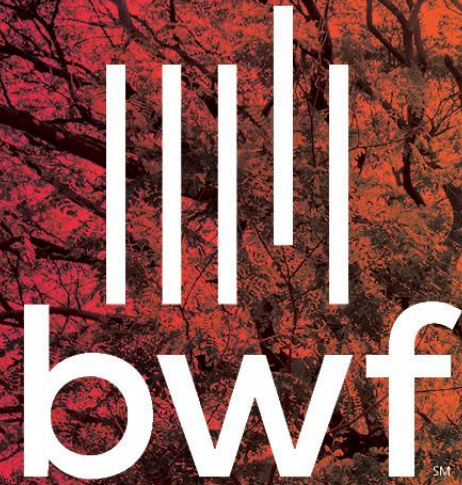




**PUBLIC
COMPREHENSIVE
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2021**

Trends in Philanthropy: A Year in Review and Look Ahead

Josh Birkholz
Chief Executive Officer
BWF

Predictions going into 2020

1. Election-fueled distraction
2. Market uncertainty
3. Privacy law disruption
4. Growth in outsourcing
5. Secure act implications
6. Rethinking donor experience
7. Video fundraising more accessible
8. Baby boomer retirements

We had a few other disruptions, so what happened to giving?

1. Sectors of market growth fueled HNW giving and continue into 2021
2. Record Giving Days and Giving Tuesday initiatives
3. Crisis response bump for the base
4. Foundations increases

In a pandemic, billionaires are richer than ever. Why aren't they giving more?

Chuck Collins

#GivingTuesday Blasts Past \$2 Billion

Mark Hrywna | News | December 3, 2020

More than \$2.47 billion was raised on #GivingTuesday, a 25% increase from the [\\$1.97 billion both online and offline in 2019](#), according to preliminary estimates from the [GivingTuesday Data Commons](#).

In Wake Of Pandemic, Five Foundations Pledge \$1.7 Billion Increase In Charitable Giving

