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from the desk of
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Board or Bored: The Consequential Role of Nonprofit Boards

According to USAFacts,* there were 1.97M non-profit organizations operating in the U.S. in 2022. Of those, 1.48M were 501(c)(3) tax-exempt organizations, according to the IRS. Chances are pretty good that most, if not all of those 1.48M organizations have a board responsible for providing governance, strategic direction, and oversight. Board sizes vary dramatically; but for the sake of argument, let's assume the average board size is 15. (Note that, according to BoardSource, in 2007, the median board size, excluding those for churches, was 15). That means that, collectively, there are more than 22M non-profit board members in this country.

Board members are a tremendous source of expertise, financial support, and contacts. They help to ensure that organizations adhere to their missions, and that they remain accountable to their stakeholders, including the communities they service, their donors, and their beneficiaries. Their collective wisdom helps to steer the organization toward achieving its goals, while maintaining financial stability and legal compliance. Volunteer boards (we hope!) contribute to fundraising efforts and resource mobilization and play an active role in cultivating relationships with donors and other supporters, advocating for the organization's cause, and leveraging their networks to secure funding. In the not-for-profit space, funding is the lifeblood that fuels an organization's ability to fulfill its mission.

As is true in many sectors, non-profit boards face numerous challenges today. The complexities associated with governance are increasingly difficult in a highly regulated environment. Thus, they must remain informed about legal obligations, financial reporting standards and best practices in governance to mitigate risk and maintain public trust. They must respond to demands for increased transparency and accountability that result from intense public scrutiny and regulatory requirements. And, boards must ensure they include diversity of skills, perspectives, and demographics crucial to effective decision-making and representation of the community their organization serves.

Boards can and should be champions for their organizations, notwithstanding the increased complexities associated with serving, standing with them in times of crisis. It was much easier to effectively fulfill the responsibilities of being a board member when the work of non-profits,

especially institutions of higher learning, faced less onerous regulation, and when their work was less politicized. Nevertheless, these roles have seldom been more crucial to the overall health, viability, and positive impact of so many not-for-profit organizations.

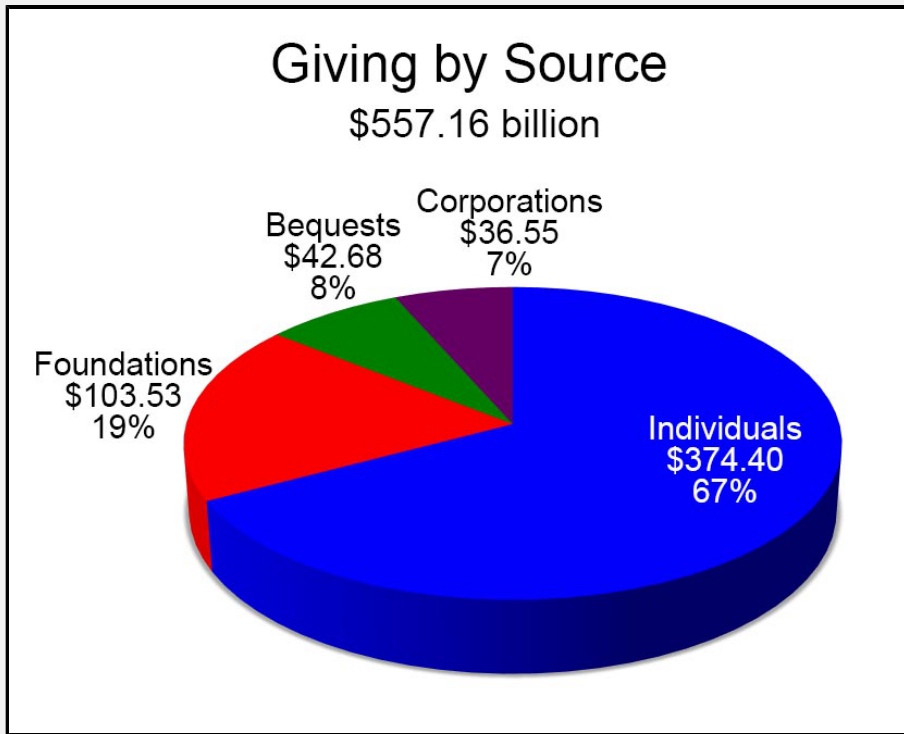
What does all of this have to do with our work in philanthropy? Part of our responsibility is to make sure our board members are well-equipped to do their work on behalf of our organizations. Through effective orientation of new board members, ongoing training regarding good governance practices, and clear and transparent reporting and communication, we can keep our board members inspired and motivated to do their consequential work on behalf of our organizations.

