

NEWS

Donors Are Down, but Dollars Are Up — How U.S. Charitable Giving Is Changing

A long-term decline in Americans' participation in charitable giving accelerated during the Covid-19 pandemic.



By Una Osili and Xiao “Jimmy” Han

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Although the \$557 billion Americans gave to charity in 2023 marked a 2.1 percent decline in inflation-adjusted terms, U.S. donations have increased significantly over the past two decades. Giving has grown by about 42 percent since 2003, according to the annual Giving USA report — which our team at the Indiana University Lilly Family School of Philanthropy researches and writes in partnership with the Giving USA Foundation.

While overall charitable funds have expanded, according to the most recent data available, the share of Americans who give to charitable causes has fallen. It plummeted from 66.2 percent of all U.S. adults in 2000 to 45.8 percent in 2020, our team determined.

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Decline Continued When the Covid-19 Pandemic Began

Our latest study regarding the donors' side of the American giving equation included data from 2020 — the first year of the Covid-19 pandemic.

We found that a long-term decline in Americans' participation in charitable giving accelerated during the first year of the pandemic. The share of Americans who gave to charity fell from 49.6 percent in 2018, the prior year for which data is available, to 45.8 percent in 2020 — a nearly 4-percentage-point decline in two years. This data is only available for every other year.

Those findings may appear to contradict many anecdotal reports about charitable activity and other acts of generosity being on the rise at that time.

The share of Americans who give to charity had fallen by 3.5 percentage points in the prior two-year period — a sign that the pandemic may have sped up the decline in the giving participation rate.

Giving Is Growing More Concentrated

How can the total amount contributed rise while the share of donors declines?

The answer is simple: The donors who still give to charity are giving more than they used to, even after adjusting for inflation.

The total amount the typical U.S. donor gave in a year rose from \$3,131 in 2018 to \$3,651 in 2020. That's a 16.6 percent increase in just two years.

We also found that American donors with higher incomes, more education, and more

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What's Around the Corner

Changes enacted during the first Trump administration have been reverberating in recent years, and the second Trump administration's policies are also likely to influence giving trends.

Most of the taxpayers who had previously been able to take advantage of the charitable deduction, which reduces taxable income in accordance to the value of a taxpayer's donations, stopped itemizing and instead took advantage of the standard deduction after President Trump signed the Tax Cuts and Jobs Act into law in late 2017.

That's because the 2017 tax reforms increased the standard deduction. As a result, many people stopped itemizing their tax returns and started using the standard deduction instead.

About 30 percent of taxpayers itemized in 2017, which meant they could benefit from the charitable deduction. But since 2018, only about 10 percent of them have been itemizing. A recent study one of us worked on determined that the tax changes reduced charitable giving by \$20 billion in 2018 alone.

The White House could attempt to address the sustained decline in the share of Americans making charitable donations by considering policies that have the potential to encourage more people to give to charity.

The shrinking ranks of American donors matters because philanthropy plays a prominent role in fulfilling Americans' spiritual, intellectual, and material needs, and aspirations for people of all backgrounds.

Editor's note: This article is part of a partnership the Chronicle has forged with the Conversation and the Associated Press to expand coverage of philanthropy and nonprofits. The three organizations receive support for this work from the Lilly

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