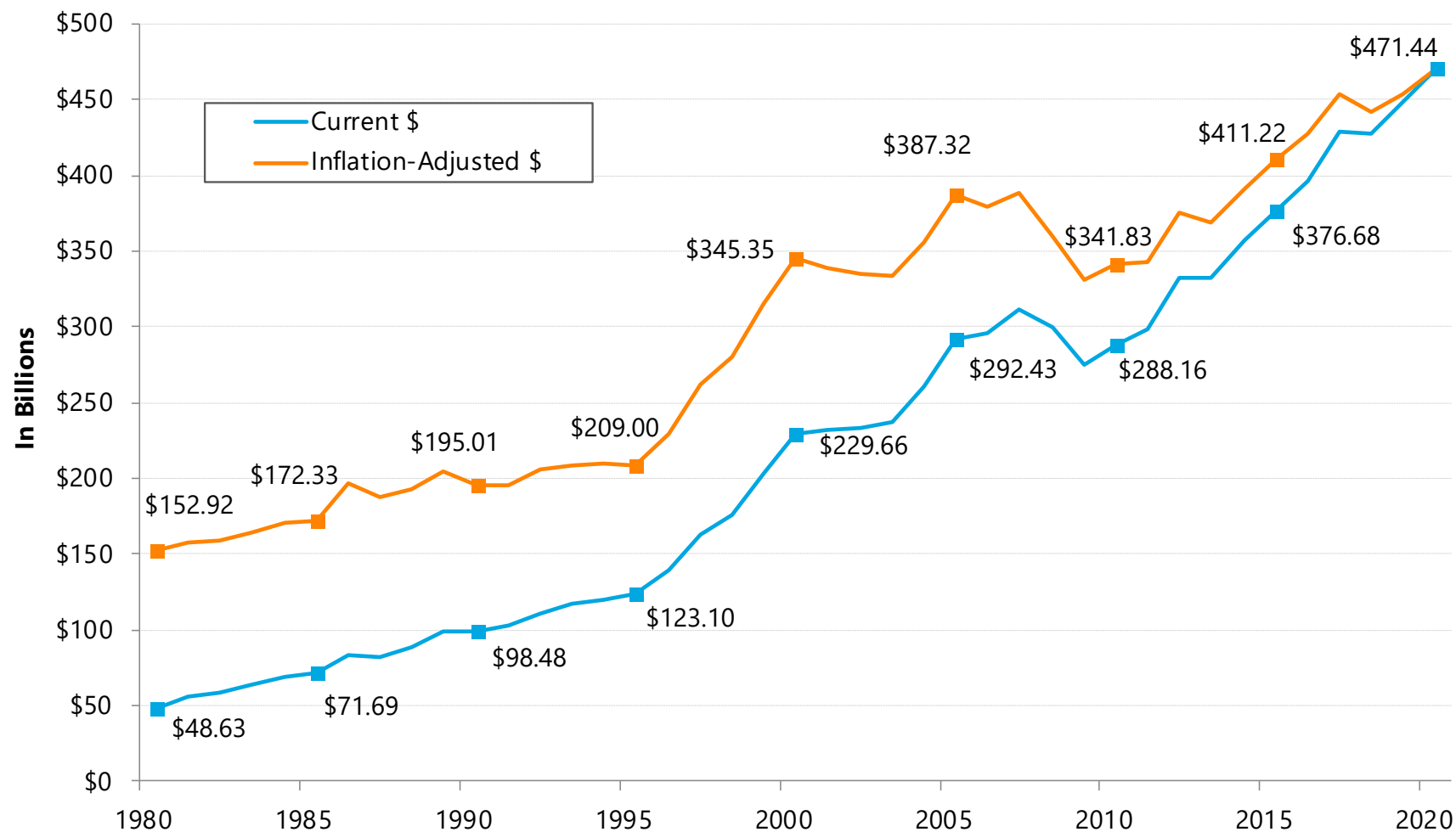


Michael T. Nietzel Senior Contributor ⓘ ⊕

Education

I am a former university president who writes about higher education.

Overall giving increased by 5.1 percent in 2020



But it was uneven

Where Have All The Arts Grants Gone?



