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The Giving Crisis

Fewer Americans donate to charity, and misdirected fundraising might be part of the problem. Nonprofits can turn things around — if they forge stronger connections with supporters.

**Building community:** Nine ways nonprofits can better engage everyday donors

**Many ways to give:** Charity: water believes supporters have more to give than money, if you ask.

**Giving USA:** 2020’s strong giving continued in 2021, but storm clouds are ahead.

Power of Cash Giving

GIVING money to people in need allows them to make their own decisions — and evidence shows it works.

Thinking in Color

Rip Rapson, head of the Kresge Foundation, draws to distill complex ideas and start conversations.

Coming in August

Little Kids, Big Dollars. A look at what philanthropy is doing to improve early-childhood education.
THE FACE OF PHILANTHROPY
An Arts Center Designed for and by Young People

By NICOLE WALLACE

When the EPACENTER, a nonprofit in East Palo Alto, Calif., which serves 3- to 25-year-olds, opened its doors in April, young people could sing out in voice class, learn to play the drums, hone their skateboarding skills, shimmy during high-energy dance instruction, and more.

Funded by the John & Marcia Goldman Foundation, the 25,000-square-foot center was more than a decade in the making. Young people were involved every step of the way. Early on, they surveyed peers to find out what they wanted, says Nadine Rambeau, the organization’s executive director.

“They wanted a place where they could come together, make art, be creative, celebrate their talents, and celebrate their cultural heritage,” she says. “And the thing is, that did not exist before the center.”

Despite being close to the prosperity of Silicon Valley, East Palo Alto struggles with poverty and a scarcity of opportunities. Rambeau says the students who helped guide the center’s creation were conscious of the sometimes-negative perception people have about their city.

The name the young people chose — EPA CENTER — draws on the city’s initials and is a play on the word “epicenter.” They also asked the architects to include lots of glass in the building’s design, something Rambeau says is unusual in buildings for students, especially students of color. More often, she says, there’s a lot of concrete.

“The students said those buildings feel like prisons to us. We want to feel like people can see us. We can see out. We can be seen doing positive things,” Rambeau says. “I think it shows up in the name as well, trying to center East Palo Alto and center themselves in a positive way.”

Donor John Goldman says he’s been consistently impressed by the decisions young people have made. One example is their insistence that the center be built to meet LEED Platinum certification for sustainability — something that surprised him at first.

“Then they explained it and said, ‘You know, sustainability has many facets in its definition. We want a building that’s sustainable ecologically but also sustainable in our community. And the two are tied together,’” he says. “All their decisions have been thoughtful and deep and insightful.”
The Generosity Cure

How the dangerously frayed ties between nonprofits and supporters can be fixed

By DREW LINDSAY
NOT LONG after she started at the Houston Food Bank in 2020, Abby Trahan unwittingly tackled a problem threatening the nonprofit world and bedeviling its biggest thinkers. Her solution? Food recipes.

Arriving directly from graduate school at Texas A&M, the 25-year-old took over managing the organization’s portfolio of monthly donors. Some early proponents of such programs cautioned that it’s best to let sleeping donors lie — roused by too many emails, they might cancel their automatic renewal.

Nonsense, Trahan thought. These are our most loyal donors. They need to be drawn closer.

Over the next two years, Trahan took every excuse to connect with her donors. She introduced herself to the group, called Faithful Friends, through email and a video and splashed her contact information across the website. Get in touch if you have questions or need help, she urged.

In her first year, Trahan handwrote 900 holiday cards and called 800 donors. She sent monthly updates, some with videos as well as stories of the group’s impact. When a winter storm hit Texas last year, Trahan was helping with the organization’s relief efforts when she met a family who had just arrived in the state and had little in the larder. She quickly dashed off a note to the Faithful Friends about the family and how the food bank had helped.

And, yes, she sent recipes. On birthdays, monthly donors received a Trahan-signed postcard with a chocolate-cake recipe. Her unspoken message: We know you, and we care about you.

In two years, Faithful Friends grew from about 2,000 to 5,000 donors. One whom Trahan got to know well committed to a planned gift. Another called when inflation hit — not to cancel her pledge but to give more. Costs for the group, the donor said, would be going up.

Staring Down Hard Truths

Trahan’s story is instructive for a nonprofit industry staring down the hard truth of declining rates of giving. Fewer than half of American households give to charity, down from two-thirds in the early 2000s. That’s 20 million households that once opened their wallets for nonprofits but now say “No, thanks.”

Last fall, philanthropy leaders backed by national grant makers created the Generosity Commission to find ways to reverse this decline. The group of nonprofit and foundation leaders — no fundraisers among them — aims to “inspire,” “reignite,” and “reinvigorate” generosity. It’s a mission that presupposes that the charitable impulse of Americans is atrophying, if not at risk of withering away altogether. “The future of generosity in America is not guaranteed,” the commission warns.

