Dollars and Change

A Look at Individual and Institutional Giving Across the United States From 2015 to 2022

Network for Good.

GIVING TUESDAY

Candid.

Candid

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About Candid

Candid is a 501(c)(3) nonprofit organization that provides the most comprehensive data and insights about the social sector. Every year, millions of nonprofits spend trillions of dollars around the world. Candid finds out where that money comes from, where it goes, and why it matters. Candid was formed in 2019 when GuideStar and Foundation Center merged. Candid combined GuideStar's tools on nonprofits and Foundation Center's tools on foundations with new resources to offer more comprehensive, real-time information about the social sector. Find out more at candid.org and on LinkedIn and Instagram.

About GivingTuesday

GivingTuesday is a movement that unleashes the power of radical generosity around the world. What started as a simple idea of a day that encourages people to do good has grown into a global movement that inspires hundreds of millions of people to give, collaborate, and celebrate generosity year-round. The movement is brought to life through a distributed network of entrepreneurial leaders who lead national movements in more than 100 countries across the globe. An integral part of the global generosity movement is the GivingTuesday Data Commons, a global network that enables data collaboration across the social sector. With more than 170 data partners and 1,800 collaborators, The Data Commons convenes specialist working groups, conducts collaborative research into giving-related behaviors, reveals trends in generosity and donations, and shares findings among its global community. To learn more about GivingTuesday, please visit givingtuesday.org.

About Network for Good

Network for Good (NFG) is a 501(c)(3) donor advised fund sponsor that operates a technology-enabled donor advised fund that allows donors to recommend funds be granted to eligible charities of their choice. NFG receives donations through partners and giving campaign platforms.

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Executive summary

This report combines data from GivingTuesday, Candid, and Network for Good to create a comprehensive view of capital flows in the nonprofit sector. Specifically, this project aims to explore two primary questions:

1. **Can cross-organizational data sets be combined strategically?** Does combining data sets increase visibility into giving patterns within the nonprofit sector? In what ways can/can't these data sets be combined? What does combining these data sets reveal about recommendations for future research?

2. **By combining cross-organizational data sets, what can we learn about how capital flows in the nonprofit sector?** How does the flow of capital vary between individual and institutional donors? What other insights can we glean about the current deployment of funds? What opportunities do these data-driven insights enable to influence funding decisions?

To answer these questions, the team used an exploratory research approach, beginning with broad inquiries and letting the data guide our analysis. In this report, answers to questions about how capital flows in the sector (question 2) are grouped into three high-level topics, along with our key findings:

Giving by cause area and size—key findings

- Giving by both individual and institutional donors has increased over time.
- Individual and institutional donors have different giving priorities.
- Education's share of giving activity is slipping, particularly among institutional grantmakers.
- A large proportion of charitable giving comes from a small group of big donors/grantmakers.
- Donor/grantmaker size impacts giving trends by cause area.
- Small nonprofits receive a small share of individual and institutional funding.

Giving by recipient location—key findings

- Charitable giving is concentrated in a handful of states.
- Differences among states become less drastic when adjusted for population size.
- Institutional grantmakers vary in granting money within and outside the state.
- Large one-time gifts impact individual giving trends.
- States with higher household income tend to receive more charitable giving.
- States with more poverty tend to receive less charitable giving.
- States with higher levels of unemployment are starting to receive more charitable giving.

Giving and the economy—key findings

- Economic conditions are related to giving for both individual and institutional donors.
- Microeconomic factors are a stronger, more immediate predictor of overall giving.
- Inflation is related to institutional grantmaking, but not individual giving.
- Institutional grantmakers are influenced by the economics of the previous year.
- The giving patterns of larger donors—both individual and institutional—tend to more closely align with economic trends.
- Year-over-year fluctuations in giving and in the economy seem less tightly linked, especially for institutional grantmakers.

Lessons learned and future opportunities

Additionally, our discoveries related to combining these data sets (question 1) are summarized in the *Lessons learned* section of this report. These lessons include:

- The technical aspects of sharing large data sets
- The limitations of using archival data sets for research
- The challenges of working across data sets with different unique strengths
- The need to align methodological best practices with data specifics

We close the report by sharing our ideas for future research and collaboration.

How to use this report

Each section of this report includes a brief introduction, notes about research methods and data sets, key findings, and implications for various audiences (i.e., individual donors, grantmakers, nonprofits, and researchers). This report can be read cover to cover; however, different audiences may want to engage with this information in slightly different ways. For example:

- **Individual donors, institutional grantmakers, and nonprofit fundraisers** seeking immediate insights may find the *Key findings* and *Implications* sections of the report most relevant. These sections summarize the primary results of our analysis and offer suggestions for how to take action based on this research.

- **Researchers and analysts** may find value in focusing on topics aligned with their research interests, as well as the *Methods* sections, which detail our analytical approach, and the *Implications for researchers* paragraphs, which offer insights into potential future research directions. Additionally, the *Lessons learned* section provides critical reflections on our research process. For comprehensive information on data sources and methodological approaches, researchers are encouraged to review the *Appendices*.

Introduction

There are around 1.9 million nonprofits in the United States—all working to provide public services, improve community well-being, and address societal challenges. However, the distribution and utilization of charitable resources, including individual donations and institutional grants, heavily influence the effectiveness of these nonprofits given their reliance on this source of funding.

To understand where capital flows and which organizations and causes need it most, the nonprofit sector needs data-driven models of resource distribution. Such models require a broad, systems-level understanding of current funding flows to address key knowledge gaps around the deployment of funds. This is easier said than done.

Data on giving practices is largely tailored to a specific use case or analytic approach, with some organizations collecting data about institutional grantmaking and others focused on individual donations. Analyses are often fragmented—focused on a single cause, topic, or location—rather than examining holistic funding flows through the sector, thereby limiting a wider applicability.

This report aims to bridge these gaps by providing: 1) a summary of our attempts to reconcile multiple data sets to conduct high-level research on the flow of funds in the nonprofit sector; and 2) an overview of U.S. nonprofit sector[1] funding—including a longitudinal comparative analysis between individual donation and institutional grantmaking trends. In particular, we focus on better understanding:

- Similarities and differences between individual donors and institutional grantmakers across various causes over an eight-year period (2015–2022)
- How funding flows to and from different geographies within the United States
- The relationship between the economy and various types of charitable giving

Objectives of this project and collaboration

This effort is a collaborative initiative by Network for Good, GivingTuesday, and Candid, three leading organizations in nonprofit data and infrastructure. By combining our data sets, we have enabled a comprehensive view of capital flows in the nonprofit sector that offers unique insights about sector trends and giving behavior.

The main objectives of this project are to answer the questions:

1. **Can cross-organizational data sets be combined strategically?** Does combining data sets increase visibility into giving patterns within the nonprofit sector? In what ways can/ can't these data sets be combined? What does combining these data sets reveal about recommendations for future research?

2. **By combining cross-organizational data sets, what can we learn about how capital flows in the nonprofit sector?** How does the flow of capital vary between individual and institutional donors? What other insights can we glean about the current deployment of funds? What opportunities do these data-driven insights enable to influence funding decisions?

It is our hope that our transparency around our methods, analyses, and limitations will pave the way for future collaborations, help identify data gaps, and spur sustained investigation into critical research questions.

Overview of the data sets

One of the major strengths and contributions of this report is the integration of multiple large, sector-wide data sets. Because the data is such an important part of this story, we provide here a brief overview of the data sets used. Additional detailed information about the various data sets is available in Appendix A.

Candid data. Candid is a nonprofit dedicated to collecting, analyzing, and disseminating data about nonprofit organizations and institutional grantmaking. Each year, Candid processes information about millions of transactions representing hundreds of billions of dollars in funding to nonprofits. In this report, Candid contributed two data sets for the analysis of institutional grantmaking: the transactions data set (used in Sections 1 and 2 of this report) and the total grants paid data set (used in Section 3).

GivingTuesday Fundraising Effectiveness Project (FEP) data. GivingTuesday is a nonprofit focused on uplifting the global ritualization of generosity, including using data to power a more generous world. The GivingTuesday data contributed to this report comes from the Fundraising Effectiveness Project (FEP) database, a shared initiative between GivingTuesday and the Association of Fundraising Professionals (AFP) designed to analyze and comprehend individual donation trends in the nonprofit sector. The FEP data set is used in all three sections of the report.

Network for Good data. Network for Good (NFG) is a 501(c)(3) donor advised fund sponsor that operates a technology-enabled donor advised fund that allows donors to recommend funds be granted to eligible charities of their choice. NFG receives donations through partner and giving campaign platforms. The data provided illustrates trends in donation success, donor trends by geographic data, and donation recipient details while protecting the privacy of the donor and partners. This data set includes information about more than 55 million donations to over 500,000 nonprofits, accounting for $92-$695 million in annual giving. This data is used in Section 2 of the report.

Additional economic data. Furthermore, some of the economic analyses conducted in Sections 2 and 3 relied on the Federal Reserve Bank of St. Louis' Federal Reserve Economic Data (FRED), retrieved via the FRED application programming interface (API). Additionally, poverty data used in Section 2 was retrieved from the United States Census Bureau via the American Community Survey (ACS) API.

Research approach and questions

We adopted an exploratory research approach to better understand the complex issues surrounding charitable giving patterns across donor types. This method allows for a flexible and iterative process of discovery, which is particularly valuable when working with extensive and multifaceted data. Rather than testing predetermined hypotheses, we began with broad inquiries and let the data guide our analysis. This approach enabled us to uncover unexpected patterns and relationships that might have been overlooked in a more rigid framework.

We started with a list of 16 exploratory research questions. We then employed various statistical techniques to examine correlations, trends, and anomalies across different timeframes and donor categories. As insights emerged and limitations were uncovered, we refined some questions and abandoned others. This exploratory process allowed us to delve deeper where we found interesting results and suggested promising avenues for future, more targeted research. The full list of exploratory research questions, as well as the extent to which we were able to address them, is available in Appendix C.

Following our exploratory analyses, we identified three high-level topics that we believed our research could contribute to:

- Giving by cause area and size
- Giving by recipient location
- Giving and the economy

The following three sections of the report highlight what we learned about each of these topics.

1

Giving by cause area and size

The word "nonprofit" often conjures mental images of soup kitchens, homeless shelters, or advocacy groups. But the nonprofit sector is made up of a much wider variety of organizations. For example, many colleges and universities, health and hospital systems, and art and history museums are also nonprofit organizations. At the broadest level, the nonprofit sector is commonly categorized in eight subsectors or cause areas: 1) arts, culture, and humanities; 2) education; 3) environment and animals; 4) health; 5) human services; 6) international, foreign affairs; 7) public benefit;[2] and 8) religion-related organizations.

Giving USA's annual report identifies that charitable giving tends to be highest among organizations related to religion, human services, and education (Giving USA, 2024). What this analysis does not tell us is what proportion of this funding comes from different donor types (e.g., individuals vs. foundations). In this section of the report, we aim to address this knowledge gap and explore individual and institutional giving across cause areas. Do individual and institutional donors give to the same causes, or do they have different priorities? Does giving by large donors (whether individual or institutional) differ from that of small donors? To what extent does charitable giving reach grassroots, community-based organizations?

Methods and analytic procedure

Individual donor trends were based on the FEP data set, and institutional grantmaking trends used Candid's transactions data set. Both FEP and Candid data were limited to transactions made to U.S.-based organizations. Candid's transactions data set was also limited to grants awarded by U.S.-based grantmakers. For more information about the data, see Appendix A.

Analysis by cause area was based on recipient organizations' National Taxonomy of Exempt Entity (NTEE) code. Analytic methods included distribution of total donation/grant dollars, average donation/grant size, and year-over-year change in donation/grant dollars per cause area. Donor/grantmaker size categories were created from total donations/grant dollars awarded each year. Recipient organization size was based on total donations/grant dollars received each year. All analyses are unadjusted for inflation. For more information about methods, see Appendix B.

Key findings

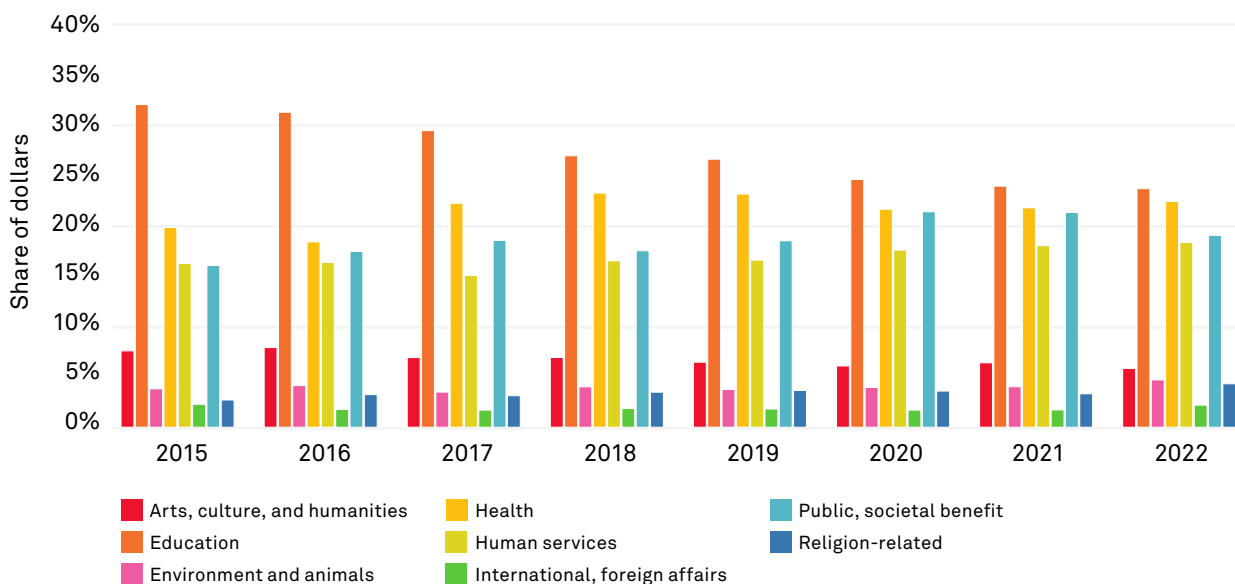## Giving by individual and institutional donors has increased.

Between 2015 and 2022, giving increased in terms of both total dollars awarded and average donation/grant size. Total value of donations by individuals rose 58% (unadjusted for inflation), with average donation size increasing from $442 in 2015 to $611 in 2022; median donation size remained stable at $50. Among institutional grantmakers, total grant dollars awarded increased by 74% over the eight-year period. Average grant size increased from roughly $53,000 in 2015 to nearly $98,000 in 2022, while median grant size increased from $4,200 in 2015 to $10,000 in 2022.

