

# Nonprofits And Charitable Giving In America

*Everything Inquiring Minds Want To Know About The Status Of Nonprofit Organizations In The United States In 16 Quick Questions.*

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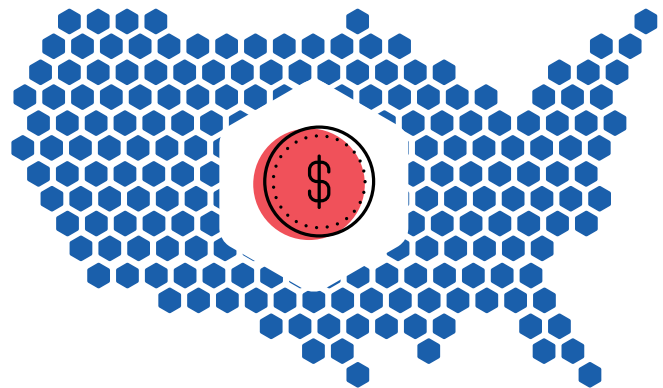
**W**hen it comes to understanding the landscape of giving and nonprofit organizations in the U.S., there's a lot of confusion and misinformation. Here, we'll address your most pressing questions about the height, depth and breadth of the nonprofit sector in this country. Drawing our information from the literature's most respected sources, you'll be amazed at how expansive, pervasive and important nonprofits are to the nation's economy and pursuit of the greater good.

By getting your arms around this information, you'll gain a better understanding of the industry and you'll be able to make important comparisons and draw meaningful conclusions about your organization and where you fit in the entire picture.

## #1...

**Q:** How many nonprofits are there in the United States?

**A:** According to the most recent research, in 2016, there were 1,571,056 tax exempt organizations in the United States. These include: 1,097,689 public charities; 105,030 private foundations and; 368,337 other types of nonprofit organizations including chambers of commerce, fraternal organizations and civic leagues.



## #2...

**Q:** How much does the nonprofit sector collectively generate on an annual basis?

**A:** Right now, the nonprofit sector collectively generates \$1.9 trillion in revenue each year, this means that nonprofit organizations represent roughly 13% of the United States economy.

## #3...

**Q:** How many people work in nonprofit organizations on a national level?

**A:** The nonprofit sector is significant. In fact, the charitable sector in the United States is larger than the construction sector and larger than the finance, insurance and real estate sectors combined. Collectively, it has nearly half as many employees as federal, state and local government. When all is said and done, nearly one in ten jobs in the United States is created by the nonprofit sector.

#### #4 . . .

**Q:** What percentage of Americans contribute to nonprofits each year?

**A:** According to recent polls, more than 80% of Americans contribute to nonprofits each year. Given that there are approximately 330 million people in the United States, this means that some 260+ million contributed some sort of donation to a nonprofit during a calendar year.

#### #5 . . .

**Q:** How much do Americans contribute to nonprofits in a calendar year?

**A:** In 2015, U.S. donors gave \$373+ billion in charitable contributions. Specifically, some \$263+ billion came from individuals; some \$59+ billion came from foundations; roughly some \$33+ billion came from bequests and another \$18+ billion came from corporations. It is important to note that individual giving is by far the largest source of charitable contributions in the U.S., accounting for 71% of the entire total.

#### ⋮ QUICK LOOK

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## #6 . . .

**Q:** During what period of the year does most charitable giving take place?

**A:** More than one-third of all charitable giving happens in the last three months of the year, and this trend has remained consistent for several years now. Interestingly, there continues to be a spike in giving during June that happens because of a focus by some nonprofit organizations on end-of-fiscal year giving.

## #7 . . .

**Q:** To what types of organizations do individuals contribute?

**A:** Religious organizations are the largest recipients of charitable contributions in the United States. In fact, 32% of all contributions are received by religious organizations. This is followed by education (15%); human services (12%); gifts to foundations (11%); health (8%); public/society benefit (7%); arts/culture/humanities (5%); international affairs (4%); environment/animals (3%); individuals (2%) and; unallocated (1%).