But what if generosity is healthier than giving data suggests? Maybe as strong as ever? You might come to that conclusion looking at the explosion of giving on platforms like DonorsChoose and GoFundMe, which bypass traditional charities and funnel cash directly to people and projects. Or the growth of mutual-aid groups during the pandemic. Or the surge in corporate-initiated, consumer-focused social enterprises such as Patagonia or Toms shoes.

“We are seeing the numbers of donors to 501(c)(3)s going down,” says Mari Kuraishi, co-founder of the GlobalGiving crowdfunding platform. “Maybe the same number of people — and possibly more — are engaged in acts of generosity that don’t get captured in the flow of funds to 501(c)(3)s.”

The Generosity Commission is exploring Kuraishi’s hypothesis. Among other things, it commissioned research by philanthropy scholar Lucy Bernholz that highlighted the many ways working-class Americans express generosity apart from charitable giving.

Continued on Page 8
But if Kuraishi is right and generosity hasn’t faded, another national commission might be in order — this one to study nonprofits themselves. Why did 20 million households stop giving to charity? Answers may lie in the signs that mis-directed fundraising is doing little to stoke humans’ innate generosity. Indeed, an obsession with cash may be tamping down the desire to give, threatening not only revenues but also the standing of nonprofits as a primary force for good — this at a time when Americans enjoy a super-abundance of choices for doing good.

**Relationships or Transactions?**

Nathan Chappell delivers a similar message from a stage at the MGM Grand Conference Center in Las Vegas, where some 3,000 fundraisers gathered in May for the annual national conference of the Association of Fundraising Professionals.

Chappell, a former fundraiser who’s now an executive at the data firm DonorSearch, flashes onto a screen a chart showing the decline in giving over two decades — from its high point in 2002 at 68 percent of all American households to less than 50 percent in 2018, the latest year for which the Indiana University Lilly Family School of Philanthropy has numbers.

While crisis-related giving has pushed the dollars going to charity higher in recent years, there’s still concern that fewer donors are stepping up. Donations by individual Americans, which decades ago made up as much as 85 percent of all giving, now account for only about two-thirds, according to the annual “Giving USA” report.

Other data points to fraying connections between nonprofits and their supporters. The rate of volunteerism has dropped from 65 percent in 2013 to 56 percent last year, according to Gallup polls. Donor-retention rates have fallen from about half to around 43 percent over the past 15 years. Non-profits can attract donors, it seems. But building the relationship that makes them want to give again? That’s another story.

The night before his talk, Chappell signed a publishing deal to co-author a book titled *The Generosity Crisis*. The phrase also features in promos for his talk, which may explain why just 30 or so people fill the hundreds of seats in the room. Who comes to Vegas to hear bad news?

Chappell, who has been raising alarms about the declining rates of support for some time, has met largely with indifference. People discount the numbers when they see each year’s tally of total giving break records, driven by bigger donations by the wealthy. "Maybe it’s like *The Inconvenient Truth,*" Chappell says later, referencing Al Gore’s doomsday documentary about climate change. "In 15 years, people will say, ‘I wish I’d paid attention back then.’"

He ticks off nearly a dozen likely reasons for the decline. The flagging attendance in houses of worship. The decline of happiness among Americans. Slumping trust in institutions and nonprofits specifically.

Chappell doesn’t mention them, but critiques by some conservatives argue nonprofits have lost favor with Americans because they are pursuing increasingly political agendas. Others point to the hollowing out of the middle class; economic calamity hammered average Americans in the Great Recession-to-Great Pandemic years.

Nonprofits, obviously, can’t control the economy or improve the country’s collective state of mind. But Chappell doesn’t let fundraisers play the victim. Many nonprofits have depersonalized philanthropy, he says, letting the chase for dollars dominate their messaging and relationships with supporters.

"Nonprofits over time have traded the relationship for the transaction," he says. "When revenue

The number of Americans who give to nonprofits has dropped. Some experts believe they’ve found other ways to do good.

is the ultimate goal, what’s sacrificed is the long-term relationship."

Other nonprofit leaders and advocates share Chappell’s concerns. They talk of a growing estrangement as charities center interactions with supporters on money. "People generally want to participate and to feel part of something," says Rhodri Davies, a philanthropy scholar. "But too many traditional nonprofits are coming to them with offers or asks that feel very much like a transaction — ‘give this amount of cash.’"

The examples are legion. The closing screen for an online donation that reads, “Transaction complete.” Communications sent only at the fiscal year’s end or during the holidays. Emails always — always — accompanied by asks. Monthly donor solicitations whose ask is predicated on the notion that gifts

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**PITCHING IN**

Share Omaha expanded the giving-day concept to encourage residents to contribute money and goods and to volunteer at events like this one at the Nebraska Diaper Bank.
Modern fundraising demands a bold, fresh approach.

clearly Graham-Pelton
There’s a pervasive money-first attitude driving these tactics, Davies says. He has encountered organizations that decline to work on community events because they don’t see a financial return. He is also puzzled by the push to make giving “frictionless” and create a glidepath from donation impulse to dollars hitting a charity’s coffers.