Figure 1—Share of individual giving by cause area and year
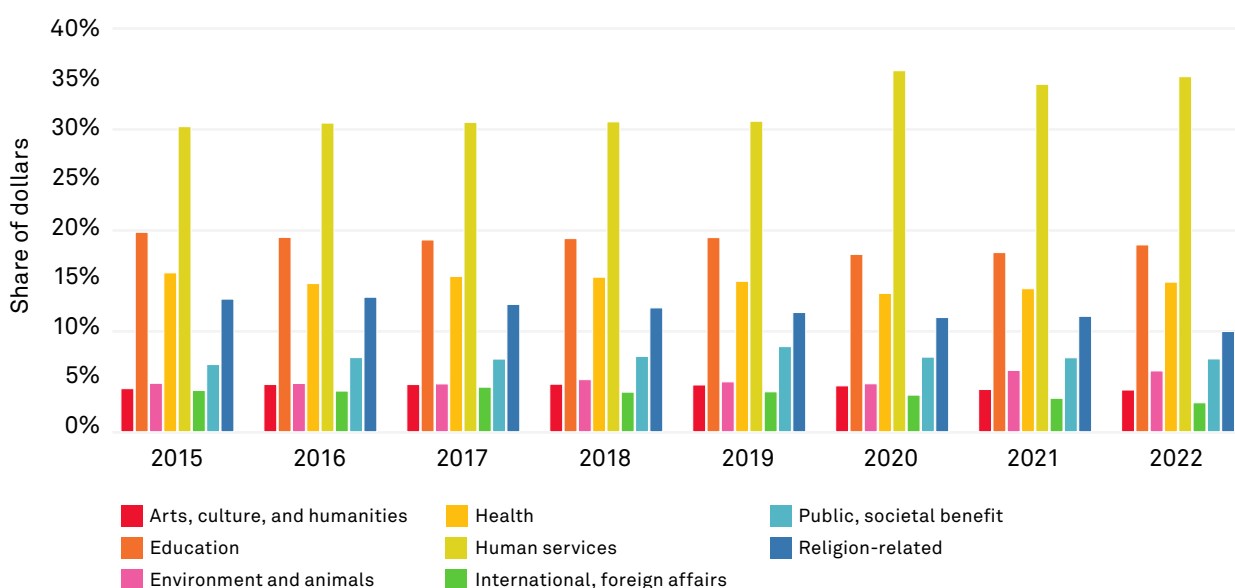
Note: Data from GivingTuesday Fundraising Effectiveness Project. Cause area determined by recipient NTEE.

Figure 2—Share of institutional giving by cause area and year

Note: Data from Candid. Cause area determined by recipient NTEE.

Individual and institutional donors have different giving priorities.

Individual donors primarily gave to human service organizations (Figure 1), whereas institutional grantmakers prioritized education and health (Figure 2). Longitudinal analysis shows that these trends have been fairly stable over time. Between 2015 and 2022, on average across the years, about a third (33%) of individual donations was directed to human services, by far the largest category. Education (19%) and health (15%) were the next-largest cause areas. Among institutional grantmakers, on average, 27% of grant dollars went to education organizations, followed by health (21%) and public benefit (19%). Individual donors notably directed more of their giving to religious organizations (10%) than institutional grantmakers (3%). As a point of comparison, among all 501(c)(3) nonprofits, about 25% are human service organizations, 22% are religion-related, 16% are public benefit organizations, and 14% are education organizations.

Education's share of giving activity is slipping, particularly among institutional grantmakers.

In aggregate, the giving priorities of individual donors and institutional grantmakers tend to remain relatively stable from year to year. But we also saw gradual shifts in how charitable giving has been allocated, most notably in education. Education is a top priority for institutional grantmakers and the second-highest priority for individual donors. But educational organizations have been receiving a declining share of overall funding. This was particularly stark among institutional grantmakers (Figure 2): in 2015, education organizations received nearly a third (32%) of overall grant dollars but by 2022 they received under a quarter (24%). Among individual donors, the proportion of charitable giving to education slipped from 20% to 19% (Figure 1).

It is important to note that funding for education—in current dollars—did not, in fact, decline. Average donation and grant sizes to education organizations increased over the eight-year period (Figures 3 and 4). What this means is that institutional grants to education have increased, but not as much as grantmaking overall, and giving to education has not kept pace with increased giving to other causes. As education saw a decreased share of grant dollars, public benefit, health, and human service organizations received increased shares of grant dollars. (See the sidebar on COVID-19 funding for more analysis.)

Among individual donors, religious organizations saw the greatest decline as a share of total donations, from 13% in 2015 to 10% in 2022. Human services saw the greatest increase, from 31% to 36%.

Figure 3—Individual giving: Average donation amount by cause area and year
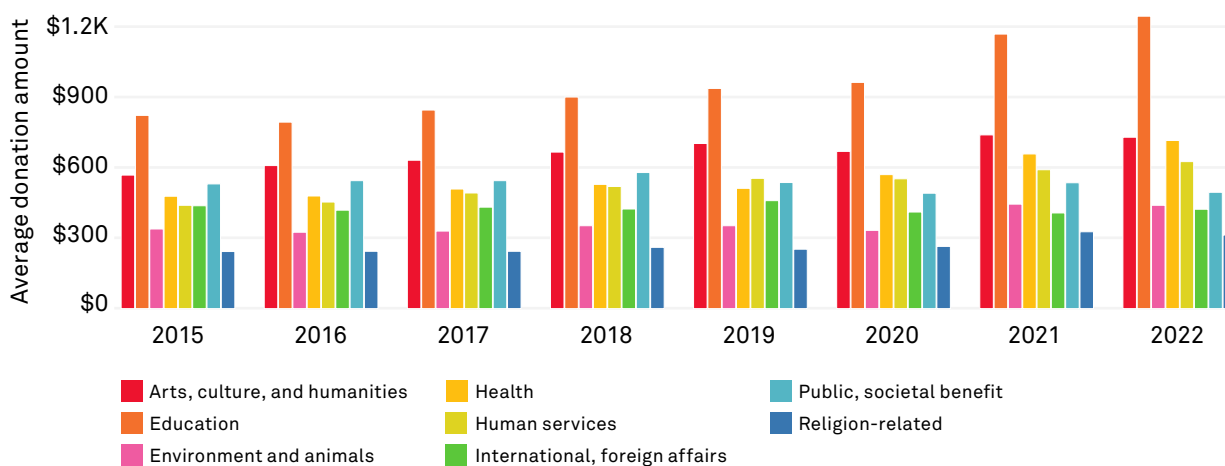
Note: Data from GivingTuesday Fundraising Effectiveness Project. Cause area determined by recipient NTEE.

Figure 4—Institutional giving: Average grant amount by cause area and year
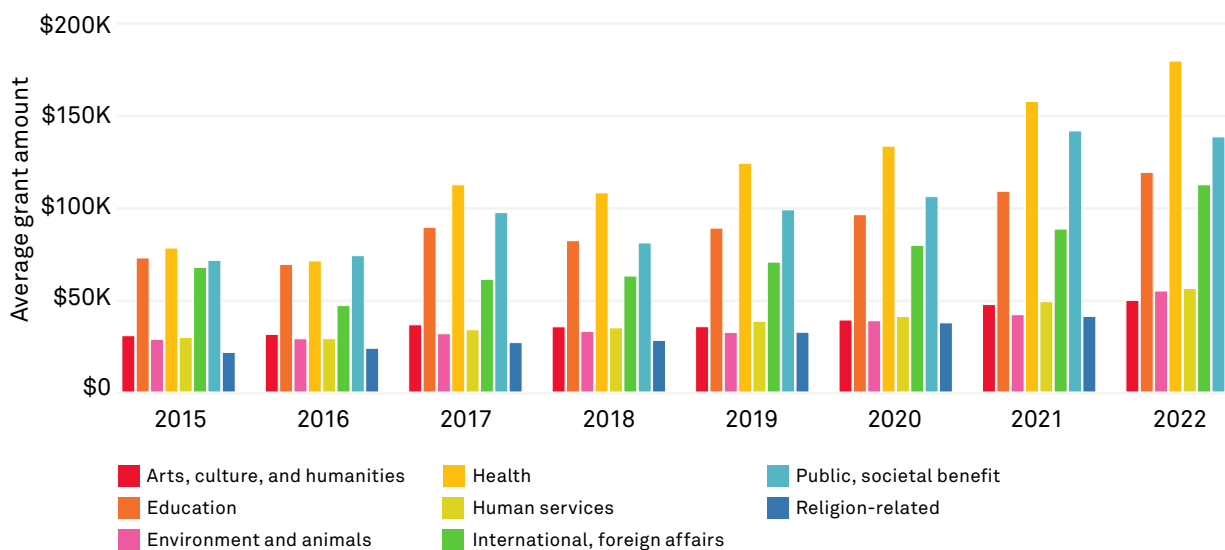
Note: Data from Candid. Cause area determined by recipient NTEE.

A large proportion of charitable giving comes from a small group of big donors/grantmakers.

Previous research has shown that a small number of big donors disproportionately shape philanthropy (Havens, O'Herlihy, & Schervish, 2006). We found this pattern to be true for both individual and institutional donors. For example, most donors in our individual giving data set made relatively small donations. On average, 58% of individual donors gave a total of $100 or less in a given year; their contributions represented, on average, less than 3% of overall donations (Figure 5). We saw similar patterns with institutional grantmakers. About 60% of grantmakers gave $100,000 or less in a year, representing, on average, less than 2% of total grant dollars (Figure 6).

On the other hand, a small number of large donors and grantmakers accounted for an outsized proportion of total dollars awarded. On average, 0.3% of individual donors gave more than $50,000 in one year, yet their contributions represented 45% of total donations given that year. The largest institutional donors (0.1% of total grantmakers, awarding more than $100 million in a given year) represented more than a third (36%) of all grantmaking dollars.

Figure 5—Individual giving: Average annual share of dollars donated vs. share of donors by donor size
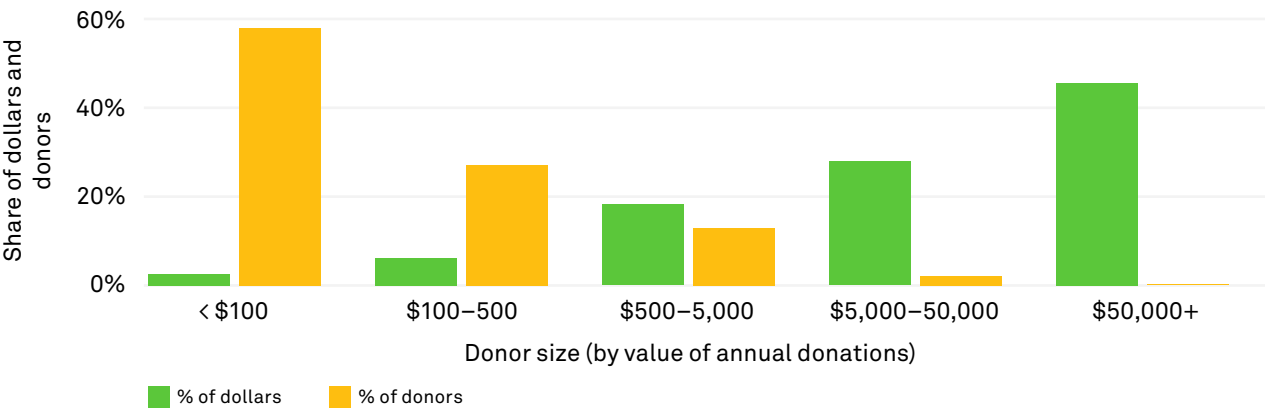
Note: Data from GivingTuesday Fundraising Effectiveness Project.

Figure 6—Institutional giving: Average annual share of dollars granted vs. share of donors by grantmaker size
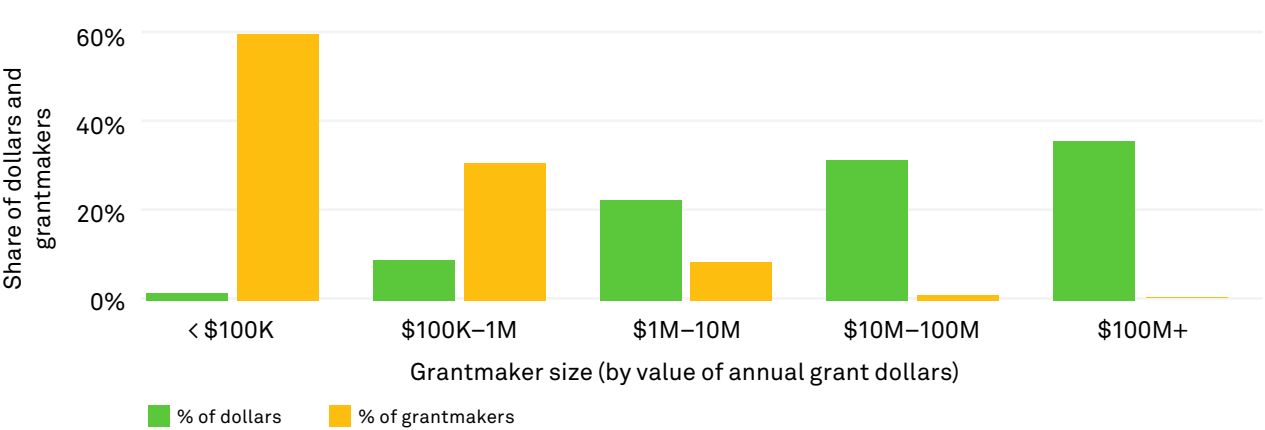
Note: Data from Candid.

Donor/grantmaker size impacts giving trends by cause area.

Interesting patterns emerge when examining donor/grantmaker size and giving by cause area. Institutional grantmakers of all sizes allocated a large share of their funding to education organizations. Small and mid-sized grantmakers also tended to give to human services. But larger institutions dedicated an increasing share of their grant dollars to health and public benefit organizations instead of human services.

Individual donors, regardless of size, gave the largest share of donations to human service organizations. Among the smallest donors (those giving $100 or less each year), giving to human services was followed by environmental and animal organizations. Among the largest donors, education and health followed human services.

This suggests that some differences in giving may be due to donor/grantmaker size rather than donor type (individual vs. institutional). Small and mid-sized institutional grantmakers are more like individual donors than their larger counterparts in prioritizing human services. Conversely, large individual donors are similar to institutional grantmakers in giving larger proportions of their donations to education and health.

The giving patterns of large donors, both individual and institutional, tended to be inconsistent from year to year. Big gifts in one year were not necessarily repeated in subsequent years. Large donors and their targeted gifts in specific years contributed to greater variability year to year in giving by cause area. On the other hand, we saw steadier giving by many small donors to a range of causes, with far more balanced average donation/grant sizes across the years.

Small nonprofits receive a small share of individual and institutional funding.