Timothy J. McClimon Contributor ⓘ ⊕

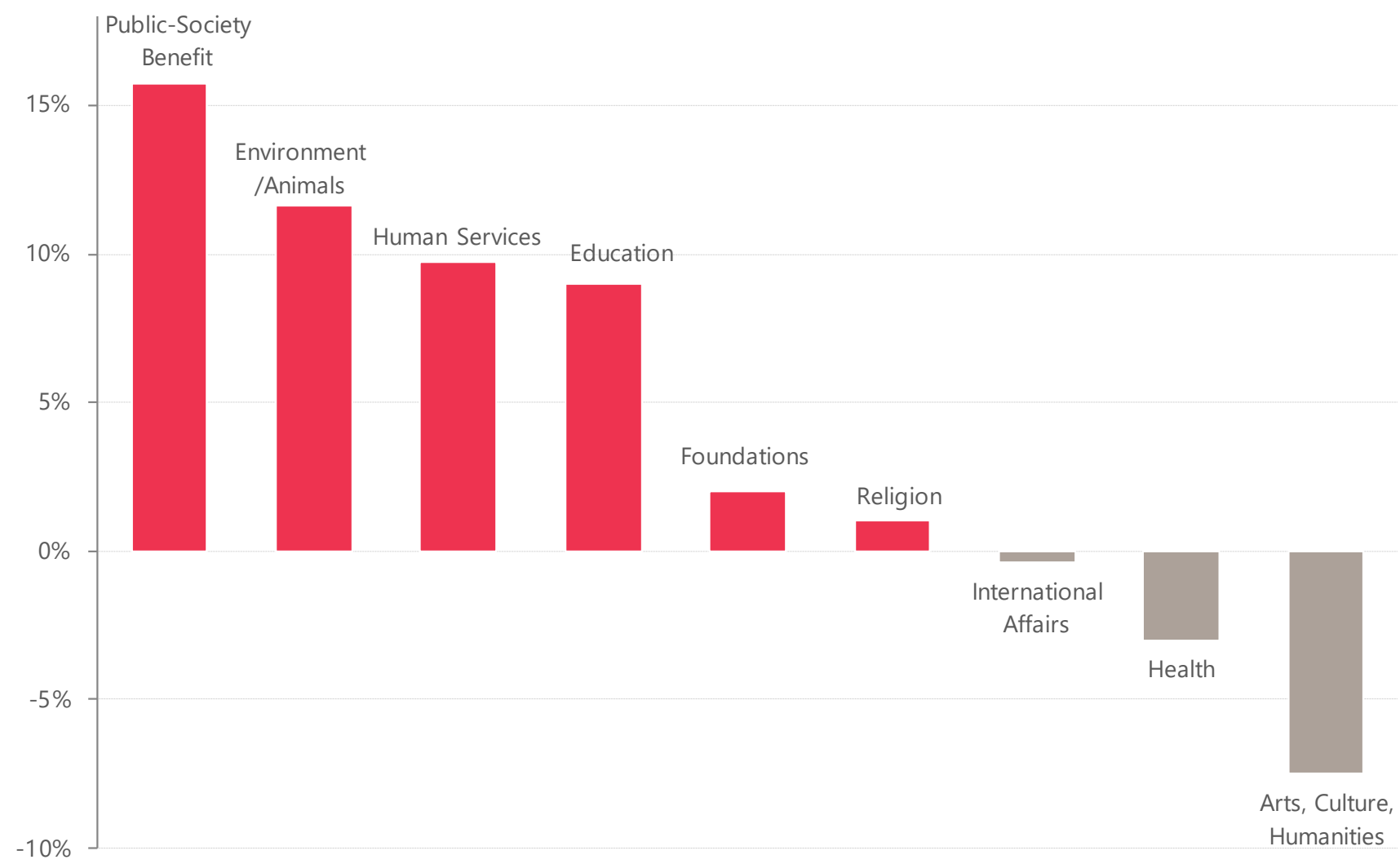
Leadership Strategy

I write about the intersection of grassroots movements & philanthropy.



- Arts and culture showing steepest declines
- Health giving declined overall, but health research saw increases
- Public society benefit had the biggest jumps
- Education grew, driven by student needs
- Capital needs difficult in most sectors except healthcare

2020 by sector



Source: Giving USA 2021

Business model shifts. Forever shifted?

1. Main disruptions—office, donor events, prospect visits
2. Move to enterprise digital
3. Zoom
4. Investments in video production