It’s almost an inducement to give without thinking, Davies says. “That always struck me as an odd idea; it goes against the grain of really what giving should be about.”

The problems lie not just with how nonprofits seek support; it’s who they ask. Pressed to make short-term revenue goals, groups are creating or expanding big-gift operations, siphoning resources from the annual fund and other efforts to generate everyday giving.

“The focus has shifted to big-game hunting” as the only means to achieve maximum return on fundraising investments, says Laura MacDonald, a fundraiser and consultant who’s the chair of the Giving USA Foundation. But that’s a mistake, MacDonald says. A major-gifts officer might bring in $2.5 million from five or so gifts, but a fundraiser working with a portfolio of 400 donors could easily bring in the same amount.

“It’s the same ROI, but we reserve most of our resources and attention for that gift officer who’s bringing in five gifts,” she says. “We have created models in which we focus on major gifts at the expense of the modest donor.”

Foundations deserve a lot of blame for the disconnect with donors, says Mario Lugay, senior innovation director for Justice Funders, which supports philanthropy to advance social justice. In the past few decades, Lugay argues, grant makers have invited nonprofits to turn to them for help, to stop chasing small-dollar gifts. Foundations now account for almost one out of every five dollars given to charity, according to “Giving USA,” up from just 6 percent in the early 1980s.

That means nonprofits spend less time building community and more time writing grant applications that attest, explicitly or implicitly, to their organization’s value and superiority over similar groups. Such self-promotion soon bleeds into all fundraising, Lugay says. “You start to absorb that approach. And it keeps going and it keeps going and 20 years later, we are the most narcissistic folks.”

**Personalized Giving**

On the Las Vegas stage, Nathan Chappell has moved the discussion from diagnosis to treatment. Generosity and giving are a manifestation of connection, he says, and nonprofits must do more to personalize giving and build relationships.

“It’s about going back to the roots of what nonprofits are built to do, to bring people together to accomplish something that they couldn’t do alone,” Chappell says after his talk. “There’s been a trade-off — money for relationships — and it’s time to reverse that. Otherwise, this crisis won’t end.”

There’s no lack of ideas for how to forge stronger connections with supporters. (See article on Page 12.) For some fundraising experts, it’s about investing in basic but neglected stewardship of small-gift donors — spell names correctly, send prompt thank-you notes, and so on. Chappell and others promote artificial intelligence and other...
Each year, 6 million Americans are diagnosed with Alzheimer’s—a disease currently without cure and limited treatment options. This fact weighs heavily on the curious minds of neuroscientists like James Brewer. Building on UC San Diego’s leadership in Alzheimer’s gene therapy treatment, Brewer and his colleagues are working together as part of the Epstein Family Alzheimer’s Research Collaboration to discover new therapies and reduce time for clinical trials. Buoyed by our visionary donors, the Campaign for UC San Diego has concluded with over $3 billion raised, so our work safeguarding minds and memories can move ahead with a fresh urgency.
technologies as a means to segment large numbers of donors and build relationships digitally with targeted communications that speak to the aspects of a group’s work that each supporter cares most about.

Nonprofits may also have to break with convention. Fundraising with groups that are seemingly competitors for dollars — and even pitching your donors on their behalf — could, oddly enough, increase an organization’s giving and standing. Mother Jones, a nonprofit news outlet, uses its gift thank-you notes to bring similar journalism ventures to the attention of its donors — a practice supporters have cheered.

Share Omaha, a nonprofit and online platform serving groups in the Nebraska city, has expanded the popular giving day concept to three days: It encourages supporters to make donations on one day, volunteer on a second day, and buy items on nonprofits’ “wish lists” on a third.

Fundraisers at the Children’s Home Society of Florida are evaluating prospects for more than giving potential. They look for circles of influence — professional associations, sororities and fraternities, workplaces, and houses of worship — in order to identify and court potential ambassadors for the group. “If we can build the right relationships with them, we see bigger opportunities than just a $1,000 check,” says Anthony Sudler, chief philanthropy officer.

Charity:water, the international development group that pioneered birthday fundraisers, created and promotes a “lifetime impact” measure for supporters. (See article on Page 15.) It tallies an individual’s donations as well as the gifts from their DIY fundraising drives and referrals of friends and acquaintances. Supporters who bring in 10 donors who give $40 a month are celebrated for making clean water possible for 120 people, 10 times the impact of a typical $40 gift. That’s a signal that the group values someone’s connections and advocacy in addition to his or her cash.

The Community Foundation Santa Cruz County in California is trying to build relationships that bridge divides between communities that are racially and economically divided. One new approach: bring together nonprofit leaders and foundation donors interested in a particular issue like homelessness. As a group, they develop an action plan and solutions to problems big and small. The result is often more gifts but also engagement with donors that translates into increased impact, says CEO Susan True. Nonprofits that seek only cash “end up without relationships to help them advance change. They’re left without advocates, without partners. It’s not good for anyone.”