We were interested in learning how much funding is directed to grassroots, community-based organizations. Neither Candid nor FEP data, however, specifically identifies recipient organizations as grassroots or community based. Previous research has described organizations with revenue, expenses, and assets less than $100,000 as "grassroots civil society" (Boris & Roeger, 2010). Adapting this definition, we analyzed organizations receiving donations or grants totaling less than $100,000 each year as a proxy for grassroots organizations.

We found that very little charitable giving from either individual or institutional donors reached these small nonprofits[3]—only 1.4% of total individual donations and 4.3% of total grant dollars (Figures 7 and 8). Although giving to small organizations increased over time, their share of overall donation/grant dollars remained unchanged.

Since we defined recipient organization size by the total value of donations and grants received, it is unsurprising that the smallest nonprofits received the least funding. But what is also important to consider is how many nonprofits are represented in each category. Among all organizations that received any amount from individual donors, on average, 13% were in this smallest category. That means that 1.4% of total donations was distributed across 13% of nonprofits.[4] Among institutional grantmakers, on average, more than three-quarters (78%) of recipient nonprofits were in this smallest category, and they received only 4% of all grant dollars.

Figure 7—Individual giving: Average annual share of dollars received vs. share of organizations by organization size

Recipient organization size (by value of annual donations received)

■ % of dollars ■ % of organizations
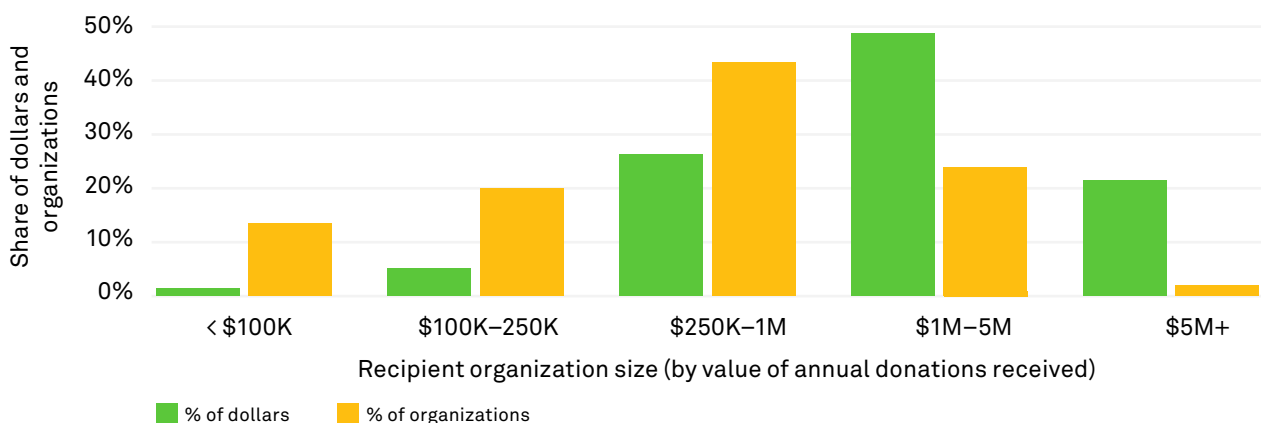
Note: Data from GivingTuesday Fundraising Effectiveness Project.

Figure 8—Institutional giving: Average annual share of grant dollars received vs. share of organizations by organization size

Recipient organization size (by value of annual grant dollars received)

■ % of dollars ■ % of organizations
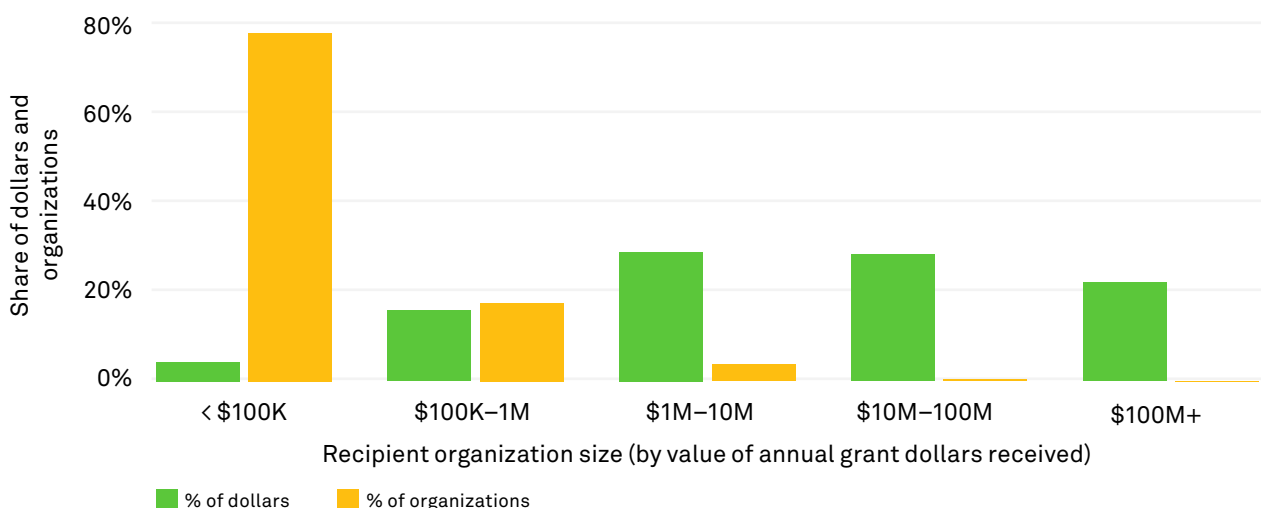
Note: Data from Candid.

An analysis of these small nonprofit recipients by cause area found that they were primarily human service organizations, followed by health and education. This pattern was consistent for individual and institutional giving across most years of analysis, with one significant difference in 2021, when individual donors increased their giving to small health organizations. (See the sidebar on COVID-19 funding for more analysis.) Among small nonprofits, the international, foreign affairs category received the least funding.

2020, COVID-19, and giving trends

The COVID-19 pandemic, which impacted communities everywhere beginning in 2020, may have influenced some changes in annual giving patterns. As mentioned in the report, individual donors prioritize giving to human service organizations. Human service organizations generally serve the public directly and include, for example, nonprofits providing housing and shelter, food and nutrition, sports and recreation, youth development, and family services. Individual donations to human services increased 26% in 2020 (Figure 9), the biggest increase among all cause areas. Religious organizations also experienced an increase (8%). On the other hand, individual donations to public benefit; international, foreign affairs; and arts and culture organizations decreased in 2020.

When considering the relative proportion of dollars going to different causes, human service nonprofits also received a larger "piece of the pie" from individual donors—increasing from 27% in 2019 to nearly 30% in 2020. By contrast, every other cause area saw their share decrease (Figure 1). In subsequent years (2021 and 2022), human service organizations continued to receive about 30% of total donations. This suggests that individual donors did not take a "one and done" approach to their elevated support of human services in 2020. Rather, individual donors sustained their commitment through multiple years of the pandemic, allowing human service nonprofits to continue vital services during a challenging time.

Among institutional grantmakers, giving in 2020 increased the most (32%) for public benefit (Figure 10). Public benefit organizations include a mixed group of community and economic development organizations, public and private foundations, donor-advised funds, and civil rights and advocacy organizations. Institutional grantmakers may have increased their giving to this group in response to the pandemic—for example, by granting to COVID-19 funds sponsored by community foundations, who then redistributed the funds to local, community-based organizations (Community Foundation Awareness Initiative).

Figure 9—Individual giving: Year-over-year change in value of donations by cause area
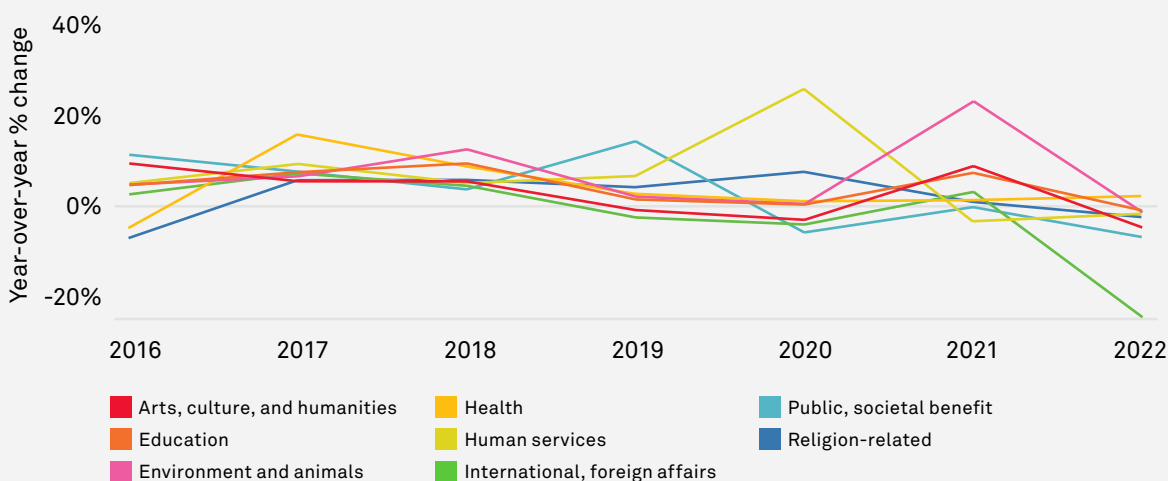
Note: Data from GivingTuesday Fundraising Effectiveness Project. Cause area determined by recipient NTEE.

Figure 10—Institutional giving: Year-over-year change in value of grant dollars by cause area
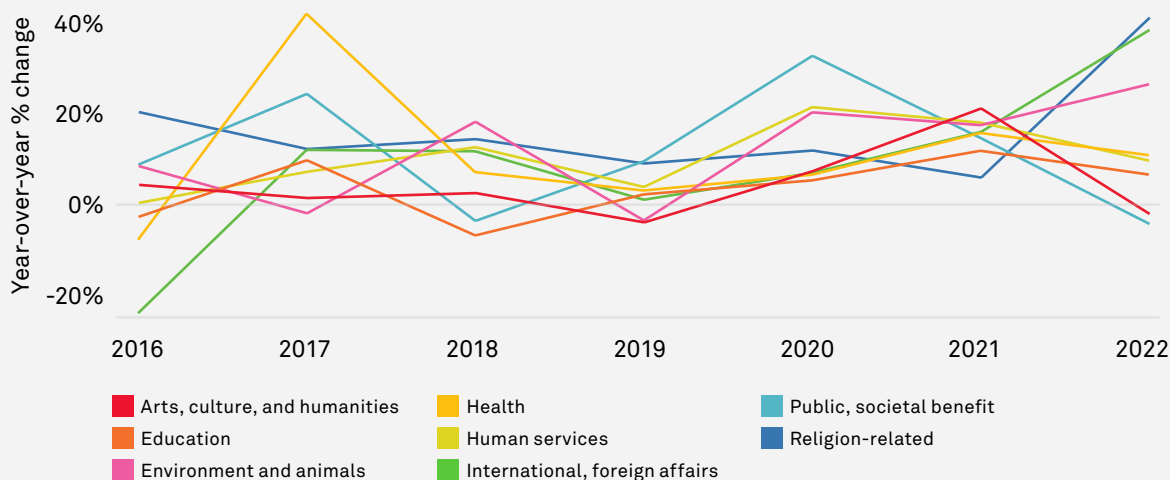
Note: Data from GivingTuesday Fundraising Effectiveness Project. Cause area determined by recipient NTEE.

The racial justice movement in 2020 may also have increased grants to the public benefit subsector, as institutional grantmakers directed their giving to social justice and advocacy organizations. Notably, a civil rights and advocacy organization emerged as the second-highest recipient of grant funding among public benefit organizations in 2020.

Other cause areas that saw increased institutional grant dollars in 2020 were human services (21%) and the environment and animals (20%).

An analysis of giving to small nonprofits (those receiving less than $100,000 a year) revealed a spike in giving to health organizations by individual donors in 2021. The aggregate value of donations to small health organizations was more than 100 times what it was the previous year. By 2022, however, individual donations to small health organizations returned to typical levels. This increase was unique to individual donors; institutional grantmakers increased their giving to small health organizations in 2021, but only by 6%.

We cannot say definitively that the pandemic and the events of 2020 directly caused these shifts in giving. But examining the historical context provides an additional lens by which to understand fluctuations in giving.

Section 1 implications

Examining FEP and Candid data side by side reveals similarities and differences in capital flows and priorities of individual and institutional donors. Charitable giving from both donor types increased from 2015 to 2022, in total dollars and average donation and grant size. Individual donors prioritize human services; institutional grantmakers give more to education, health, and public benefit. There are noticeable differences in the ways that small and large donors give, regardless of donor type. There are opportunities for both donor types to support small, grassroots nonprofits. By analyzing charitable giving in the years before and after the COVID-19 pandemic, we see shifts in capital flows that suggest that donors, both individual and institutional, are responsive to current events. In general, however, giving patterns tend to be relatively stable from year to year.

Implications for grantmakers and donors

This analysis has implications for individual and institutional donors in their giving strategies, as they consider what causes and types of nonprofits to support. For example:

- There is a need for the donor ecosystem to understand the extent to which small, grassroots organizations are being supported. These nonprofits play an important role, providing day-to-day support and offering community-driven solutions. They also make up the majority of organizations in the nonprofit sector. Yet, as a category, they receive relatively few dollars from either individual or institutional donors, whose giving tends to be directed to mid-sized and large organizations.

- Grantmakers focused on education, in particular, may be interested in our findings regarding capital flows in the education subsector. Although education continues to be a priority, grantmaking in this space has not kept pace with grantmaking to other subsectors or giving overall. Our analysis provides support to those who have expressed alarm about cutbacks in education philanthropy (Matthiessen, 2024). Education organizations currently need support to address the effects of the pandemic on learning and inequities in student experiences, particularly for Black, brown, and low-income students (Crowe, 2022).

Implications for nonprofits

This research may help inform nonprofit fundraising strategies and assist nonprofits in tailoring their approaches to donors of different types and sizes. For example:

- Our findings show that a disproportionate share of charitable giving comes from the largest individual and institutional donors. With the rise of large, transformational gifts, nonprofit fundraisers may be tempted to direct their efforts toward mega-donors. But most U.S. donors, whether individual or institutional, are small donors whose giving is distributed across different cause areas and tends to be more stable from year to year.

- The data suggests that smaller institutional grantmakers give in ways that are more like individual donors. This may be encouraging to nonprofits who have never sought institutional

support. For example, human services organizations that thought their work was beyond the scope of foundations may not realize that small foundations tend to direct more grant dollars to human services. There are more than 100,000 foundations in the United States, and many of them are smaller, family foundations. Institutional grants may be an additional source of support and a valuable way to diversify revenue streams.

