 2021 (a decline of -1.2%, adjusted for inflation) and amounted to 19% of all gifts made in 2021. Giving increased the most during the five-year period beginning in 1997, at 80.4%. This giving did not decline once between any of the five-

year periods between 1982 and 2021.

- Giving by **bequest** totaled an estimated \$46.01 billion in 2021, declining -7.3% from 2020 (a decline of -11.4%, when adjusted for inflation) and accounted for 9% of all gifts made in 2021. This source sector has captured between 7% and 9% of total giving over the last 40 years, with its highest point in the five-year periods beginning in 1992, 1997, and 2017, and its slowest rate of growth during the five-year period beginning in 2007, growing 4.2%. Estimated bequest giving from estates \$10 million and above (filing estates) amounted to \$23.24 billion.
- Giving by **corporations** is estimated to have increased by 23.8% in 2021, totaling \$21.08 billion (growth of 18.3%, adjusted for inflation) and comprised 4% of total giving. Giving by corporations increased the most during the five-year periods beginning in 1997 and 2012, with 28.3% and 14.8% increases, respectively. The five-year period beginning in 2017 recorded a -6.6% decline. Corporate pre-tax profits are a significant factor in how much corporations give each year, and changes in corporate giving closely follow corporate pre-tax profits and is estimated to be 0.7% of corporate pre-tax profits for 2021.

## Giving by Source in 2021 \$484.85 billion



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