‘Competition for Connection’

More is at stake than the declining rates of giving that threaten the bottom line. The “doing good” landscape has grown crowded in the past couple decades. Limited liability corporations — vehicles increasingly put to use for social good —

Do the basics to steward small-gift donors. Many organizations can’t invest heavily in such work, but experts stress that small things help. Make sure gift acknowledgments and thank-you notes go out promptly with thoughtful, more-than-perfunctory messages, they say. And spell the donor’s name correctly. “People gave us money and entrusted us to use it wisely, and we can’t even remember their name?” says Jim Greenfield, a former college and hospital fundraiser.

Don’t overlook average donors. “The average donor, in my opinion, feels marginalized,” says Matthew Lambert, vice president for university advancement at William & Mary. In 2020, the college completed a nearly decade-long campaign with three goals: to raise $1 billion, improve alumni engagement, and boost the share of alumni who give to the college. Lambert says the college’s messaging balanced each of the three goals. The campaign also added events beyond typical reunions and social gatherings to bring alumni together. These included faculty discussions on topical issues as well as career-focused meetings for various professions. The share of alumni who give to William & Mary, which reached as high as 30 percent during the campaign, remains tops for public institutions.

Temper praise for big donors. Boasting about megagifts turns off those who aren’t supporters and

BOOSTING CONNECTION
William & Mary worked to involve students in its recent campaign and made increasing the share of alumni who give a key goal.
those who sacrificed just to give a few hundred dollars, says Harvard’s dean of advancement, Armin Afsahi. “Maybe there’s room for a little humility. What if you flipped it and talked more about the common good for the collective?”

Double down on storytelling. Many groups promote their bona fides as great organizations with enormous impact. That ignores the personal, emotional stories that inspire giving, says Nic Miller of the Fundraise Up consultancy.

The success of the crowdfunding platform GoFundMe, which showcases the personal appeals of individuals, is a reminder of what works, Miller notes. Consider the GoFundMe fundraiser by the individual seeking donations for a desperately needed surgery. “That’s a lot more compelling than the hospital saying, ‘We serve millions of people around the world, and we’re very prestigious ...’ — yawn!” Miller says.

Work with other groups. The public’s trust in individual institutions — including nonprofits — is declining, according to surveys. But when organizations partner with others and make appeals together, donors can more easily see themselves as part of a cause.

Five international development groups have joined a campaign led by the advocacy group Global Citizen, each with a different strategy to reduce poverty. “To be honest, it removes an excuse not to give,” says Mick Sheldrick, Global Citizen’s policy chief. “A donor can’t say: ‘You don’t cover my issue.’”

Seek something other than money. The Share Good giving platform used in six cities is promoted as a one-stop digital hub for giving donations but also as a way to volunteer and “shop for good” using nonprofit wish lists.

“there’s a whole middle section of the demographic that isn’t a major family foundation and isn’t ready for a donor-advised fund,” says Marjorie Maas, executive director of the three-year-old Share Omaha, which owns the platform. “How do they engage with their community and start being stewarded toward a more impactful relationship? We want to make that entry point to finding that as easy as possible.”

Share Omaha’s Do Good 2021 day to encourage volunteerism prompted donations of more than 3,500 hours of help, a 15 percent increase over 2020.

Support mutual-aid groups and other informal “doing good” efforts. The crowdfunding platform GlobalGiving promotes individuals and groups that aren’t registered charities because they are often closest to the issues — and often the first who can respond to natural disasters. “We’re trying to step outside the rigid structure where we can only partner with nonprofits,” says Sandrina da Cruz, the group’s director of disaster response.

The organization still works to make sure funding is used appropriately, but the nonprofit world needs to develop new, more flexible accountability measures, da Cruz says. “Are the different accountability mechanisms that we put in place still the best way to go about it? Or is it just that we’ve been doing it the same way for so long?”

Bring people together — online and in person. The pandemic’s forced isolation “made us hungrier for connection,” says Mari Kuraishi, president of the Jessie Ball duPont Fund, which is funding nonprofit efforts to expand their social-media presence. “It’s a great time to be in that space and say, ‘Hey, we can help you connect in a genuine and meaningful way.’”

Nonprofit leaders report their in-person events are bringing people lots of joy. The University of Central Arkansas launched the public phase of a $100 million campaign in the spring of 2021 with a series of high-energy gatherings fueled by people’s excitement at being together again. “It was important to them to feel part of something and feel part of the campaign,” says Maegan Dyson, assistant vice president of development.

Build communities of purpose wherever possible. Charity:water promotes its monthly donor program, the Spring, as a place for “people like you ... giving anything they can to prove how unstoppable we are when we work together.”

“We really need to figure out how to recognize, reward, and engage the everyday philanthropist about the importance of collective impact,” says Keith Leaphart, chair of the Lenfest Foundation and founder of Philanthropy, a digital platform to encourage lifelong philanthropy. “It’s not what we do individually that matters; it’s what we are accomplishing collectively as a community.”