Implications for research

Our analysis is a preliminary and broad overview of capital flows, which also highlights opportunities for future research. We discovered interesting patterns in individual and institutional giving, and each discovery opened additional research questions that we did not have time and/or data to explore:

- More research is needed to unpack what is happening in institutional support for education. Education is a broad category that includes preschools, elementary and secondary schools, higher education, educational services, and more. Further analysis is needed to understand which areas of education are seeing declines and why funding is not keeping pace with other cause areas.

- The same deeper exploration could be done for each cause area. For example, we began an initial exploration of the increase in institutional grantmaking to public benefit organizations. We found that most institutional grant dollars are directed to philanthropy, volunteerism, and grantmaking foundations, although community improvement and capacity-building organizations make up more of the recipient organizations in this category. There are interesting stories in each cause area that we did not have time to explore.

- The nonprofit sector often refers to grassroots, community-based organizations but does not have a clear way to comprehensively identify them. In this research, we used donations and grant dollars totaling less than $100,000 as a proxy, but the field could benefit from greater alignment on how to define and identify these organizations. Moreover, data limitations—including lack of identifying information about recipient organizations in the individual donor data set and lack of data about organizations that do not have 501(c)(3) status within both data sets—curbed our ability to dig deeper into this topic. There is a need for further research and better data to increase our understanding of the unique needs and challenges these organizations face and how they can attract both individual and institutional support.

- One of our original research questions was to explore whether a causal relationship exists between individual and institutional donors; however, the lack of detailed time stamps within the institutional grantmaking data set made such predictive modeling impossible.

- We also wanted to explore the ways in which individual and institutional donors shift their giving in response to a crisis event. To some extent, the COVID-19 pandemic afforded an opportunity to identify changes in giving patterns over the course of a few years, but analysis of smaller-scale crises was limited due to an inability to make comparisons across data sets (e.g., lack of detailed time stamps in the institutional grantmaking data and lack of donor location in the individual giving data set).

2

Giving by recipient location

Next, we examined individual and institutional giving by geography—specifically, capital flows based on recipient location. Unlike other tracking efforts to identify the most generous states (i.e., where charitable giving originates) or states with the most civic engagement (e.g., Scheider & Marshall, 2023), our data sets allowed us to analyze where donations and grant dollars are directed. Disparate research efforts have described the nonprofit sector's impact in a given state, consolidated in a useful list by the National Council of Nonprofits. To add to this knowledge by examining capital flows more comprehensively, our research questions included: Where is charitable giving directed, geographically? Are there similarities and differences between where individual and institutional dollars flow? Have capital flows changed over time? We also wanted to understand how funding related to state-level economic conditions and whether these conditions might influence giving trends.

Key findings

Charitable giving is concentrated in a handful of states.

Individual and institutional donors share similarities in where they direct their giving dollars. Organizations in California, New York, Florida, and Texas consistently received the most charitable contributions from 2015 to 2022, from both individuals and institutions. Among individual donors, Pennsylvania was also in the top five states receiving donations. Institutional donors tended to direct grant dollars also to nonprofits in Massachusetts and Washington, D.C.

In sheer dollars, charitable giving is not evenly distributed; there are clear haves and have-nots in terms of where giving is directed. For example, in 2022, California nonprofits received more individual donations than organizations in the bottom 23 states and more institutional grant dollars than the bottom 26 states.

Differences among states become less drastic when adjusted for population size.

Figure 11 demonstrates that states differ by nonprofit count and nonprofits per capita. For example, California, Texas, New York, and Florida have the most nonprofits and the biggest populations. This helps explain why they are the recipients of the most donations and grant dollars. However, adjusted for population size, Washington, D.C., has, by far, the most organizations per capita, followed by Montana and Vermont. These locations have smaller populations but the most nonprofits per person.

Figure 11—Number of nonprofits by state
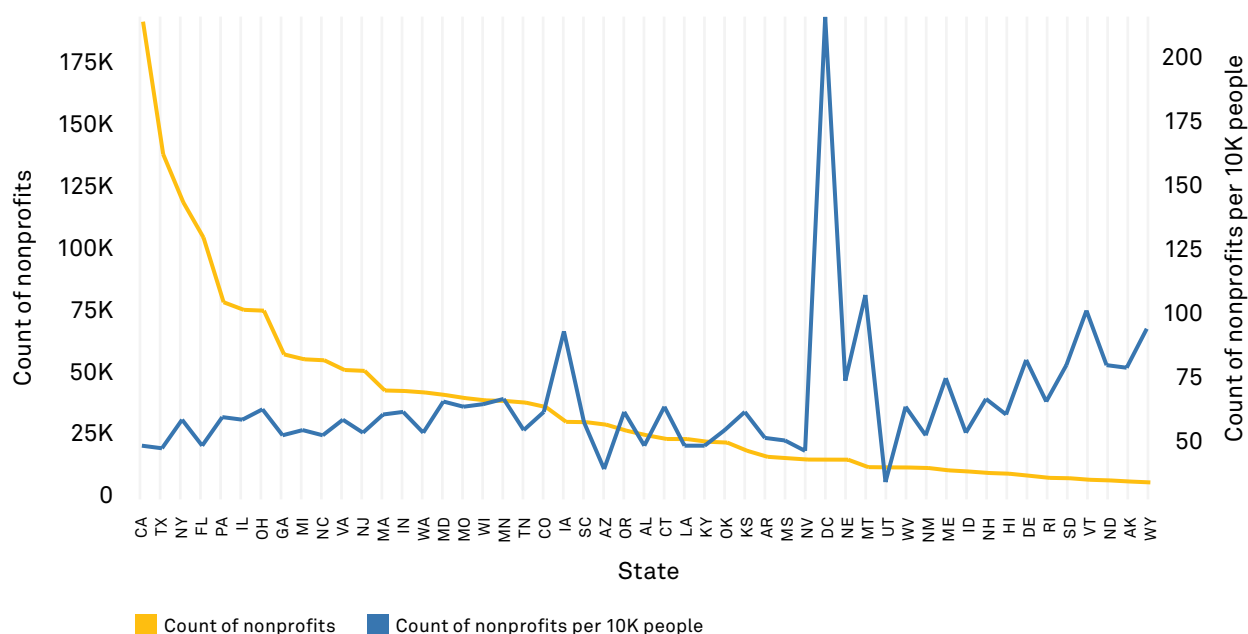
Note: Data from Candid's U.S. Social Sector Dashboard, accessed April 10, 2024. Based on nonprofits registered with the IRS and present on a calendar year 2021 Business Master File and the U.S. Census Bureau's State Population Totals and Components of Change: 2020-2021, July 2021.

When accounting for population, states tend to receive more similar levels of donations and grant dollars. The order of states receiving the most funding also shifts. Washington, D.C. notably received far more individual and institutional dollars per capita than any other state. Interestingly, Nebraska also ranked among the top five recipients of giving per capita, from both individuals and institutions. (See the sidebar on giving to Nebraska for more information.)

Institutional grantmakers vary in granting money within and outside the state.

Candid's transactions data set identifies grantmaker and recipient location, enabling us to examine where funding is directed in relation to where the grantmaker is located. We looked at both interstate funding (funding to nonprofits located outside of the grantmaker's state) and intrastate funding (funding to organizations located within the grantmaker's state). Across all years (2015-2022), intrastate funding consistently accounted for a larger proportion of total grant dollars than interstate funding (Figure 12).

Delaware distributed the highest proportion of interstate grant dollars (88%). The state is known to be a popular home for grantmakers, even those that operate exclusively in other states, due to its flexible laws (Chalmers, 2013). Nevada and Washington, D.C., also allocated high proportions of interstate funding (74% and 71%, respectively). On the other hand, grant dollars from funders based in Mississippi, Hawaii, West Virginia, Iowa, and Alaska tended to remain in the state. More than 89% of their total grant dollars represented intrastate funding.

Figure 12—Institutional intra- and interstate funding flows, share of total grant dollars awarded, 2015-2022
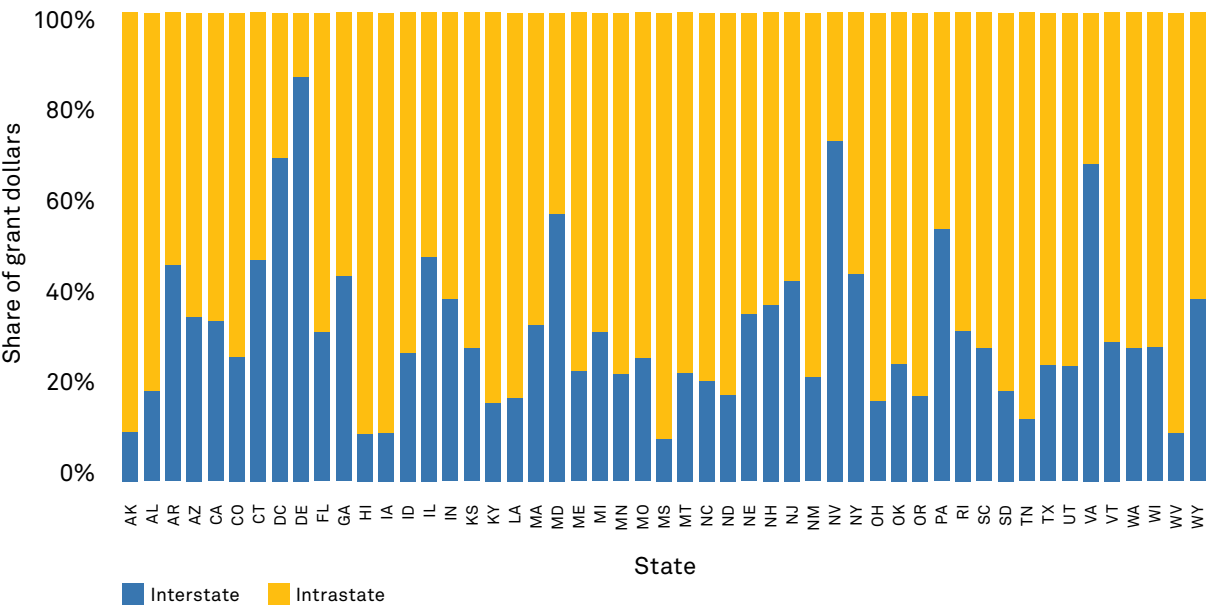
Note: Data from Candid.

The network map in Figure 13 provides a different perspective of this data, visualizing total grant dollars awarded in 2022 (rather than proportions of inter/intrastate giving across all years) and highlighting how capital flows between states. The lines (edges) between states represent aggregate grant dollars flowing from grantmakers in one state to recipient organizations in another (interstate funding). The loops represent total annual intrastate grant dollars. Thicker and darker lines and loops represent more grant dollars. In 2022, California, New York, and Texas had the most intrastate funding. The highest interstate funding flows occurred from New York to California, followed by California to New York and Pennsylvania to California.

Figure 13—Institutional intra- and interstate funding flows, total grant dollars awarded, 2022

Note: Data from Candid.

Dollars and Change

What gives in Nebraska?

It may not be surprising that we see strong giving trends in New York and California—two large states with huge populations, known for having the most nonprofits in the country, and home to 7 out of 10 of the largest institutional grantmakers in the United States (according to Candid's U.S. social sector dashboard). It is also not particularly surprising to see strong giving trends in Washington, D.C., the country's capital and home to the most nonprofits per capita.

The strong giving trends in Nebraska, however, may seem odd at first. Nebraska is not particularly populous or wealthy. Nor is it an epicenter of activism. In terms of number of nonprofits, Nebraska falls in the lowest third of the country; and in terms of nonprofits per capita, it falls around the top 25%. Yet, when it comes to giving, Nebraska was one of only two states that consistently showed more donations than would be expected per capita (the other state being Montana). Nebraska was also one of only two states/territories where giving was prominent for both individual and institutional giving (the other being Washington, D.C.). Moreover, other data also suggests a strong culture of giving in Nebraska. For example, data provided by AmeriCorps (2023) ranked Nebraska second in informal helping, fourth in charitable giving, and seventh in formal volunteering (based on 2021 rankings).

One unique factor in Nebraska's generosity is the influence of Warren Buffett, one of the world's wealthiest individuals and a longtime resident of Omaha, NE. Although much of Buffett's philanthropy is directed globally through the Bill & Melinda Gates Foundation, his presence seems to have had significant ripple effects. In terms of institutional giving, 3 out of the top 10 Nebraskan grantmakers are Buffett-related: Susan Thompson Buffett Foundation (ranked 1 in NE), Sherwood Foundation (ranked 2), and Buffett Early Childhood Fund (ranked 9). These three grantmakers alone represent about 17% of all grant dollars to Nebraska-based recipient nonprofits.

Yet, above and beyond "the Buffett effect," Nebraska has a thriving grantmaking community, including community foundations, a large medical center grantmaker, the University of Nebraska Foundation, plus many family foundations—more grantmakers per capita than other states. Nebraska also has one of the highest levels of individual donors and high levels of volunteerism, which cannot be directly attributed to Buffett, although perhaps his presence helped cultivate a culture of giving.

Future research may want to explore the mechanisms behind Nebraska's giving culture. We posit that a relatively stable economy, strong religious influences, and midwestern values may all play a role in this state's generosity.

Large one-time gifts impact individual giving trends.

Among individual donors, Virginia, Mississippi, West Virginia, and Wyoming exhibited the highest fluctuations in year-over-year donation changes. Spikes and dips in giving could be due to a variety of factors, including large one-time donations, natural hazard events, significant changes in the local economy, or other state-specific events. The specificity of the FEP date stamp allowed us to pinpoint when these spikes occurred, to the day. For example, compared to 2020, Mississippi saw a large drop in value of donations in 2021, due to a $20 million donation for religion in February 2020 (which made 2021 donations seem smaller in comparison). Similarly, West Virginia saw a tremendous $12 million donation for human services in January 2021, which led to the appearance of an abnormal drop in giving the following year.

States with higher household income tend to receive more charitable giving.

Overall, we found that states with higher median household income also received higher donations per capita for both individual and institutional donors (Figure 14 highlights this relationship for 2022 data). Initially, this finding seems both counterintuitive and disappointing—after all, lower household income could be indicative of more charitable need. But several factors complicate this conclusion. Firstly, as Figure 12 highlights, a good amount of charitable giving stays within the same state. In this way, this finding is less surprising, as more charitable giving may flow through more affluent communities. Additionally, the nonprofit organizations in these data sets are diverse—including not only direct human services organizations, but also educational institutions and large medical centers. Given that such organizations receive a large proportion of institutional giving (see Figure 2), they could partly account for this trend. Finally, it should be noted that states are large and diverse, and there may be a wide range of incomes within certain states.