*Check out the
Returning to a
Sense of Place
Podcast Miniseries*



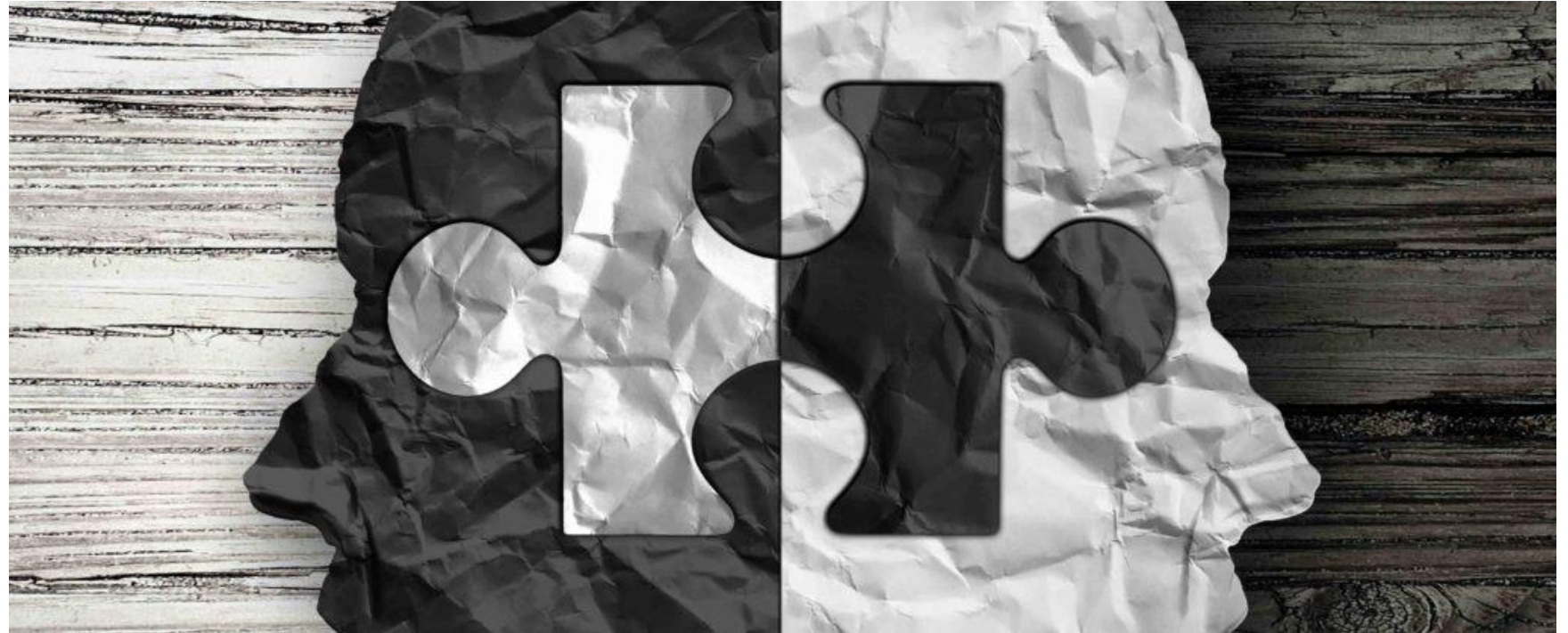
Campaigns



- Initially, lengthened timelines, campaign stage related disruption, reimagining launches and cultivation events
- Roaring back with full steam ahead in 2021
- Concurrently, high volume of database/ CRM conversion efforts

Racial reckoning sparked needed changes. Ongoing to be sure.

- DEI in the workplace
- Wide racial gap in fundraising leadership
- Racial distribution in donor community
- Formal vs. informal philanthropy bias
- Bias in gift designation
- How philanthropy can help solve the problem



Informal philanthropy



How We Give Now: **Conversations Across the United States**

—
Research Conducted for The Generosity Commission

Lucy Bernholz, Ph.D.
Brigitte Pawliw-Fry

2020

Is there bias in the philanthropy narrative?

- GoFundMe
- Supporting local restaurants
- Giving to friends and family
- Taking people into your home
- Differences among population segments

Economy—market growth, production declines

Record Highs Set in 2020

The Dow ended the year at a record high of 30,606.48. On Nov. 24, 30,000 and closed at 30,046.24. Its record before that was achieved in 2000, when it finished the day at 29,950.44. It also started 2020 on the Dow set a record high of 28,868.80 on Jan. 2, 2020. It set another record later. It then set a milestone on January 15 when it rose above 29,000.

Dow Jones Industrial Average 2020

The Dow Jones Industrial Average set a new closing record on Nov. 24, 2020, when it broke 30,000 and closed at 30,046.24. Its previous record close was on Nov. 16, 2020.



Why are we in a recession if the stock market is recovering?

Published Thu, Jun 11 2020 • 11:58 AM EDT • Updated Thu, Jun 11 2020 • 5:16 PM EDT



Megan Leonhardt
@MEGAN_LEONHARDT

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The CARES Act Sent You a \$1,200 Check but Gave Millionaires and Billionaires Far More

The stimulus checks were meant to get average Americans through the lockdown, but those \$1,200 payouts were small change compared with the billions in tax breaks the CARES Act handed out to the country's wealthiest.