— Drew Lindsay
have become a favorite tool of big donors who want to pursue change through politics and for-profit enterprise as well as through nonprofits. Nearly a third of Americans give money to structured community organizations that aren’t registered charities, such as mutual-aid groups or rent-relief funds, according to new research from GivingTuesday.

Also, corporations are selling themselves and their wares in the language of nonprofits. “Nonprofits are in a competition for connection” with the business sector, says Brian Crimmins, CEO of Changing Our World, a philanthropy consulting firm, and co-author of the forthcoming *The Generosity Crisis* with Chappell. “There’s growing concern that a 20-something might think, ‘I can have more impact on the environment if I buy from this company and use this product than if I give $100 to this nonprofit.’”

Technology, meanwhile, is providing new means to connect donors directly with people in need, bypassing traditional charities. While millions in donations have gone to aid groups during the Ukrainian war, cryptocurrency investors worldwide have funneled more than $100 million directly to the country for military and humanitarian assistance. One group of cryptoholders even organized direct aid to individuals who applied for help through a website.

Since its start in 2010, the crowdfunding giant GoFundMe has processed more than 200 million donations and raised more than $15 billion. Mari Kuraishi, who was running GlobalGiving when GoFundMe launched, says it has changed the giving landscape.

GoFundMe appeals are powerful because they are personal, emotional, and direct, says Kuraishi, now the president of the Jessie Ball duPont Fund. “All the research shows that people give to people. That pull of ‘there is a specific person who needs my help’ is psychologically very, very compelling.” It’s debatable whether these new entries in the charity space are direct competition for traditional nonprofits. Research suggests they don’t pose a threat, says Woodrow Rosenbaum, GivingTuesday’s chief data officer. Studies show that generous people give in any number of ways — to neighbors, to politics, to mutual-aid groups, and to charities. It’s not a zero-sum equation, he says.

“There’s a lot of misplaced worry about cannibalization and competition,” Rosenbaum says. “That’s a shallow view of the data available.”

If nothing else, nonprofits have to respond to an evolving marketplace for doing good, Kuraishi says. “They have to up their game.”

Talking Up Mission

At the Houston Food Bank, Trahan’s success led to deeper investment as growth in the monthly donor program outstripped capacity. The organization used a vendor to make the introductory call to new donors, with Trahan writing a script. She used an autopen to sign holiday cards last year. Still, she wrote all the communications, sacrificing none of her personal style for an organizational voice. And she continued to help any donor who called.

Trahan doesn’t understand why organizations neglect their monthly donors and simply hope for renewals. “We really need to think about these donors in a different way — not transactionally,” she says. Why not talk up your group’s mission — the “why” that drives giving — at every opportunity? “Are you afraid that your organization’s mission isn’t enough? If that’s the case, then you need to change something at the organization to make it something interesting.”

Trahan’s work got her noticed. In March, she was hired as a development officer at the University of Houston. Her assignment: personalize the leadership annual-giving program for several of its colleges.

Her exit argues against building a program around a single person. But frontline fundraisers come and go as well, Trahan notes, and organizations don’t discourage them from building relationships. “If a major-gift officer had left after two years, no one would ask any questions.”

Faithful Friends sometimes call the food bank asking for Trahan. “I still remember most of them,” she says.
Charity:water Believes Donors Have More to Give Than Dollars — if You Ask

By DREW LINDSAY

THE NGUYEN FAMILY had always approached its philanthropy in traditional ways. Xuan and Hoa, immigrants from Vietnam, and their children, Alicia, Nicholas, and Justin, were generous with cash donations, often giving to organizations working in their homeland and helping Vietnamese immigrants in the United States.

Today, however, the Nguyens are leading a campaign to bring clean water to 1 million people globally by 2030. How to do that? Persuade some 10,000 people to become monthly donors to Charity:water, an international development group that builds wells and clean-water systems.

The Nguyens have enormous passion for this project as well as giant reach: They run World System Builder, a Bay Area business that Xuan founded. It provides financial education to individuals and families through more than 20,000 licensed agents in the United States and Canada — each of whom the company recruits for the project. Clients get pitched on Charity:water, too. Almost two years into the effort, World System Builder has signed up more than 2,000 new Charity:water supporters. Donations total more than $1.1 million, including more than $800,000 from monthly donors, whose gifts will grow over the decade.

The Nguyens expanded their philanthropy because Charity:water long ago found ways to let people express their generosity in all kinds of ways beyond cash donations. The group very intentionally encourages supporters to give in their own way — with money, of course, but also using their talents and social connections.

Imagination Run Wild

Founded in 2006 by former nightclub promoter Scott Harrison, the organization pioneered digital birthday fundraisers, campaigns in which individuals solicit donations for charity on social media. Other Charity:water fundraising strategies have ranked the nonprofit world or stirred criticism — like the acceptance of private company stock that leads to staff bonuses when the business goes public — but it’s known for the creative ways it invites the public to show support.