Figure 14—Donation amount per capita vs. median household income by state, 2022
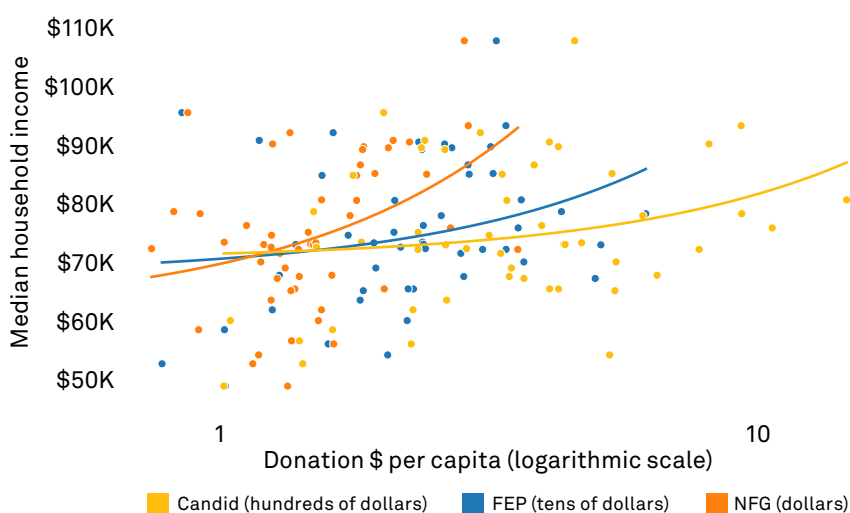
Note: Donation data from Candid, GivingTuesday Fundraising Effectiveness Project, and Network for Good. Median household income from the Federal Reserve Bank of St. Louis. Each point represents a state, while the lines indicate regression trend lines for each data set. The x-axis (donation $ per capita) uses a logarithmic scale, meaning that the scale represents exponential growth rather than linear growth; therefore, the spaces between each value are not evenly distributed.

Additionally, for each data set, certain states proved to be the exception to this broader trend—falling among the top 10 states with the largest value of donations per capita and having a median household income less than the national average. For example, in 2022, the exceptions were:

- Network for Good: Tennessee, Vermont
- FEP: Indiana, Montana, Pennsylvania, South Dakota
- Institutional grantmakers (via Candid): Arizona, North Carolina

Moreover, the strength of this relationship over time varied by data set. In the Network for Good data, the positive relationship somewhat strengthened over time, with the strongest link between donation amount and household income found in 2022. The opposite was true for the other two data sets. For both FEP and Candid data the link between donations and income became slightly less strong in more recent years.

States with more poverty tend to receive less charitable giving.

A similar trend was found when we examined the relationship between giving and poverty at the state level. States with a higher percentage of the population below the poverty level received less funds per capita across all three data sets (Figure 15 shows this relationship for 2021—the most recent year for which poverty information is available).

As with the previous finding, this result initially seems somewhat concerning, as one would hope that charitable giving was higher where there was more poverty. However, as noted above, it is helpful to remember that: 1) donors often donate locally; 2) the nonprofits in our sample are diverse and go well beyond those focused on addressing poverty; and 3) states are large and diverse when it comes to income and wealth. A helpful example of this last point is the exception to this overall trend: the state of New York. New York's percentage of the population living in poverty is above the national average, and yet this state was among the top 10 states with the

Figure 15—Donation amount per capita vs. percent of population below poverty level by state, 2021
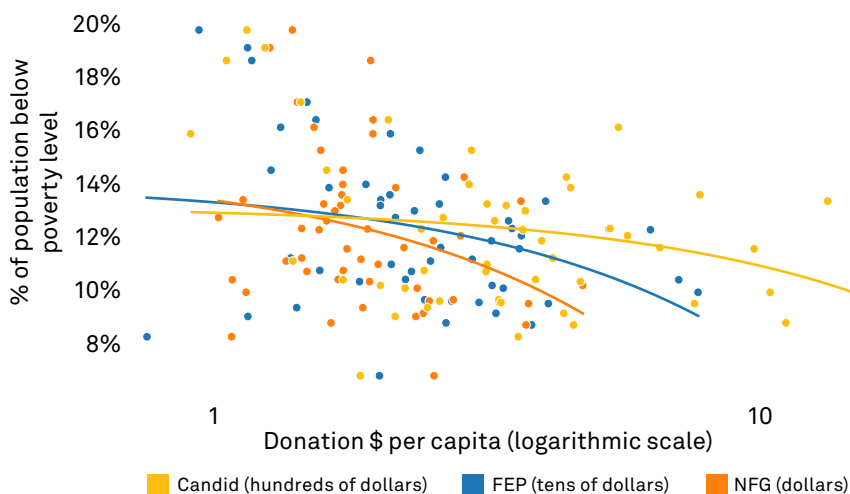
Candid (hundreds of dollars)   FEP (tens of dollars)   NFG (dollars)

Note: Donation data from Candid, GivingTuesday Fundraising Effectiveness Project, and Network for Good. Poverty data from the United States Census Bureau, American Community Survey. Each point represents a state, while the lines indicate regression trend lines for each data set. The x-axis (donation $ per capita) uses a logarithmic scale, meaning that the scale represents exponential growth rather than linear growth; therefore, the spaces between each value are not evenly distributed.

largest value of donations per capita across all three data sets. Additionally, Tennessee was a similar outlier in the Network for Good data set, and Arizona and North Carolina were outliers in the institutional grantmaking data set (Candid).

Further analyses also suggest that the relationship between donation amount per capita and percent of population below the poverty line has been steadily weakening across all three data sets over time. In other words, in recent years, the trend of more capital flowing to more affluent states has become less pronounced.

States with higher levels of unemployment are starting to receive more charitable giving from some sources.

The relationship between the state unemployment rate and charitable giving is a bit more nuanced. Overall, when it comes to institutional grantmaking, analyses suggest that more funds per capita reached states with higher levels of unemployment. A similar pattern was found with Network for Good data; however, this pattern was not found within FEP data (Figure 16).

Looking at state-specific patterns, within each data set several states fell within the top 10 states with the most value of donations per capita and had above-average unemployment rates. In 2022, these were:

- Network for Good: Alaska, California, Connecticut, Massachusetts, New York
- FEP: California, Delaware, New York, Pennsylvania
- Institutional grantmakers (via Candid): Delaware, Illinois, Massachusetts, New York, North Carolina, Pennsylvania

Additionally, looking at trends over time, we find the trend toward higher giving in states with higher levels of unemployment to be a recent one. In the earlier years (2015-2019) more funding was associated with lower levels of unemployment. However, in more recent years (2020-2022), this association weakened—and in the case of Candid and NFG data it flipped, with more money tending to go to states with higher levels of unemployment.

Figure 16—Donation amount per capita vs. percent of population unemployed by state, 2022
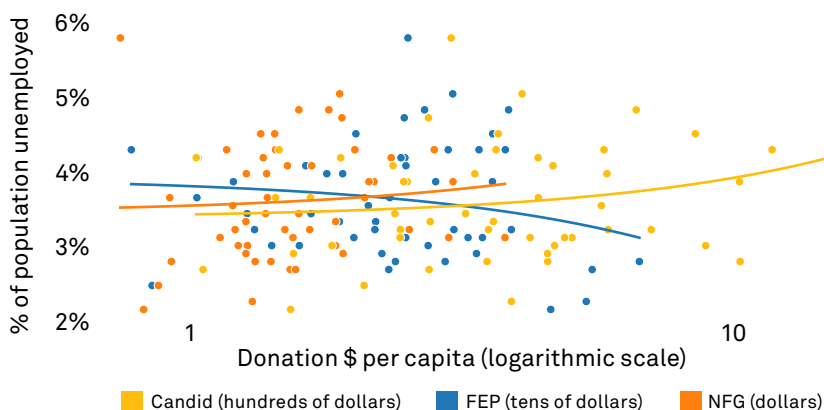
Note: Donation data from Candid, GivingTuesday Fundraising Effectiveness Project, and Network for Good. Unemployment data from the Federal Reserve Bank of St. Louis. Each point represents a state, while the lines indicate regression trend lines for each data set. The x-axis (donation $ per capita) uses a logarithmic scale, meaning that the scale represents exponential growth rather than linear growth; therefore, the spaces between each value are not evenly distributed.

Section 2 implications

This analysis of capital flows across states reveals the complex dynamic between location, economic circumstances, and different types of charitable giving. Overall, our findings suggest that charitable dollars can vary greatly across states and across time, which raises questions about equitable distribution of monetary resources and the ability of nonprofits in less well-funded states to meet local needs. Because of this, the results have potential implications for grantmakers, donors, and nonprofits, as well as for future research.

Implications for grantmakers and donors

Grantmakers and individual donors alike may want to use this data to better understand the funding landscape of the states they tend to donate in, as well as how giving in their states compares to the national landscape. For example:

- Grantmakers may want to consider these findings when creating grantmaking strategies, to assess how resources flow into their regions of interest and whether there are opportunities for targeting underserved states.

- Grantmakers may also want to consider whether their funding strategies account for changing economic conditions, particularly in states with higher unemployment rates.

- Similarly, individual donors—especially high-net-worth donors—may want to use these findings to assess where their donations may be particularly needed.

Implications for nonprofits

These results also have potential implications for nonprofits who can use these established patterns of giving to inform their fundraising strategies. For example:

- The finding that much charitable giving stays within the same state suggests that nonprofits should make sure they get to know local grantmakers, as these organizations may be most likely to support them. This may be particularly fruitful for nonprofits in Alaska, Hawaii, Iowa, Mississippi, and West Virginia—the states with the highest intrastate institutional grantmaking. Framing nonprofit efforts around local priorities and issues could also help cultivate interest from local individual donors.

- Nonprofits may also want to explore finding potential grantmakers in states with higher interstate institutional funding (e.g., Delaware; Nevada; Washington, D.C.; Virginia; Maryland), as research suggests that grantmakers in these states are more likely to have funding flow across state lines.

- The shift in donation patterns showing more funds reaching states with higher unemployment in recent years suggests that emphasizing the need for economic recovery and support might be persuasive to donors and grantmakers. However, it remains to be seen whether this is a long-term trend or simply something that donors and grantmakers are focused on in the short term (e.g., related to COVID relief).

Implications for research

These analyses offer preliminary data patterns on charitable giving across the United States and suggest directions where future research can dig deeper to further our understanding. For example:

- One type of data missing from these analyses is information regarding societal events, national disasters, etc., that may have happened across geographies. Adding this additional layer to future research could help interpret some of the spikes and shifts in the data—especially in terms of one-time gifts or changes in funding flows. For example, it is possible that the recent shift to increased funding to states with higher unemployment may be associated with COVID-relief funding rather than a longer-term giving trend.

- Future research may want to unpack the findings that wealthier states—in terms of both household income and levels of poverty—tend to receive more funds per capita. As mentioned above, we hypothesize there are multiple factors involved in this finding, including affluent donors donating locally, different giving patterns by cause area, and differences across regions within states. A better understanding of these factors will help bring to light potential inequities in resource distribution.

- Future work might want to drill deeper into regions where giving thrives, such as Nebraska, Montana, and Delaware. Better understanding the mechanisms that drive charitable giving in these locations may suggest opportunities to cultivate giving elsewhere.

- Additionally, more research needs to be done examining the differences in giving patterns at the more nuanced level, with particular focus on differences between urban and rural areas. While out of scope for this report, we believe that such an analysis would add helpful detail to geographical funding flows and help further identify underserved areas.

- Finally, we invite future researchers to take our findings one step further and create predictive models to help identify which regions may become vulnerable in the near future, so that grantmakers and donors can better offer preventative support.

3

Giving and the economy

The giving ecosystem is influenced by myriad factors, including donor preferences, specific crisis events, and, perhaps most nebulously, the broader economy. Previous research has documented a positive correlation between both individual and institutional giving and the economy (e.g., Osili, Pruitt, & Bergdoll, 2024; Giving USA, 2024). There are many reasons why economic circumstances influence nonprofit capital flows. For example, during period of economic growth, individuals may have more disposable income, which could translate into increased charitable giving. Conversely, during economic downturns, individuals may scale back on charitable donations to prioritize essential living expenses. Similarly, many institutional grantmakers use their appreciated assets as the source of their funding. Therefore, economic growth, such as bullish stock markets, tend to be linked to increased ability to give. This is particularly true for private foundations—which are required to pay out at least 5% of their asset value each year.

However, the relationship between the economy and charitable giving is not always so clear-cut. For example, some research suggests that individual giving is more closely linked to economic improvements than economic declines (List, 2011). Additionally, economic crises may result in a downturn in the overall economy while also sparking increased giving, as donors and grantmakers rush to respond to an urgent and notable need (e.g., COVID relief), while economic recessions can shift long-term attitudes toward giving (Meer, Miller, & Wulfsberg, 2017). Additionally, different types of individual and institutional donors may respond differently to different types of economic change.

This section of the report further explores the nuances between giving and the economy—particularly around similarities and differences between different types of donors. For example, how do economic indicators influence different types of individual and institutional donors? Do the same economic conditions affect individual donations and institutional grantmaking in the same way? Do synergies and discrepancies between individual donations and institutional grantmakers exist?

Methods and analytic procedure

Individual donor trends were based on the FEP data set. To better assess the relationship between economic trends and institutional grantmaking, we used Candid's total grants paid data set—which offers a comprehensive view of total grant dollars awarded. Within this data, we explored three different types of institutional grantmakers: private foundations, public foundations, and non-501(c)(3) grantmakers.

We used U.S. economic data from the FRED API to examine several different economic factors:

- **Overall economics:** all economic data combined
- **Microeconomics:** household saving, disposable income, stock markets
- **Macroeconomics:** Gross domestic product (GDP), federal surplus or deficit, yields on treasury bonds
- **Inflation:** inflation estimate, consumer price index, expected inflation

We examined the relationship between these economic factors and individual and institutional donors across eight years of data (2015-2022) in three ways:

- **Same year:** annual giving compared to the economics of the same year
- **Lag year:** Annual giving compared to the economics of the previous year
- **Year over year (YOY):** Year-over-year changes in giving compared to year-over-year changes in the economy

For more information about the data sets and methods, see Appendices A and B, respectively.

Key findings

Economic conditions are positively related to giving for both individual and institutional donors.

Consistent with previous research, our results suggest that, overall, the economy is a strong predictor of giving in the nonprofit sector when looking at long-term trends. When examining all economic factors combined, a strong economy predicted more giving by individual donors and all three types of institutional grantmakers (private foundations, public foundations, and non-501(c)(3) grantmakers).

Microeconomic factors are a stronger, more immediate predictor of overall giving.

We also examined whether certain types of economic factors were more closely tied to charitable giving. Results suggest there is a positive relationship between microeconomic factors and nonprofit donations from both individual donors and institutional grantmakers.

In other words, when the public's general financial wellbeing (in terms of household savings, disposable income, stock market performance) increases, donations to nonprofits increase.