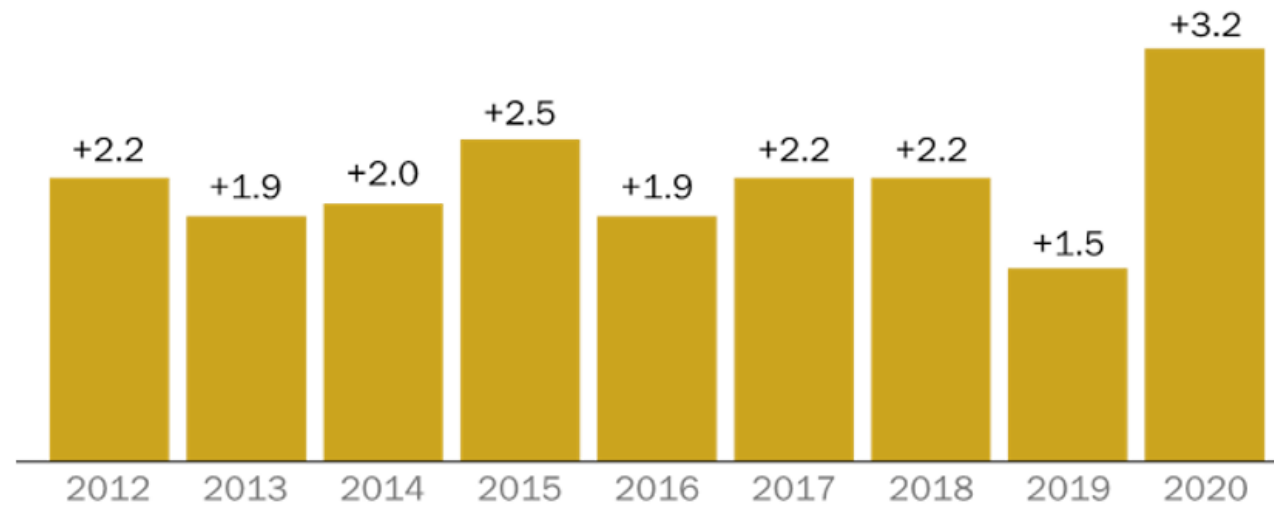
Challenging the notions of restrictions and the power balance in philanthropy

**trust-based
philanthropy
project**

**Mackenzie (Bezos) Scott
Announces She's Donated \$4.1
Billion To 384 Groups In
Recent Months**

The number of retired Baby Boomers rose more from 2019 to 2020 than in prior years

Annual increase in the retired U.S. Baby Boomer population (in millions)



Note: “Retired” refers to those not in the labor force due to retirement. Baby Boomers are those born between 1946 and 1964. Each year’s retired Boomer population is based on the average of the July, August and September estimate.

Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS)

Is the fundraising talent gap closing?

- Leadership transition
- Sector redistribution
- Outsourcing requests increased in 2020

Donor advised funds

- DAFs becoming more common
- Criticism continues
- Half My DAF movement



Fidelity Charitable Ends DAF Account Minimums



By **Bernice Napach** | September 30, 2020 at 03:11 PM

The change makes donor-advised fund accounts more accessible to the average household.

2021 Realities and the View Ahead



A new reality

Unlikely to be “back to normal” in 2021.
Unlikely to ever be like it was.
But people miss people.

Find the benefits:

- Extending the reach of fundraisers
- Rethinking costly office space
- Stimulus for new tools and innovation

The office will fight to win you back

After a year of working from home, power dynamics have shifted. Companies will need to give employees a reason to return to the office. On offer? Spaces designed for what we’ve been missing all along: Human connection, and maybe a bit of rest and relaxation, too.