Let your imagination run wild, the group urges supporters who want to raise money for the group, offering photos, branding material, and digital giving platforms. A teenage band promised to perform a song on Instagram dedicated to a donor for every gift; three adventurers rode a Rickshaw across India.

“We realize that some people could write a check for $2,000,” says chief development officer Ben Greene. “Other people say, ‘I want to get out and raise $2,000.’ We want to provide them resources and equip them with the tools to do that.”

Two years ago, Charity:water created a “lifetime impact” measure to signal the importance of supporters who put their hustle, creativity, and social networks to work for the cause. It’s a tally of the dollars they donate plus the contributions of those they connect to the organization. When individuals bring a new monthly donor to the organization, their impact measure grows with each contribution that person makes.

“Our hope is that it inspires people to continue and to deepen their engagement with us,” Greene says. Since the measure’s debut, the number of Charity:water supporters who have recruited others to join the monthly donor program has grown from 167 to 532.

Daniel Olson’s impact measure stands at more than $12,000, only about $800 of which he donated himself. When Olson first encountered Charity:water in 2017, he says he was “blown away” by its work and Harrison. “I decided that this is an organization that I not only want to support; I want to get to know these people as humans,” he says.

Olson runs a creative agency based in Boise, Idaho, his hometown, and New York City. He volunteered to photograph Charity:water events. Last year, when he decided to run the New York City marathon to raise support, he threw himself into promoting his fundraising.

After flying from Boise to New York, he filmed a promo video as he ran through Central Park. He shared the video with his social-media network, which numbers in the thousands, ultimately raising more than $11,000. “Love and water — that’s all the world needs,” wrote two friends with their gift.

More Powerful Than Donations

The Nguyens met Harrison when they invited him to speak at a “Convention for Cause” virtual meeting of their team of financial advisers. Wowed, they donated but also felt inspired to do more. Their personal-finance education, they decided, lacked a fundamental lesson about how charitable work could help people feel part of something bigger than themselves.

“What could be more powerful than to teach that to people?” Alicia Nguyen says.

In its work, World System Builder aims to provide financial education to 30 million people by 2030. Xuan Nguyen settled on the parallel Charity:water goal of providing clean water to a million people and announced it at a meeting of all its members. The Nguyens pitch the project in newsletters and team calls, repurposing Charity:water monthly impact statements about wells built in various communities around the world. They also celebrate donors at company meetings and by posting their names on its website.

Alicia Nguyen says the project has helped bring together World System Builder’s community of professionals, who work all over the world. “Clean water is something very universal, no matter your background or where you live,” she says. “It resonates with everybody.”
Even as 2022’s economic uncertainty clouds fundraising forecasts, this much is clear: The pandemic-born surge in charitable giving was bigger than anyone knew. And it stretched into 2021.

Charitable giving in America last year gave back only a fraction of the remarkable gains it recorded in 2020, according to findings released late last month from the annual “Giving USA” report. This is somewhat of a surprise. As 2021 opened, experts and nonprofit leaders had worried that support might fall off significantly as donors gained distance from the previous year’s seismic, giving-inducing events: the Covid-19 crisis and the racial reckoning touched off by the police murder of George Floyd.

But the new “Giving USA” estimates show that total giving remained essentially flat in 2021, dropping just 0.7 percent after adjusting for inflation, to $484.9 billion. The wealthy figured even more prominently in giving than in years past, accentuating fears that average Americans are becoming disconnected from charities.

That donors sustained high levels of giving in 2021 is particularly noteworthy because of this finding: They were more generous during the pandemic’s first year than previously thought. Using new tax data on itemized charitable donations, “Giving USA” revised its estimate of gains in 2020, with total giving that year now recorded at $488.1 billion — an increase of 8.1 percent over 2019 even after adjusting for inflation. That’s the largest jump since 2012 and the fourth-largest in the 21st century. Previously, researchers had put the 2020 increase in giving at 3.8 percent.

Altogether, charitable giving grew 7.4 percent from 2019 to 2021, according to “Giving USA,” which is produced by the University of Indiana’s Lilly Family School of Philanthropy. (Inflation-adjusted estimates for the report’s figures are used throughout this article except where noted.) The full report will be released in mid-July.

“In 2021, after the extraordinary generosity exhibited in 2020, we started at zero again,” says Laura MacDonald, chair of the Giving USA Foundation and founder of the Benefactor Group, a fundraising consultancy. Still, philanthropic support reached high levels again last year — “a demonstration of the resilience of charitable giving.”

The pandemic-born surge in charitable giving was bigger than anyone knew. And it stretched into last year.

Inflation Spoils the Moment

Contributions were fueled by the strong economy that began to take hold in late 2020 and dominated 2021, according to “Giving USA” researchers. Returns on S&P 500 stocks jumped $20 million more than the average in the seven years before. Major donors also helped the organization complete a $100 million endowment drive three years early.