The demand for philanthropic support continues to increase, and those of us in the fundraising profession face those demands daily. However, when done well, the investment of our time, effort, and energy in supporting, cultivating, and engaging our board members will generate real return on investment.

**USAFacts is a not-for-profit, nonpartisan civic initiative that strives to make government data easy for all Americans to access and understand.*

Our Team

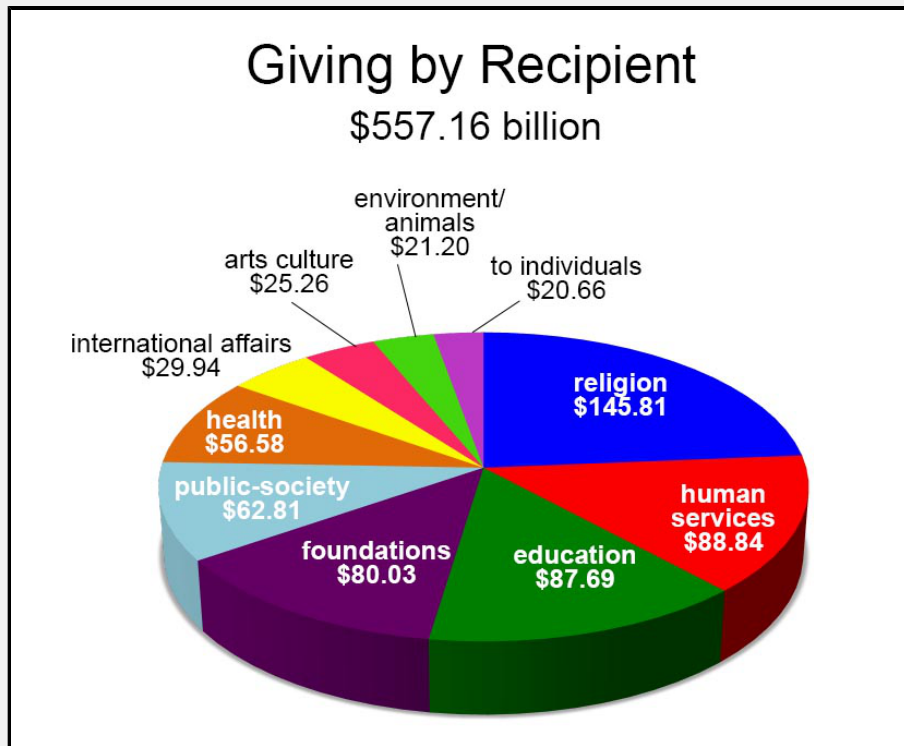
Quick Look at the Results for 2023



- Giving by individuals totaled an estimated \$374.40 billion, growing 1.6% in 2023 but declining 2.4%, adjusted for inflation, between 2022 and 2023. Inflation-adjusted giving by individuals declined by 12.6% between 2021 and 2022. The cumulative change in inflation-adjusted giving by individuals between 2021 and 2023 is -14.7%.
- Giving by foundations grew 1.7% to an estimated \$103.53 billion in 2023 but suffered a decline of 2.3%, adjusted for inflation. Adjusted for inflation, grantmaking by independent, community and operating foundations grew 6.0% between 2021 and 2022. The cumulative change in inflation-adjusted giving by foundations between 2021 and 2023 is 3.6%.
- Giving by bequest totaled an estimated \$42.68 billion in 2023, growing by 4.8% over

2022, however remaining relatively flat at 0.6% growth when adjusted for inflation. Giving by bequests declined by 8.6% in inflation-adjusted dollars between 2021 and 2022. The cumulative change in giving by bequest between 2021 and 2023 is -8.0% in inflation-adjusted dollars.

- Giving by corporations is estimated to have increased by 3.0% in 2023, totaling \$36.55 billion, which is a decline of 1.1%, adjusted for inflation. Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations. Inflation-adjusted giving by corporations grew 3.3% between 2021 and 2022. The cumulative change in inflation-adjusted giving by corporations between 2021 and 2023 is 2.1%.