By contrast, the relationship between macroeconomic factors and giving appears to be less strong and swift. Same-year analyses suggest no direct relationship between macro, federal fiscal conditions (e.g., GDP, federal budget, treasury notes) and giving for either individual or institutional donors. However, lag-year analyses suggest that there is a positive association between macroeconomic factors and institutional grantmaking for the following year. This mirrors other research that has found that foundation giving is influenced by previous year GDP (Osili et al, 2024).

Inflation is related to institutional grantmaking, but not individual giving.

When it comes to inflation, the results were a bit more nuanced. We found evidence of a moderate positive relationship between inflation and same-year giving by some institutional grantmakers. In other words, when inflation increases, institutional grantmakers tend to increase their donations to reflect this shift. However, this relationship was not found for individual donor giving, nor for giving by non-501(c)(3) grantmakers. Additionally, there was no significant relationship between inflation in one year and giving the following year.

Institutional grantmakers are influenced by the economics of the previous year.

With the exception of inflation, the general pattern of results suggests that economic conditions impact giving both for the same year and for the following year—especially for institutional grantmakers. Overall, previous-year economic conditions show strong relationships with institutional giving and moderate relationships with individual giving.

The giving patterns of larger donors—both individual and institutional—tend to more closely align with economic trends.

We also explored whether there was a relationship between donor/grantmaker size (in terms of dollars donated) and the influence of the economy. Results suggest that as donor/grantmaker size increases, the link between economic conditions and giving strengthens. For individual donors, overall economics did not influence giving among small donors (those donating less than $500 annually). But overall economics was related to giving for all larger donors. Moreover, the largest donors (those who donate $50,000+ annually) had giving patterns most closely aligned with economic conditions.

Similarly, within institutional grantmakers, there was no relationship between overall economic conditions and giving among the smallest grantmakers (those giving less than $100,000 in grants annually). But overall economics did influence all other grantmakers, especially the largest grantmakers (those with more than $100 million in annual grantmaking), whose giving patterns had the strongest relationships with economic conditions.

Data discovery: Federal Reserve's nonprofit balance sheet

As we explored potential economic data sets and federal information, we came across a data set known as "Z.1s." Z.1s show the Federal Reserve's estimates of nonprofit balance sheets. This was a data set that no one on our collective research team had come across before and offered an interesting perspective on the nonprofit sector. An analysis of the data set revealed several patterns of results that are relevant to this report and worth noting. Firstly, 2018 and 2019 were the only years where nonprofit liabilities outpaced asset growth—suggesting that nonprofits tended to be less financially secure during this time. This might shed light on the fact that 2018 saw the largest shrinking of the average grant size in the top three cause areas in institutional giving: health, education, and public benefit (Figure 4, in Section 1).

Figure 17—Nonprofit assets
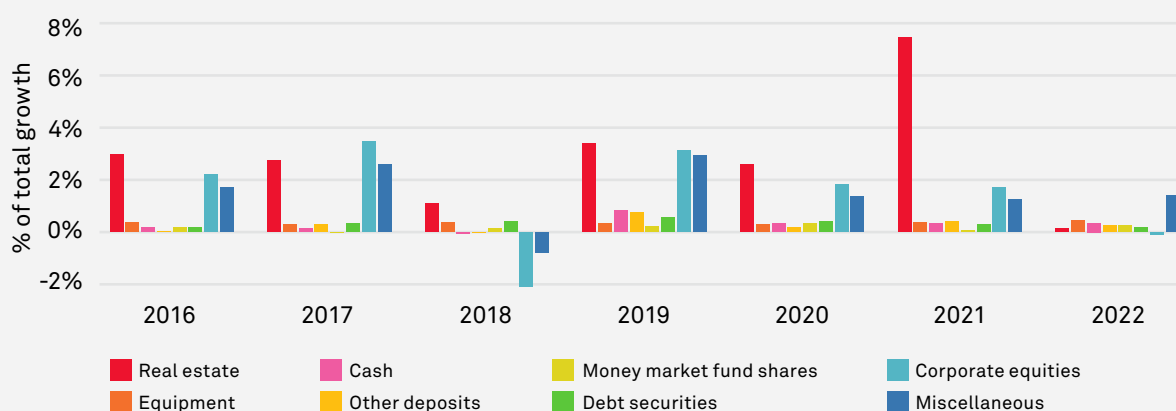
Note: Data from the Federal Reserve Bank of St. Louis. Assets also include intellectual property products, loans, and grants, which were excluded from the figure since they contributed less than 1% to the total growth of assets in these years.

Figure 18—Nonprofit liabilities
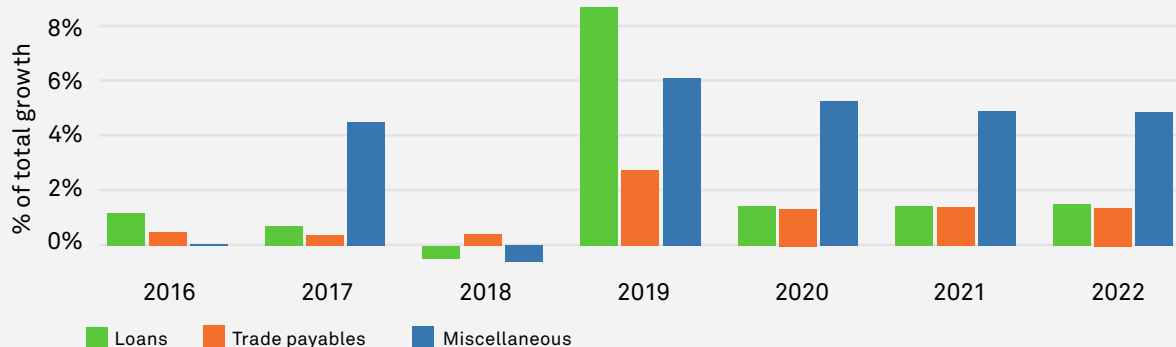
Note: Data from the Federal Reserve Bank of St. Louis. Liabilities also include municipal securities, which was excluded from the figure since it did not contribute to the total growth of liabilities in these years.

A closer examination of assets and liabilities reveals some shifts in where nonprofits were spending and earning money during this time. A decrease in nonprofit assets in 2018 was driven by corporate equities (Figure 17). Real estate was the top driver of non-financial asset growth from 2019 to 2021 (other non-financial assets include equipment and intellectual property products). On the liabilities side, we see an increase in 2019 driven by loans, trade payables, and other miscellaneous items (Figure 18). These liabilities seem to have diminished somewhat in more recent years.

We reference this data set to shed light on other key measures of the financial health of the nonprofit sector. While this data set proved difficult to formally merge with our research, we encourage others to explore how these measures could be integrated into future research initiatives.

Additional analyses examining microeconomics, macroeconomics, and inflation mirrored the patterns of previous findings (i.e., there were no relationships between small donors/grantmakers and any economic factors; among larger donors/grantmakers, microeconomics was a stronger predictor than macroeconomics, and inflation only impacted larger institutional grantmaking within the same year).

Year-over-year fluctuations in giving and in the economy seem less tightly linked, especially for institutional grantmakers.

Overall, we did not find consistent significant relationships between year-over-year (YOY) changes in giving and economic fluctuations. This seems to suggest that while economic conditions influence the overall level of giving, they may not be the primary driver of short-term changes or fluctuations in giving from one year to the next.

However, there were a few exceptions that are worth noting. There were positive relationships between YOY economic changes and YOY grantmaking for moderately small institutional grantmakers (those donating between $100,000 and $1 million a year). Specifically, giving from these grantmakers was positively related to same-year microeconomics, as well as lag-year overall economics, macroeconomics, and inflation. On the individual giving side, individual YOY donation patterns correlated with some economic factors among very small and very large donors (those donating less than $500 or more than $50,000 annually). Specifically, giving from these large and small individual donors was related to same-year giving for overall economics, microeconomics, and macroeconomics.

There are a few possible explanations for this inconsistent pattern of results. YOY changes in giving may be too granular to align with YOY economic changes. This may especially be the case for institutional grantmakers, who tend to maintain relatively stable giving levels from year to year (due to budget requirements, long-term commitments, etc.). Additionally, more acute factors than the economy might play a larger role in YOY fluctuations in giving—e.g., specific fundraising campaigns, world events, and shifts in donor priorities.

Section 3 implications

Taken together, these results demonstrate that economic conditions significantly influence capital flows in the nonprofit sector—and that this influence varies based on donor type, size, and type of economic factors considered. The strong link between microeconomics and giving, the delayed impact of macroeconomic conditions, and the differential effects of inflation all point to a complex, nuanced relationship between the economy and philanthropy. Meanwhile, the finding that larger donors are more sensitive to economic conditions while smaller donors remain relatively stable has potential implications for the resilience and predictability of charitable giving.

Implications for grantmakers and donors

Grantmakers may want to consider these findings to develop economically responsive giving strategies and anticipate how economic shifts might impact their grantmaking capacity. Similarly, individual donors can use this information to inform their long-term giving plans and to consider how economic conditions might affect causes they care about. For example:

- Large individual donors and institutional grantmakers may want to monitor economic indicators to help better anticipate potential fluctuations in their giving capacity. Follow-up analyses suggest that the stock market and disposable household income are particularly related to giving among these groups. The impact of the stock market on institutional grantmaking is consistent with previous research (Osili, et al., 2024); it is also not surprising, given the 5% payout requirement that private foundations are required to follow (Council on Foundations).

- Given the finding that nonprofits tend to receive less support during challenging economic times, donors and grantmakers of all sizes might want to become more aware of their giving during economic downturns and give what they can to ensure that nonprofits survive economic rough patches. Additionally, large donors and grantmakers may want to consider developing countercyclical giving strategies to maintain support for nonprofits during economic downturns.

- All types of donors may want to consider the effects of inflation on nonprofits' operations. Our results suggest that inflation is not correlated with an increase in donations, especially by individual donors.

Implications for nonprofits

Nonprofits can leverage the knowledge from this report to better understand donor funding patterns, develop targeted fundraising strategies, and create financial plans that account for potential economics-driven fluctuations in donations. For example:

- Nonprofits may want to account for the finding that large donors and grantmakers are most impacted by the economy. For instance, it might be prudent to approach large donors/ grantmakers during positive economic conditions, when their capacity to give may be higher.

Similarly, there is likely a need to seek a mix of funding from both large and small donors/grantmakers to create more stable revenue streams across economic cycles.

- Nonprofits may also want to pay attention to economic indicators as early predictors of potential changes in donation patterns—for instance, anticipating more modest fundraising targets during an economic downturn, and adjusting revenue projections accordingly.

- Nonprofits may want to revisit strategies that have focused solely on increasing engagement with high-net-worth individuals. In fact, improving donor participation rates may be the best way to foster resilience in revenue. Smaller donors seem to be less sensitive about their economic circumstances.

Implications for future research

The findings outlined here offer a robust overview of the high-level relationships between individual donations, institutional grantmaking, and the U.S. economy. Yet, much work remains to be done. The following ideas for future research are those our team believes to be important, but which we did not pursue due to a lack of time, data, or information:

- Future research should further investigate the mechanisms behind the patterns of results outlined here—e.g., Why does inflation affect institutional giving but not individual giving? How can we best interpret the null findings for year-over-year fluctuations?

- Additionally, more and better data could shine further light on these relationships. For example, this analysis was limited to eight years of data, accessed annually. More years of data might allow for a bigger picture of how the economy has influenced the nonprofit sector over the long term. Similarly, more nuanced information about seasonality, frequency of donations, and specific events could improve our ability to understand these overarching patterns.

- It would also be helpful to take this research one step further and explore predictive modeling to anticipate future patterns in capital flows. Such predictions could potentially help the sector create more equitable and timely resource distributions.

Lessons learned and future opportunities

One of the primary goals of this collaborative report was to identify and share the ways Candid, GivingTuesday, and Network for Good data can—and cannot—be combined to increase our collective understanding of nonprofit sector capital flows. Overall, we believe that this project suggests an early "proof-of-concept" success regarding combining large data sets to better understand high-level resources and map out capital flows to different causes, organizations, and communities. However, we also know that there is much more work left to be done. Although these findings establish some broad strokes about the giving ecosystem, there are many more questions that we were not able to address within this project.

It is our hope that this project will spark ideas for future analysis and cultivate best practices for collaboration and transparency that will allow for sustained investigation into key research questions across data sources and projects. With this in mind, we share some of our lessons learned throughout this project that may help others, along with recommendations for future endeavors.

Sharing large data sets

The amount of data shared between organizations for this project was groundbreaking—and system-breaking. We found we had to adapt our standard practices for sending and storing data and troubleshoot the process as we went. This experience underscores the importance and necessity of having the resources and capacity to securely share and store big data sets when conducting field-level projects.

Working with archival data

All the data sets used in this report can be considered archival—they were collected before the start of this research project and with a different purpose in mind (e.g., the IRS collects data about institutional grantmaking for regulatory oversight). Therefore, the data was not designed to answer the questions we were asking. We quickly learned that research questions we anticipated being straightforward were challenging due to data limitations and availability. In some cases, we used proxy variables or estimates to conduct our analyses. Our efforts suggest that some creativity may be needed in working across archival data sets. Moreover, working across data sets also introduces complexity to the analyses and caveats to the findings.

Working across data sets with different strengths

Another challenge we encountered was that the various data sets had very different strengths. For example, some strengths of FEP data are detailed transaction dates and very recent transaction data. In contrast, Candid's data strengths include detailed information about the transaction purpose and the grantmaker and recipient organizations. Because the goal of this report was to align information across data sets, we were not able to fully leverage these strengths and instead were forced to take a "lowest common denominator" approach. For example, in terms of looking at changes over time, we limited the analyses to annual snapshots—as Candid's transaction data only identifies the year that grants have been awarded. Similarly, we created proxies to estimate recipient organization size, as this information was not available within the FEP data. We had hoped to include more analyses from NFG data, but the data did not allow us to distinguish between individual and institutional donors. Table 1 offers a full overview of the information available across the different data sets.

Working across different methodological best practices

Another important learning from this project was the extent to which best analytical practices varied depending on the strengths and weaknesses of each respective data set. For example, year-over-year analysis was a robust approach for FEP data, as it helped mitigate effects of seasonality given that the data set had detailed time stamps. It was also a strong approach for this data set, as the data was not meant to be a census. Therefore, year-to-year upward or downward trends were more informative than total dollars. In contrast, this approach was less helpful when applied to Candid's transaction data, as the data was limited to annual collection and was meant to assess comprehensive—but imperfect—giving. In this case, year-over-year analysis tended to exacerbate the data's limitations, exaggerating the effects of missing data rather than highlighting the near–census tracking of total dollars.