At the United Negro College Fund, giving reached $250 million in 2020, with donations flowing to the organization as donors responded to calls for racial justice in the aftermath of Floyd’s murder. The next year brought another $200 million. Before 2020, UNCF typically raised $100 million a year, says Diego Aviles, a top development executive with the group.

“We were definitely wondering if people’s attention would refocus elsewhere,” Aviles says, “but we have been able to sustain momentum.”

Support was particularly strong for environmental and animal-welfare groups during 2020 and 2021, according to “Giving USA.” Giving increases averaged about 8 percent during those two years.

Also, donors in 2021 rushed in to rescue arts and culture nonprofits after a dark first year of the pandemic, when giving dropped nearly 7 percent as groups were forced to move their performances and events online. Contributions climbed almost 22 percent last year — the largest increase in 35 years.

Only one of the nine charity causes that “Giving USA” covers saw donations decline over the two years. Health groups saw contributions fall 4.2 percent. Giving to religion was largely flat, dropping by just under 1 percent.
more than 45 percent over those two years, while the country’s gross domestic product grew by more than 5 percent in 2021 when adjusted for inflation.

Inflation and a stock-market retreat, however, dampen the 2021 giving report and the outlook for 2022. Last year’s growth in giving — 4 percent before inflation is factored in — didn’t keep pace with prices that crept upward. Now, with inflation roaring, many nonprofits are facing runaway costs and the threat of recession on the horizon.

Social-service and health organizations “are all kind of in this purgatory, waiting to see what comes next and how we get through,” says Michael Corey, executive director of the Human Service Chamber of Franklin County in Ohio. Many of the chamber’s more than 150 member organizations are seeing record demand, topping pandemic levels, Corey says. At the same time, there’s a sense of donor fatigue and worries that people aren’t paying close attention.

“One of the things keeping our agencies up at night is what happens when the pandemic supports end,” Corey says. “There’s going to be a big cliff.”

Other nonprofits report increasing salaries, high gas prices, supply bottlenecks, and more. “We didn’t have paper, we didn’t have envelopes, and, oh, now we don’t have labels,” Nicole Engdahl, a National Park Foundation executive, says about a planned mailing. “So it was like, Are you kidding me? It was one supply-chain issue after another.”

Growing Clout for Big Donors

If philanthropy is going to step into the breach for nonprofits in 2022, “Giving USA” suggests that the wealthy will have to lead the relief effort. The report provides fresh evidence of trends that point to the increasing dominance of big donors in philanthropy:

- The influence of average Americans on charity is shrinking. About two-thirds of 2021 philanthropic support came from individuals. Four decades ago, that figure was 83 percent.
- Billionaires play an outsized role in giving that’s growing larger still. Megagifts — donations of $450 million or more — accounted for 5 percent of all individual philanthropy, up from about 3 percent in 2020. The nearly $15 billion total included $5.7 billion donated by Tesla titan Elon Musk.
- Nonprofits increasingly rely on foundations for support. Giving from grant makers accounted for almost one out of every five dollars donated to charity in 2021, its highest share ever. In 1981, grant-maker contributions made up only 6 percent of the total.
- Giving vehicles favored by the wealthy are growing at remarkable speed. Contributions to public society benefit groups — the “Giving USA” category of nonprofits dominated by donor-advised funds — increased 35 percent since 2019, or nearly five times the 7.4 percent growth rate for all nonprofits. Giving to foundations, meanwhile, grew 10 percent from 2019 to 2021.
- The landscape is certainly shifting,” says Una Osili, a Lilly scholar who leads the “Giving USA” research. Osili notes that the greater share of giving by foundations and high-net-worth individuals reflects the country’s increasing concentration of wealth. “But at the same time, we cannot take away the role that individuals continue to play.”

Dig deeper into our coverage of “Giving USA” as development professionals share what they learned from last year’s ups and downs. Read online at philanthropy.com
Charitable efforts that give cash directly to people in need so they can do whatever they want with the money are sweeping across the United States, fueled by infusions of donations from foundations and individuals and growing evidence that the approach is more effective than traditional social-service programs.

Nonprofits that give people cash instead of offering them services was "one of the most significant changes in giving norms during the pandemic," according to Benjamin Soskis, a researcher at the Urban Institute who has studied the trend.

One nonprofit, Mayors for a Guaranteed Income, started by former Stockton, Calif., mayor Michael Tubbs, has helped leaders in more than 30 cities start direct-cash programs by providing $17 million total. Bloomberg Philanthropies, the W.K. Kellogg Foundation, the Wells Fargo Foundation, and others helped fund the effort, which is based on the success of work Tubbs did in his city.

At least four new projects, including in Baltimore and New Orleans, were announced in recent months. Participants in each of the cities with programs will receive at least $125 million provided by private foundations, government funding, and individual donors.