Donor distributions will continue to shift



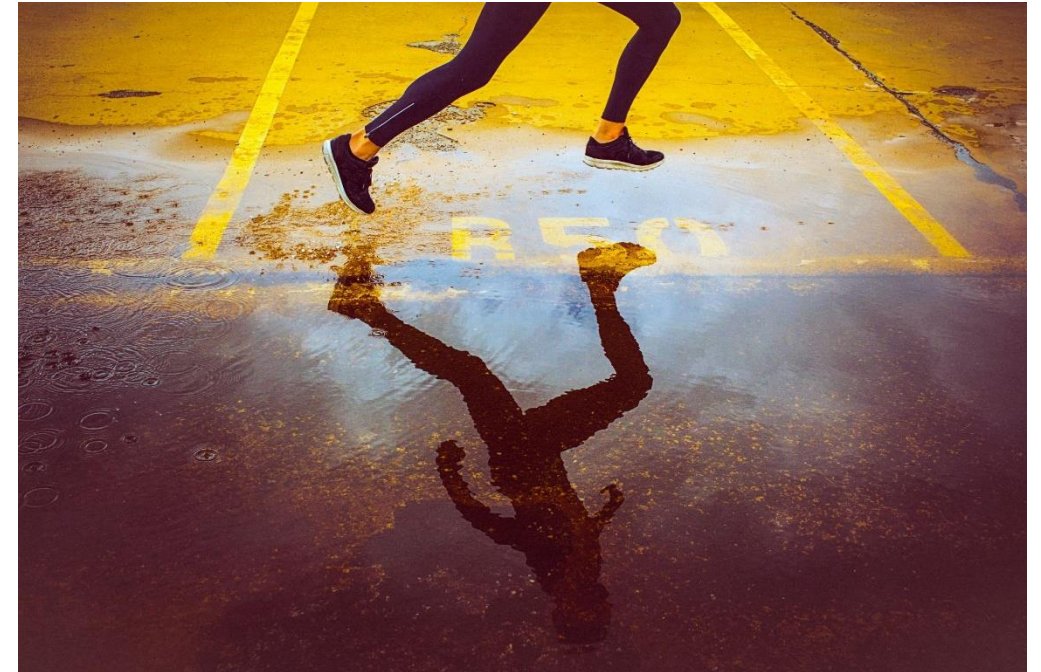
- The rich keep getting richer
- Lower income brackets crunched by job market instability
- Foundation distribution tied to the market
- Corporate giving will be very sector-based
- Multi-year pledging uncertainty may persist
- Planned giving and illiquid assets may see big climbs, especially if the market trends continue
- Organizations will be diversifying their prospecting and pipeline to be more inclusive of underrepresented populations

Pivots

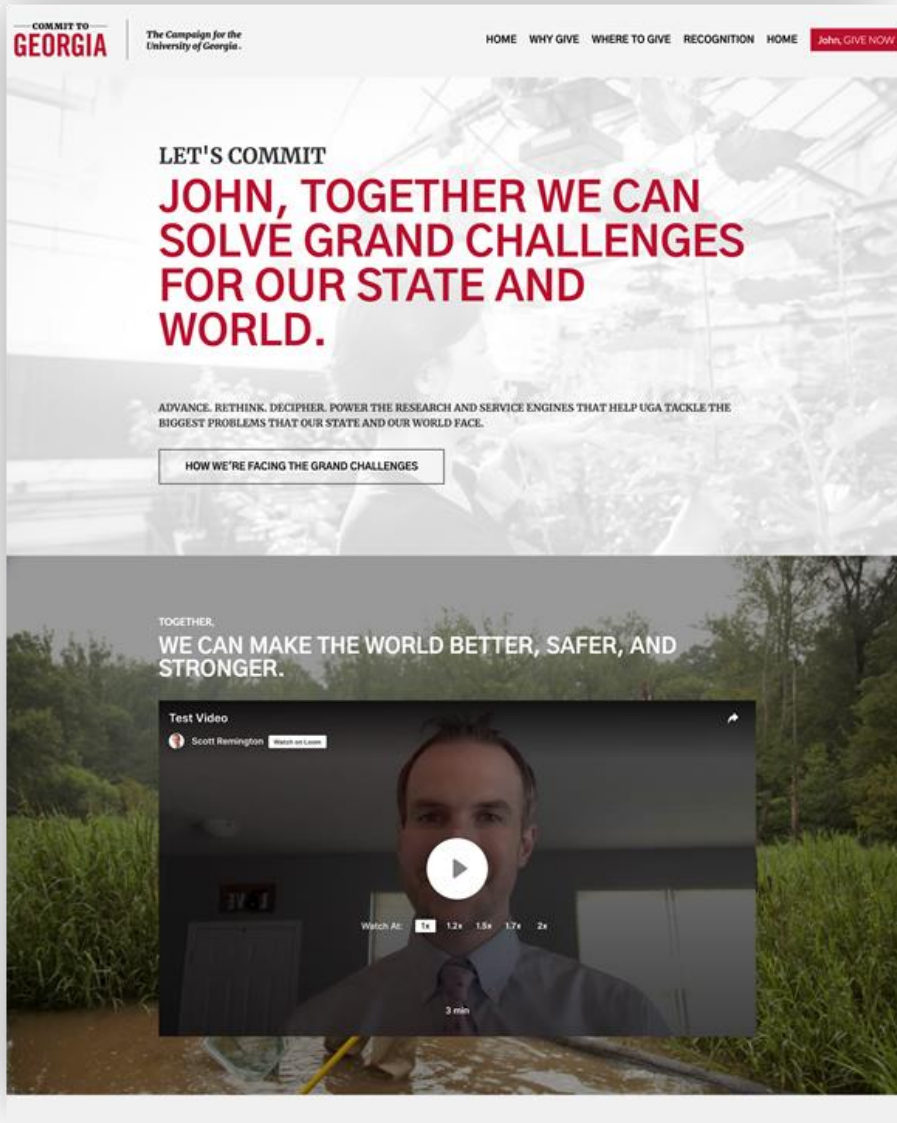
- Increased emphasis on the top of the pyramid
- Return to revenue diversity
- Pivoting prospect development and portfolio composition to incorporate sector analysis, complex assets, and DEI