## #8 . . .

**Q:** Who gives more—men or women?

**A:** As a rule, women are more likely than men to donate to charitable causes. As women have become better educated, taken on more prominent positions in business and gained more independence in general over time, fundraisers have taken a much more deliberate interest in women and philanthropy. And while women are more

likely to give than men, there are some noticeable differences in how each of the genders makes their contributions. In 2015, women were slightly more likely than men to have responded to radio-a-thons or television appeals and to have sponsored someone in an athletic fundraiser. Men were much more likely to have supported capital campaigns and have given through donor-advised funds.

*“Success is finding satisfaction in giving a little more than you take.”*

—Christopher Reeve

## #9 . . .

**Q:** Is there a relationship between income and generosity?

**A:** Absolutely. In fact, among respondents who gave \$10,000 or more last year, 38% earned over \$200,000.

## #10 . . .

**Q:** Is charitable giving increasing or decreasing on a national level?

**A:** Total U.S. charitable giving increased by 4.1% in 2015. In addition, total estimated charitable giving reached its highest historical levels ever in 2014 and 2015. What’s more, U.S. charitable giving is expected to grow by 4.9% in 2016.

## #11 . . .

**Q:** Is growth in charitable giving related to the size of the nonprofit?

**A:** Great question. Growth-in-giving performance varies significantly according to the size of the nonprofit. In fact, larger organizations perform much better than smaller ones. Specifically, organizations raising \$500,000 or more had a median 10.7% rate of growth while organizations raising \$100,000-\$500,000 had a median 0.6% rate of growth. Organizations in the under \$100,000 groups had a median loss of -11.8%.

## #12 . . .

**Q:** What about volunteering—how many Americans volunteer on an annual basis?

**A:** According to the Bureau of Labor Statistics, about 62.6 million U.S. citizens volunteered through or for an organization at least once between September 2014 and September 2015. This represents about 25% of the U.S. population.

## #13 . . .

**Q:** How much time do Americans give towards volunteering on an annual basis?

**A:** Volunteers spent a median of 52 hours on volunteering activities between September 2014 and September 2015. The estimated value of volunteer time per hour is \$23.56. This means that in 2015 volunteers gave 7.9 billion hours—a value worth approximately \$184 billion to helping others.

## #14 . . .

**Q:** What motivates a person to volunteer their time?

**A:** According to the 2016 Burk Donor Survey, “to give back” is the strongest motivation for volunteering by far among all survey respondents. Additional reasons include: admiration for a nonprofit; because a nonprofit asked me; already a donor and wanted to volunteer my time as well; wanted to give back to an organization that helped me and; wanted to expand my personal network.

## #15 . . .

**Q:** What does the long-term future of charitable giving look like on a national level?

**A:** Total charitable giving is estimated to be \$26.97 trillion for the 55-year period from 2007 to 2061. On a national level, it is estimated that lifetime giving between now and 2061 is anticipated to be \$20.67 trillion. When added to the \$6.3 trillion in estate transfers, the total potential for wealth transfer to charity is \$26.9 trillion by 2061.

## #16 . . .

**Q:** From what sources will this long-term giving come from?

*Remember that the happiest people are not those getting more, but those giving more.*

—H. Jackson Brown Jr.

**A:** From 2007 to 2061, an estimated 93.6 million American estates with an estimated value of \$59 trillion will be transferred—divided among heirs, charities, estate taxes and estate closing costs. Heirs will receive \$36 trillion. Federal estate taxes will claim \$5.6 trillion. The sum directed toward charity is estimated at \$6.3 trillion. Without question, this wealth transfer is “top heavy” as 20% of affluent families will account for approximately 88% of the wealth transfer.

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## Parting Thoughts

These 16 questions are some of the most commonly asked questions that we encounter. Again, by better understanding the answers to these questions, you will have greater command over what the landscape concerning nonprofits and charitable giving looks like in the U.S. If you have additional questions that you'd like to have answered, simply send us an email and we'll include it when we revise this information next year. ●

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**The Impact Institute** equips exceptional leaders to make an extraordinary impact. The Institute provides an annual pathway of tools and trainings that unleash the limitless potential of people to create greater impact for their nonprofit missions. It was founded and is a proud partner with the Dakota Medical Foundation and Alex Stern Family Foundation.

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