- Religious organizations received the largest share of charitable dollars in 2023, at 24% of total giving. In current dollars, giving to religion increased by 3.1% between 2022 and 2023. Adjusted for inflation giving declined by 1.0% between 2022 and 2023.
- Human services organizations comprised the second-largest portion of total gifts received, at 14% of the total in 2023. In current dollars, giving to this sector increased by 5.8% between 2022 and 2023. Adjusted for inflation, giving increased by 1.7%.
- The education subsector ranked third in total gifts received, at 14% of charitable dollars in 2023. Between 2022 and 2023, inflation-adjusted giving to education increased by 6.7%, and in current dollars, it increased by 11.1%.
- Gifts to grantmaking foundations comprised the fourth-largest share of charitable dollars in 2023, amounting to 13% of total giving. Between 2022 and 2023, inflation-adjusted giving to foundations grew 10.8%, and in current dollars, it increased 15.4%.
- The public-society benefit subsector ranked fifth in total gifts received at 10% of charitable dollars in 2023. In current dollars giving to this sector increased by 11.6% between 2022 and 2023, and in inflation-adjusted increased by 7.2%.
- Comprising the sixth-largest portion of charitable dollars in 2023, the health subsector received 9% of total giving. Adjusted for inflation, giving to this sector grew by 4.4% between 2022 and 2023 and in current dollars grew by 8.7%.
- The international affairs subsector ranked seventh in total gifts received, amounting to 5% of charitable dollars in 2023. Giving to this sector declined by 1.6% in inflation-adjusted dollars and grew by 2.5% in current dollars.
- Arts, culture, and humanities organizations received the eighth-largest portion of

charitable dollars in 2023, at 4% of total giving. In current dollars, giving to this sector increased 11.0% between 2022 and 2023 and adjusted for inflation, increased by 6.6%.

- Comprising the ninth-largest share of charitable dollars in 2023, the environment/animals subsector received 3% of total gifts. Adjusted for inflation, giving to this sector grew by 3.9% between 2022 and 2023 and in current dollars, increased by 8.2%.

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Jimmy Carter's Memorabilia Raises \$2.8 Million

A recent auction of items from Carter and others raised more than \$2.8 million for **The Carter Center**, an Alumni Client Partner of Alexander Haas.

Carter inspired the package that generated the highest winning bid of the 50 lots offered. Lot 50 included Carter painting memorabilia, including a water pitcher with 16 paint brushes the former president used during the 1980s; a metal bucket with 37 tubes of paint; and a giclée print of a painting Carter did in 2005, among other items. That collection, which had a pre-auction value of \$2,000, pulled in a winning bid of \$1 million.

“We are incredibly grateful for the continued generosity and commitment of our loyal supporters,” Carter Center Chief Executive Officer **Paige Alexander** said. “These contributions will advance The Carter Center’s ongoing work to promote peace and health around the world.”

The auction has concluded, but the catalog – including the winning bids – is available [here](#).

Nonprofit Times, 7-15

[Our Facebook](#)

How's Your Revenue Stream?

Nonprofits face continual financial pressures around revenue streams, with 57% of financial managers saying they need somewhat or much more stable cash flow, and nearly 7 in 10 sharing that they need more revenue streams today than they did two years ago.

That need for additional revenue streams comes at a time when 56% of nonprofit financial managers say their organization have at least six funding sources, and 28% have at least 10. This is according to the 2024 research study from Community Brands Nonprofit Solutions, titled *The State of Nonprofit Fundraising, Technology, and Operations: Impact on Mission Sustainability*.

When it came to revenue streams, the list started with “donations” at 73% and dropping down to 23% of use for “text-to-give.” The remaining revenue streams cited were:

- * Grants 59%
- * Events 54%
- * Corporate Giving 46%
- * Recurring Giving 45%
- * Memberships 36%
- * Peer-to-Peer giving 33%
- * Stock Donations 33%

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We Know Social Service Organizations

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Whether your need is Capital Campaign, Campaign Strategy Study, Annual Fund Campaign, Major Gifts, Leadership Annual Giving, Planned Giving or all of the above, we take a fresh approach to nonprofit fundraising.

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