Table 1—Overview of four data sets

	Candid transactions data	Candid total grants paid data	GivingTuesday FEP data	Network for Good data
Source	IRS; grantmakers; public sources	IRS	Partner giving platforms	Giving platforms
Donor/grantmaker information	Name, EIN, address, NTEE, mission	Name, EIN, address, NTEE, mission	No information	Location
Recipient nonprofit information	Name, EIN, address, NTEE, mission	No information	Location, NTEE	Name, EIN, location, NTEE
Date of donation	Fiscal year	Fiscal year	Transaction date	Transaction date
Donation description/ purpose	Ranges from detailed to general grant descriptions	No information	No information	No information
Years of data available	Data set starts in 2015; most recent year of comprehensive data is 2022	Data set starts in 2003; most recent year of comprehensive data is 2022	Data set starts in 2005; most recent year of comprehensive data is 2023	Data set starts in 2015; most recent year of comprehensive data is 2023
Representativeness of overall giving	Near-census of institutional grant transactions by U.S. private and public foundations	Census of total giving by U.S. foundations and other nonprofit grantmakers	Sample of individual donations from various data partners	Sample of individual and institutional giving

Opportunities to improve future research and data initiatives

While this project has provided valuable insights into capital flows across the philanthropic landscape, it also serves as a catalyst for future research. By addressing the challenges identified and building on the lessons learned, the sector can move toward more comprehensive and nuanced analyses of charitable giving patterns. This, in turn, will support more informed decision-making among individual donors, grantmakers, and nonprofit organizations, ultimately enhancing the impact of philanthropic efforts. Suggestions for future research are included in each section of the report. Additionally, when reflecting holistically on this project, further ideas for improving future initiatives are worth noting:

- We affirm current efforts advocating for improvements in administrative data collected by the IRS—specifically, ensuring comprehensive grant lists in Forms 990-PF and 990, including EINs on Form 990-PF grant lists to identify grantee organizations accurately, and improving the reporting of government revenue.

- Our project underscores the need for thoughtful, collaborative, and transparent methodologies and analytical models. Different analytical approaches may be best suited for specific types of data. Data holders, researchers, and subject matter experts should invest in establishing best practices and sharing them. Moreover, these models should be handled with care and designed with specific needs in mind.

- In our exploratory approach to combining diverse data sets, we encountered significant challenges stemming from the varying strengths and methodological approaches inherent to each data set. To address these challenges proactively, we recommend incorporating prototyping into the research process. By engaging in early, specific hypothesis testing, researchers can identify potential challenges with data set integration and better understand how to leverage the unique strengths of each data set. This approach can help refine research questions, streamline data harmonization efforts, and ultimately lead to more robust and reliable analyses.

Conclusion

This analysis of how capital flows across the U.S. nonprofit sector reveals a complex philanthropic landscape. By examining data from individual donors and institutional grantmakers, we have uncovered significant trends in giving priorities, the impact of donor size, geographic variations, and the influence of economic factors on charitable activity.

Our findings highlight both the stability and the evolving nature of philanthropy in America. Certain patterns remain consistent, like the prioritization of human services by individual donors. But we also observe shifts in giving, like the decline in the share of funding to education or fluctuations that may be associated with the COVID-19 pandemic.

Our state-level analysis uncovered significant disparities in the distribution of charitable dollars. While populous states like California, New York, Florida, and Texas consistently received the most contributions, adjusting for population size revealed different patterns. Notably, Washington, D.C. and Nebraska emerged as leaders in per capita giving, highlighting the importance of considering multiple metrics when assessing charitable activity across states.

The economic analysis confirmed that giving is tied to the broader financial circumstances of the United States, and that microeconomics—particularly the stock market—is a consistent predictor of upcoming disbursement of charitable giving. Additionally, we found that institutional giving, but not individual giving, tends to be linked to inflation. These trends underscore the complex interplay between economic conditions and philanthropic activity.

This research not only provides valuable insights for donors, grantmakers, and nonprofits, but also lays the groundwork for future studies. By combining and analyzing diverse data sets, we aimed to open new avenues for understanding the flow of charitable resources and their impact on communities. However, we also encountered challenges in data compatibility and interpretation, highlighting areas for improvement in data collection and analysis practices.

As we move forward, we hope that these findings inform more targeted and effective philanthropic strategies, and that the collaborative nature of this project inspires future data-driven efforts to enhance the impact of the philanthropic sector.

Appendix A

About the data

Candid data

Candid provided data to analyze the giving trends of institutional grantmakers—i.e., nonprofit organizations that give to other organizations and individuals. We used two unique data sets, depending on the analysis.

Transactions data set

Candid's transactions data set was used for Sections 1 and 2—specifically, analysis by cause area and geography.

Data sources and collection. Candid's largest source of transactions data is the U.S. government's IRS Forms 990 and 990-PF. Some grantmakers also contribute data to Candid directly, and Candid also collects data via public sources (e.g., websites, newsletters).

Data set creation. The transactions data set is based on Candid's transactions database as of May 29, 2024. We applied no weighting to the data but applied the following selection criteria:

- Cash grants awarded in fiscal year end (FYE) 2015-2022 by U.S. public and private foundations to U.S.-based recipient organizations;

- Excluding: bundled grants directed to multiple or unidentified recipients; grants from Fidelity Investment Charitable Fund (because of inconsistent data collection from year to year); grants to recipient organizations that could not be identified as unique entities; and grants from large pass-through foundations or trusts dedicated solely to awarding grants to another private foundation in the data set (e.g., Bill & Melinda Gates Foundation Trust).

Limitations. Due to reliance on the IRS, data is available one to two years after grants have been awarded, limiting the most recent year of comprehensive data to FYE 2022. Transaction date is limited to the fiscal year awarded and cannot be specified further. The date may also refer to either the paid or authorized date. Due to changes in Candid's methodology over time, comprehensive grants data dates back to 2015. The data set includes double counting of dollars and grants made to other grantmakers (e.g., a private foundation's grants to a community foundation), though we attempted to exclude the largest pass-through foundations and trusts.

Table 2—Summary of Candid transactions data set

Fiscal year	Total giving aggregate	# of grantmakers	# of transactions
2015	$80,386,715,402	88,335	1,525,458
2016	80,644,154,856	87,368	1,573,989
2017	92,508,657,813	93,061	1,417,718
2018	95,443,128,447	97,149	1,537,814
2019	98,969,134,360	103,346	1,467,765
2020	112,216,986,860	103,857	1,525,934
2021	129,232,290,552	102,223	1,478,742
2022	140,029,416,445	104,054	1,434,854

Total grants paid data set

This data set was used in the economic analysis in Section 3. This data set is the most accurate record of an organization's total giving in a fiscal year, as reported to the IRS. It is also the most comprehensive data available, representing all organizations that reported their fiscal year giving to the IRS via Forms 990.

Data sources and collection. Grantmakers report their total giving in:
- Form 990-PF: Part I, Line 25, Column D or Part XIV, Line 3a or Part I, Line 25, Column A;
- Form 990: Part IX, Lines 1-3, Column A from 990 filings; or
- Form 990-EZ: Part I, Line 10 of 990-EZ.

Data set creation. We applied no weighting to the data but applied the following selection criteria:
- Total grants paid in FYE 2015-2022 by U.S. organizations (including all 501(c) subsections) that submitted a Form 990 filing;
- Excluding: large pharmaceutical organizations.

We also divided this data set into three different types of grantmakers:

- **Private foundations** (n = 665,163): 501(c)(3) organizations that reported paid grants/contributions on IRS Form 990-PF.

- **Public foundations** (n = 886,762): 501(c)(3) organizations that reported paid grants/contributions on IRS Form 990 or 990-EZ.

- **Non-501(c)(3) grantmakers** (n = 260,586): all other 501(c) organizations that reported paid grants/contributions on IRS Form 990, 990-EZ, or 990-PF. Other 501(c) subsections include, for example, 501(c)(4) civic leagues, social welfare organizations, and local associations of employees; 501(c)(5) labor, agricultural, and horticultural organizations; and 501(c)(6) business leagues.

Limitations. This data set contains no details about a grantmaker's giving—i.e., there is no information about the number of grants paid, to whom, or for what purpose. Like the transactions data set, due to reliance on the IRS, data is available one to two years after grants have been paid, limiting the most recent year of comprehensive data to FYE 2022. The data set includes double-counting of dollars and includes grants made to other grantmakers (e.g., a private foundation's grants to a community foundation), though we attempted to exclude the largest pass-through foundations and trusts.

Table 3—Summary of Candid total grants paid data set

Fiscal year	Total giving aggregate	# of grantmakers
2015	$222,689,661,759	199,287
2016	234,967,753,217	218,098
2017	255,302,173,252	233,244
2018	275,111,829,447	235,607
2019	290,629,852,844	234,426
2020	328,930,861,549	228,928
2021	376,184,929,857	226,479
2022	407,137,830,026	236,442

GivingTuesday Fundraising Effectiveness Project (FEP) data

Data from the Fundraising Effectiveness Project (FEP) database was used to understand the behavior of individual donors. This database is an innovative resource, designed to track donation trends within the nonprofit sector, providing valuable insights in a quarterly benchmark report.

Data source and collection. The FEP database contains aggregated data from multiple donation platforms. Each data provider supplies two critical tables: a transactions table and an organizations table. The transactions table records individual transactions, documenting donors using a unique, anonymized donor ID, along with their donation amounts, transaction dates, and the recipient organizations identified by a unique organization ID. The organizations table captures recipient organization data, such as location and NTEE codes, using a unique organization ID. Each donor is assigned a distinctive donor ID within an organization, ensuring that if a donor contributes to multiple organizations, each organization will assign a different donor ID to that donor. Thus, a donor ID will never be shared across different organization IDs.

Data set creation. The FEP data set does not entirely represent the complete donation landscape. To address this, we have established selection criteria and weighting schemes to eliminate high-frequency churn, emphasizing stable organizations and correcting first-order biases in the data set. This involves a panel selection process, where an organization is included in a particular year's analysis and becomes part of the "panel" for that year based on predefined eligibility criteria, alongside a classic weighting scheme using IRS data as a reference.

The panel definition for a specific year includes three criteria spanning the previous three years. These parameters were determined by analyzing IRS Form 990 contributions and selecting values within three standard deviations. For each of the three years preceding the panel definition, organizations are included if they meet the following criteria:

- organizations have received sufficient donations (total donation revenue of at least $5,000 and at least 25 donations);
- the yearly growth rate of total donations is between -66.7% and 300%; and
- they are not excessively large (total donations do not exceed $25,000,000).another private foundation in the data set (e.g., Bill & Melinda Gates Foundation Trust).

The data is weighted by organization size and NTEE major group to reflect 2018 IRS filers in the $5,000 to $25 million contribution range.

Limitations. The FEP data set is limited by the lack of donor and recipient information. The data set does not contain any donor information, making it impossible to perform any detailed demographic or geographic analysis of the origin of individual donations. The recipient information is limited to geographic location and NTEE classification. The lack of organization EIN makes it impossible to join the FEP data with Candid and NFG data on organization EIN and understand how individual and institutional funds are distributed to specific organizations. The analysis of the destination of individual donations is therefore limited to geographic location and NTEE classification.

Table 4—Summary of FEP data set

Fiscal year	Total giving aggregate	# of organizations	# of donors
2015	$4,686,387,233	3,464	10,560,980
2016	4,855,454,240	3,843	10,543,521
2017	5,289,700,595	4,287	10,918,625
2018	5,654,419,820	5,186	10,696,418
2019	5,926,709,940	6,567	10,654,592
2020	6,438,852,418	8,010	11,208,600
2021	6,636,102,580	9,667	10,503,824
2022	6,539,236,261	8,819	9,383,385

Network for Good (NFG) data

Network for Good (NFG) is a 501(c)(3) donor advised fund sponsor that operates a technology-enabled donor advised fund that allows donors to recommend funds be granted to eligible charities of their choice. NFG receives donations through partner and giving campaign platforms. The data provided illustrates trends in donation success, donor trends by geographic data, and donation recipient details while protecting the privacy of the donor and partners.

Data source and collection. The Network for Good Donor Advised Fund database pulls data from different giving platforms into a single transactions table. This table provides unique anonymized donation IDs for details at the transaction, partner, donor, and recipient (nonprofit) levels. Partners also have unique anonymized IDs, and nonprofits have unique IDs. There is geographic data for the donors and nonprofits. Additionally, the donation level records donation amounts, transaction dates, transaction recurrence, and the recipient organizations; the nonprofit level has the EIN, and NTEE codes. This data set has no donor id, so aggregation is based on transactions alone.

Data set creation. The NFG data set contains 55,662,020 donations, 512,974 recipient EINs, and 505,632 distinct nonprofit entities. The NFG data does not identify donors by unique IDs, so we do not know how many donors are represented. We can identify that 12.4% of donations are part of recurring donations (past the first donation), but 81.4% don't have a filled-out recurrence. This difference can be because some nonprofit entities have multiple chapters with different EINs. For example, The Salvation Army may have multiple local chapters under one EIN or vice versa.

Limitations. The NFG data set does not allow for many breakdowns by the donor, including distinguishing between individual and institutional giving.

Table 5—Summary of NFG data set

Fiscal year	Total giving aggregate	# of donations
2015	$257,841,619	1,812,246
2016	301,374,813	2,206,376
2017	412,525,776	4,564,942
2018	494,461,785	8,491,654
2019	450,386,004	7,803,688
2020	694,707,968	10,343,174
2021	604,666,842	8,214,633
2022	475,976,481	6,287,425

Economic data

The majority of additional data sets for economic analyses leveraged Federal Reserve Economic Data (FRED) as found on the Federal Reserve Bank of St Louis website. It should be noted that most of these data sets originated from other sources (see Table 6 below). Some additional data sets for economic analyses were collected directly from the U.S. Census Bureau's American Community Survey (ACS) 5-Year Data. Due to a wide variety of data methodologies and sources, different data sets may be updated monthly, annually, or at some other cadence. To create consistency across sets, the last available value for the given year was used for the analyses in this report. The one exception is for the volatility score, which was created by taking the sum of the Chicago Board Options Exchange Volatility Index for a given year (a lower value suggests a period of low risk, while a higher value suggests a period of higher volatility). The table below provides additional information about these external data sets, including links to data tables used, data descriptions (quoted directly from FRED when possible), and data citations.