Campaigns in rapid expansion mode

- During the great recession, many organizations waited to start campaigns
- In the year following, there was a bump in campaign launches
- Professional Services sector suggests the 2020–2021 bump is considerably larger
- The campaign market may seem crowded to us, but donors rarely notice this as much (or care!)



Base development will continue to evolve



- From digital tools to enterprise digital
- Continued retraction in phone; rapid growth in student digital programs covering the declines and then some
- Growth in mid-level, both multichannel direct and relational fundraising
- Using authentic/real language

The giving narrative will broaden

We will see an expanded set of activities more fully recognized as “philanthropy” in the cultural narrative.

- Informal giving—Family, local businesses
- Person-to-person—Crowdfunding, direct
- Non-deductible giving—Other things to emerge
- Perhaps even organizational sponsorship and corporate ventures



PEOPLE USING
BUSINESS
..... AS A
FORCE FOR GOOD

Talent pool will turn



- The rate of baby-boomer retirement will likely continue in our organizations
- Retirements may provide a healthy volunteer/board member pool
- Organizations outsourcing during COVID-19 disruption, likely to continue to do so; available positions will favor harder to outsource roles
- As nonprofits build their fundraising programs, we will likely see talent pool further strained—moving toward increased transiency and wage inflation
- Significant strides in our organizational DEI strategies and policies will hopefully gain traction in implementation

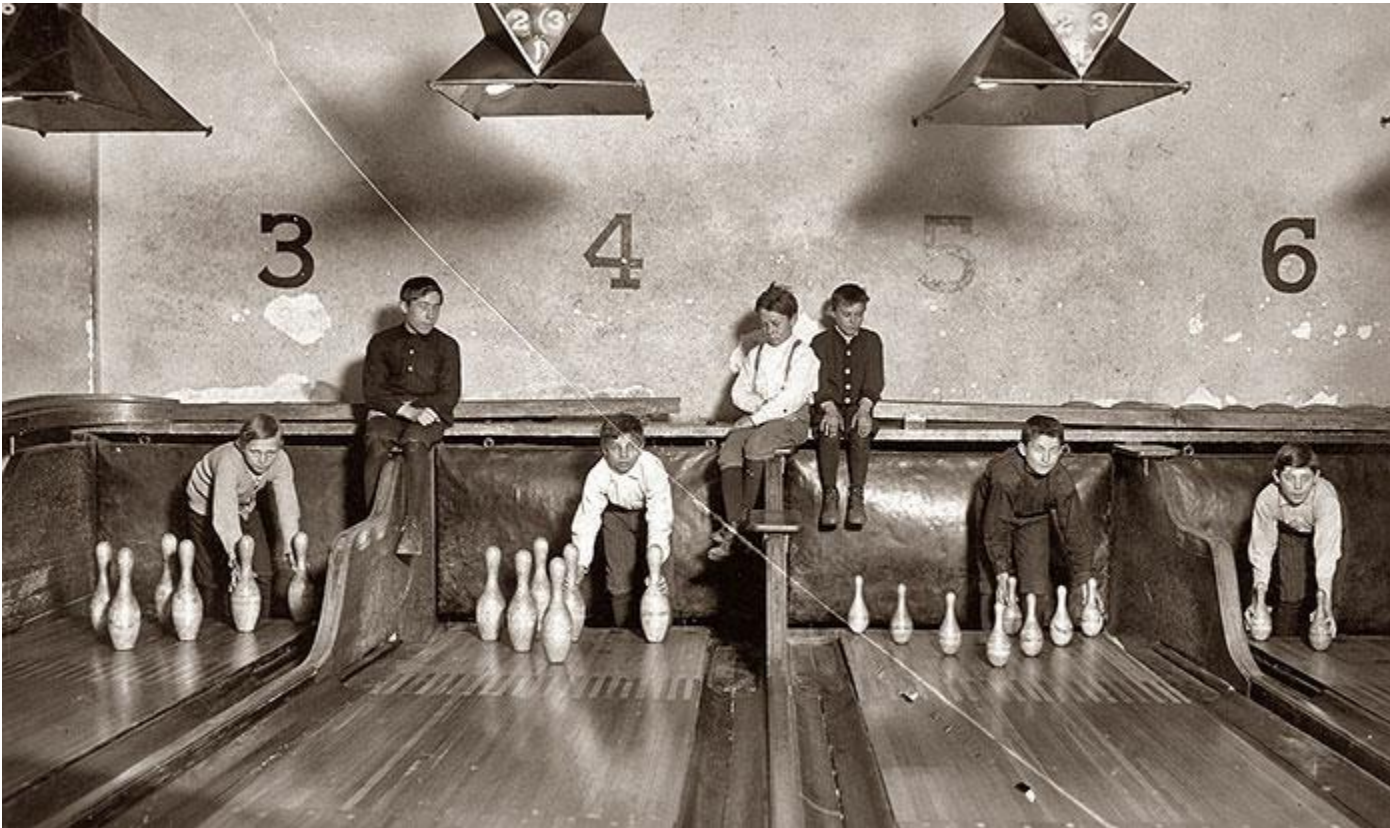


Big shifts in technology

- Rise of Salesforce and Microsoft Dynamics
- New digital fundraising tools
- Integrating marketing automation
- Dynamic reporting
- Automated processes/intelligence



Jobs will change. New roles will emerge.

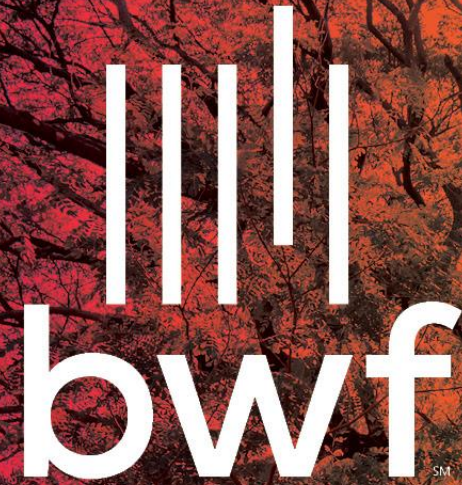


- Digital development officers
- Change management leaders
- DEI related executives
- Chief strategy/data officers
- Project management/continuous process improvement roles
- Video coordinators
- Digital advertising directors
- Donor experience managers

Let's Chat



**What are your questions
or predictions?**



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Josh Birkholz

Thank You!!!



JSB/cry



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