Table 6—Economic data sources

Data name (linked to data)	Data description (italicized descriptions are direct quotations from FRED)	Data citation
NASDAQ Composite Index	*"The NASDAQ Composite Index is a market capitalization weighted index with more than 3000 common equities listed on the NASDAQ Stock Market. The types of securities in the index include American depositary receipts (ADRs), common stocks, real estate investment trusts (REITs), and tracking stocks."*	NASDAQ OMX Group, NASDAQ Composite Index [NASDAQCOM]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/NASDAQCOM, February 15, 2024.
S&P 500	*"The S&P 500 is regarded as a gauge of the large cap U.S. equities market. The index includes 500 leading companies in leading industries of the U.S. economy, which are publicly held on either the NYSE or NASDAQ, and covers 75% of U.S. equities."*	S&P Dow Jones Indices LLC, S&P 500 [SP500]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/SP500, February 15, 2024.
Market Yield on U.S. Treasury Securities at 2-Year Constant Maturity	Describes the market interest rate on short-term federal government bonds (reaching maturity two years from the issue date); 2-year security yields are indicative of how strong or weak the short-term investment environment is (higher yields are generally associated with a worse investment environment)	Board of Governors of the Federal Reserve System (US), Market Yield on U.S. Treasury Securities at 2-Year Constant Maturity, Quoted on an Investment Basis [DGS2]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/DGS2, February 15, 2024.
Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity	Describes the market interest rate on long-term federal government bonds (reaching maturity 10 years from the issue date); 10-year security yields are indicative of how strong or weak the long-term investment environment is expected to be (higher yields are generally associated with expectations for a worse investment environment)	Board of Governors of the Federal Reserve System (US), Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis [DGS10]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/DGS10, February 15, 2024.
Gross Domestic Product	*"Gross domestic product (GDP), the featured measure of U.S. output, is the market value of the goods and services produced by labor and property located in the United States."*	U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/GDP, February 15, 2024.
Inflation, consumer prices for the United States	*"Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly."*	World Bank, Inflation, consumer prices for the United States [FPCPITOTLZGUSA]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/FPCPITOTLZGUSA, February 15, 2024.

Sticky Price Consumer Price Index	*"The Sticky Price Consumer Price Index (CPI) is calculated from a subset of goods and services included in the CPI that change price relatively infrequently. Because these goods and services change price relatively infrequently, they are thought to incorporate expectations about future inflation to a greater degree than prices that change on a more frequent basis."*	Federal Reserve Bank of Atlanta, Sticky Price Consumer Price Index [STICKCPIM157SFRBATL]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/STICKCPIM157SFRBATL, February 15, 2024.
University of Michigan: Inflation Expectation	*"Median expected price change next 12 months, Surveys of Consumers."*	Surveys of Consumers, University of Michigan, University of Michigan: Inflation Expectation© [MICH]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/MICH/, February 15, 2024.
Federal government budget surplus or deficit	Describes the quarterly balance between government spending and tax collection. A deficit means that the government spent more than it collected in taxes during the period in question, while a surplus indicates the opposite. The deficit/surplus is distinct from the national debt, as the national debt is cumulative, while the deficit/surplus is restricted to a particular budget period.	U.S. Bureau of Economic Analysis, Federal government budget surplus or deficit (-) [M318501Q027NBEA]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/M318501Q027NBEA, February 15, 2024.
Median Household Income in the United States	Median income of all households in the United States by year as calculated by the US Census Bureau's "Income and poverty in the US" release	U.S. Census Bureau, Median Household Income in the United States [MEHOINUSA646N]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/MEHOINUSA646N, February 15, 2024.
Disposable Personal Income	According to the Bureau of Economic Analysis's "A Guide to the National Income and Product Accounts of the United States (NIPA)" (p. 9): *"The income available to persons for spending or saving. It is equal to personal income less personal current taxes."*	U.S. Bureau of Economic Analysis, Disposable Personal Income [DSPI]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/DSPI, February 15, 2024.
Volatility score	According to the Chicago Board Options Exchange website: *"The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPX) call and put options. On a global basis, it is one of the most recognized measures of volatility—widely reported by financial media and closely followed by a variety of market participants as a daily market indicator."*	Chicago Board Options Exchange, CBOE Volatility Index: VIX [VIXCLS]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/VIXCLS, February 15, 2024.

Z.1 Financial Accounts of the United States: B.101.n Balance Sheet of Nonprofit Organizations	According to The Federal Reserve: *"Includes private foundations, including charitable trusts, and organizations that are tax-exempt under Sections 501(c)(3) through 501(c)(9) of the Internal Revenue Code. Does not include religious organizations or organizations with less than $25,000 in gross annual receipts. Most financial asset and liability information from annual tax data available with a lag; recent values estimated by staff."*	Federal Reserve Bank of St. Louis. (2024). B.101.n Balance Sheet of Nonprofit Organizations. Retrieved from FRED, Federal Reserve Economic Data, fred.stlouisfed.org/release/tables?rid=52&eid=810364, February 15, 2024
Poverty status	According to the U.S. Census Bureau: *"Following the Office of Management and Budget's (OMB) Statistical Policy Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using the Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps)."*	U.S. Census Bureau. (2022). American Community Survey 5-Year Estimates [B17001_001E, B17001_002E]. Retrieved from U.S. Census Bureau API, February 15, 2024.
Unemployment rate	*"The unemployment rate represents the number of unemployed as a percentage of the labor force. Labor force data is restricted to people 16 years of age and older, who currently reside in 1 of the 50 states or the District of Columbia, who do not reside in institutions (e.g., penal and mental facilities, homes for the aged), and who are not on active duty in the Armed Forces."*	U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE]. Retrieved from FRED, Federal Reserve Bank of St. Louis, fred.stlouisfed.org/series/UNRATE, February 15, 2024.

Appendix B

Analytic techniques

Giving by cause area and size

Analysis by cause area was based on recipient organizations' National Taxonomy of Exempt Entity (NTEE). We analyzed eight of the 10 major NTEE categories, excluding two categories— Mutual/Membership Benefit and Unknown/Unclassified—because of small sample sizes and inconsistent organization counts from year to year.

Analytic methods include distribution of total donations/grant dollars, average donation/grant size, and year-over-year change in donations/grant dollars per cause area.

Donor/grantmaker size categories were created from total donations/grant dollars awarded each year. We calculated the total transaction dollars awarded by each unique donor/grantmaker in a year to assign them to a size category. A donor/grantmaker could fall in different size categories in different years, depending on their donation/grant expenditures each year. The same strategy was used to create the recipient organization size categories. Recipient organization size was based on total donations/grant dollars received each year. A recipient organization could fall in a different size category in different years, depending on the amount received each year.

Due to the way we defined recipient organization size, it may seem obvious that small organizations (receiving less than $100,000) received a smaller share of total funding. In our investigation, we also explored a different measure of recipient organization size. We ran the same analysis using organizational expenses reported on nonprofit Form 990 filings as a proxy for size. We were able to do this exploration only for the institutional grantmaking data set, which identifies the recipient organization and allowed us to look up their organizational expenses. The resulting trends were nearly identical: whether we used organizational expenses or grant dollars received as a measure of organization size, small recipient organizations received a small share of overall grant dollars.

Giving by recipient location

A geographic analysis of individual and institutional funding flows was conducted using recipient location. Our analysis examines organizations based in the 50 U.S. states and Washington, D.C. Recipient organizations without state information were excluded. Organization location may not necessarily reflect the geographies impacted by charitable dollars (e.g., donations to a Washington, D.C.-based nonprofit may benefit communities across the country, not just those in D.C.).

To understand the geographic distribution of nonprofit funding by individual donors and institutional grantmakers, we examined total donation/grant value, donation/grant value per capita, year-over-year change in donation/grant value, total nonprofits, and nonprofits per 10,000 people at the state level, aggregated annually. We employed an exploratory approach, utilizing various visualizations, such as bar chart races, to compare metrics across states over time.

With Candid's transactions data set, which provides both grantmaker and recipient organization locations, we explored the interstate and intrastate flow of funds for institutional giving. This analysis was conducted over time at both the national and state levels.

At the state level, we also investigated how the distribution of funds relates to socioeconomic indicators such as median household income, unemployment rate, and poverty rate. These indicators offer a comprehensive view of the economic landscape, aiding in understanding the financial capacity, economic stability, and challenges faced by different populations. We analyzed the relationship between the value of donations/grants per capita and each socioeconomic indicator annually using scatterplots, plotting the respective values for each state. From these scatterplots, we derived trendlines and analyzed their slopes over time to observe changes in these relationships. Additionally, we compared the donation/grant value per capita and each socioeconomic indicator against the national average for each state and each year. Lastly, we compared the year-over-year trend of donation/grant value to the year-over-year trend of each socioeconomic indicator for each state.

Giving and the economy

To unpack the relationship between economic conditions and various types of charitable giving, we conducted linear regression models, utilizing principal component analysis (PCA) as a dimensionality reduction technique to distill the multivariate economic data into manageable components. To do this, we first categorized the economic variables into four distinct feature subsets based on initial exploratory data analyses (correlations and simple linear regression).

- **All economic features:** This encompassed a wide range of economic indicators, including NASDAQ, S&P 500, volatility score, 2-year and 10-year Treasury notes, GDP, various inflation measures (CPI, sticky price CPI, expected inflation from University of Michigan), federal government budget surplus/deficit, median household income, and disposable personal income.

- **Microeconomic features:** This included NASDAQ, S&P 500, median household income, and disposable personal income.

- **Macroeconomic features:** This subset included GDP, federal government budget surplus/deficit, and 2-year and 10-year Treasury notes.

- **Inflation-related features:** This included inflation (CPI), sticky price CPI, and expected inflation (University of Michigan).

We then applied PCA to each feature set, reducing them to their first principal component. These components served as predictor variables in linear regression models. Additionally, it is worth noting that features related to the stock market (NASDAQ, S&P 500), as well as disposable income, had strong factor loadings for the overall economic factor as well as for the microeconomics factor, suggesting that these features may be driving some of the patterns within both sets of analyses. The first principal component of the household microeconomic features captured 82% of the variance of these variables. The first principal component of the macroeconomic features captured 55% of the variance.

In terms of dependent variables, we examined several different types of giving outcomes:

- **Total annual giving**

- **Lag-year giving:** Annual giving compared to the economics of the previous year (to assess whether there is a delay between when changes in the economy impact the nonprofit sector).

- **Year-over-year change:** Defined as the current year's value divided by the previous year's value, minus 1. Note that this transformation was applied to both giving and economic factors for year-over-year analyses.

- **Lag year-over-year:** Year-over-year changes in giving compared to changes in the previous year's year-over-year economy. Note that this analysis resulted in no statistically significant findings. Therefore, we did not include this variable or the results in the main text of the report.

Separate regressions were then run for individual donors and institutional grantmakers, across various donor/funder sizes (defined based on their annual giving) and types (specifically, institutional grantmakers were divided into public foundations, private foundations, and non-501(c)(3) grantmakers).

Appendix C

Exploratory research questions

The research team took an exploratory research approach to conducting the analyses in this report. Rather than testing predetermined hypotheses, we began with broad inquiries and let the data guide our analysis. Specifically, we started with a list of 16 exploratory research questions and conducted various analytic techniques to assess the extent to which we could derive answers. In some cases, the original research question suggested additional research questions that we further explored. In other cases, we ran into a dead end due to data limitations or lack of alignment across data sets. Although we focused the main part of this report on the questions for which we were able to provide at least preliminary answers, we also believe that there is much to learn from what we could not answer. To this end, this appendix lists all our original research questions, the extent to which we were able to answer them, and what we learned in the process.

Table 7—Initial research questions

Research question	Answered?	Learnings
Giving by cause area and size		
What can we learn about the relationship between individual and institutional donors? Are there large-scale, long-running discrepancies? Are there opportunities for greater synergy?	Partially	We were able to unearth broad similarities and differences in the giving trends of individual and institutional donors but did not have time to explore opportunities for greater synergy.
How have individual and institutional giving patterns varied across different cause areas over the years? How aligned or divergent are these?	Yes	We compared distributions of giving and year-over-year trends to identify differences in individual and institutional giving by cause area.

Where do synergies and discrepancies exist between individual donations and institutional grants within the same cause areas?	Partially	Our analysis, in part, identified the ways individuals and institutions of different sizes are alike and how they diverge, but more exploration is needed.
How often are dollars getting to community-based, grassroots organizations vs. larger, national organizations? When funds do make it to grassroots organizations, who is making those donations: institutions, individuals, or both?	Partially	Defining community-based and grassroots in the data is a challenge. We used total donation/grant dollars received as a proxy, but this is a subject for further investigation.
Is there plausible reason to believe there is a causal relationship between individual and institutional donors, in one direction or another?	No	We did not have the data to explore this.
Giving by recipient location		
How does the geographic distribution of funding from individual donors compare to that of institutional grantmakers?	Yes	We analyzed funding by recipient organization state. More local analysis (by zip code) was limited by data availability.
Are there regional variations in giving patterns by individual and institutional donors, specifically areas of overlap or discrepancy?	Yes	We found areas of overlap by individual and institutional donors.
How can we identify underserved areas? Can we identify regions that are particularly vulnerable and stand to benefit from more robust or preventative support?	Partially	Our geographic analysis by state-level household income, population living below the poverty line, and unemployment rate was a first step at broadly understanding giving to underserved areas. But more research is needed.
Do demographic factors influence giving patterns? How do they differ between individuals and institutions?	Partially	We began exploring giving patterns by demographic factors like race/ethnicity. Ultimately, we needed more time to draw conclusions from the analysis.
What is the impact of major social events (e.g., climate disasters, pandemics) on donation and grant patterns?	Partially	We explored giving patterns during the years of the COVID-19 pandemic, but analysis of other major events and their impact on giving was limited, in part, by lack of data granularity.
In regions where there is evidence of more durable capital stack, what are the common circumstances, factors, or characteristics?	No	We lacked time to explore this.
Giving and the economy		
How do economic indicators influence individual and institutional giving?	Yes	We explored this in Section 3 and identified that economic conditions significantly influence individual and institutional giving trends.

How does the seasonality and frequency of individual donations compare with grant allocation timelines?	No	We did not have time to explore this. Also, limitations of the institutional transactions data made analysis of seasonality challenging.
How do specific events affect the flow of funds and whether there's a correlation between individual and institutional responses?	No	We did not have time to explore this. Also, limitations of the institutional transactions data made the analysis challenging.
What long-term trends can be explained and extrapolated in both individual and institutional giving?	No	Lack of data granularity limited our ability to explore this question.
Can we predict future patterns in individual and institutional giving based on current data? Can we use predictive modeling to forecast future donation and grant allocation trends? Can these predictions lead to more equitable or timely distributions?	No	Lack of data granularity limited our ability to explore this question.

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Endnotes

1. By nonprofit sector, we are referring to 501(c)(3) public charities, along with the funders who support them.

2. For simplicity's sake, in this report, we refer to the NTEE category "public, societal benefit" as "public benefit."

3. Due to the way we define recipient organization size, it may seem obvious that small organizations received a smaller share of total funding. We conducted additional analysis using organizational expenses as a proxy for size and found similar results (see Appendix B).

4. This finding is not necessarily representative of individual giving as a whole, as the FEP data set applies selection criteria for stabilization, such as excluding very small recipient organizations receiving few donations. See Appendix A for more about the data set.