And the nonprofit pioneer of the approach, GiveDirectly, which started handing cash out to impoverished people in Kenya more than a decade ago, will start a program in Atlanta called In Her Hands. The program will give a total of $13 million to women in need with money raised from individuals and organizations, including the Betty and Davis Fitzgerald Foundation.

Research by Soskis found two key advantages of giving cash over longstanding charity approaches: The money reached people fast, which was especially important in the Covid pandemic, and it had no strings attached so it provided flexibility.

"One lesson you could very clearly take away is that cash was a very powerful tool in helping people in desperate need and that it also has a powerful message about trusting those that you want to help," Soskis said.

Early Efforts

Michael Tubbs has been one of the most successful evangelists of the movement to hand out cash. He attracted significant philanthropic support and lots of public attention when he started a guaranteed-income plan designed to ensure that Stockton residents had money needed to pay for necessities.

Tubbs raised money from Facebook co-founder Chris Hughes to provide 125 residents of the city with $500 apiece in a test of the idea.

"We saw that people were able to pay for ne-
cessities — and most of the money was spent on food and utilities — that people were more likely to go to work or find a full-time job,” said Tubbs, who was defeated in his bid for a third term in the mayor’s office in the 2020 elections.

Tubbs now leads Mayors for a Guaranteed Income. The group, which has 75 members, advocates for making a minimum guaranteed income a federal policy. It received $18 million in 2020 from Jack Dorsey, CEO of Twitter at the time, to support guaranteed-income pilot programs in cities around the United States.

Tubbs said these types of programs are becoming more common. During the pandemic, they helped illustrate that direct payments do more than traditional social services, he said. “Even with housing vouchers, food vouchers, people still need money,” he said. “And part of it is realizing that money is flexible. So if I struggle with food, I probably also struggle with housing. I probably also struggle with transportation. So, really, giving money is about trusting people to have the best solution to whatever their individual problem is.”

Embrace Mothers in Birmingham, Ala., which started in March, is one of the new guaranteed-income program.

Mayor Randall Woodfin said in a Medium post that he chose to support single mothers in his city because they lead more than 60 percent of the Birmingham households with children and were disproportionately affected by the pandemic. Putting money directly into their hands, he said, would enhance economic stability.

More than 8,000 women applied to receive the cash, and 110 single mothers who have at least one child were randomly selected to receive $375 a month each for 12 months. Mayors for a Guaranteed Income provided the city half a million dollars from the money it raised from

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foundations and other donors to make Embrace Mothers possible.

In New Jersey, the Newark Movement for Economic Equity, another one of the mayor’s group programs, is in its second year of giving more than 400 residents $6,000 apiece per year. Nyerere Carter, who works for the New Jersey medical examiner’s office, is one of the program recipients. Carter used the money that he got last year for gas, food, shoes for his kids, and repairing eyeglasses. He also used it to travel to Louisiana and West Virginia when his grandmother died, to make arrangements and attend the funeral.

He’s the sole provider for his household of four. His wife lost her job due to the pandemic. Applying for the cash program, he said, was a “no-brainer.”

“I had to apply for this program because I had to find a way to survive,” he said.

He was eligible in part because his income is at or below 200 percent of the federal poverty line. Carter praised Mayor Ras Baraka for the program.

He said people assume participants in this program do not want to work and are not deserving of help.

“I don’t know how people can say that when it’s taken me almost 10 years just to earn $40,000,” Carter said.

Cash Infusion or Consistent Payments?

Soon after Covid lockdowns prompted layoffs and other economic problems for many Americans, GiveDirectly launched Project100+, which provided nearly 200,000 households across the United States a one-time payment of $1,000 each. Support for the effort came from the Schusterman Family Philanthropies, NBA Cares, and Google.org.

It also recently launched a cash program to help people in Malawi after a tropical storm hit the southern African country. And it has plans to launch a direct-cash payment program in Yemen in the summer to help more people afford food.

In the United States, the group started In Her Hands in partnership with Georgia Resilience and Opportunity Fund. The program, which started this spring, will provide 650 Black women in Georgia an average of $850 a month for two years. The focus is on Black women because they are two times as likely to be living in poverty than white women in Georgia, according to the Georgia Budget and Policy Institute.

Residents in Atlanta’s rapidly gentrifying neighborhoods are facing economic inequality, says Tyler Hall, communications director at GiveDirectly.

A group of volunteers determined to help people in those neighborhoods, such as the Old Fourth Ward, came up with the recommendation to try cash payments and to give them to Black women.

The women who will receive the funds are near or below the federal poverty line, which was $26,200 for a family of four in 2020, and live in areas with some of the largest racial wealth gaps in the United States. Some 46 percent of Black households in the Old Fourth Ward, who will be a primary focus of the new cash program, make less than $25,000 a year.

In addition to helping those in Atlanta, the program also will assist women in predominately rural and suburban areas in Southwest Georgia.

One group of women, Hall said, will receive $850 a month for 24 months, and the other will get a $4,300 upfront payment at the beginning of the program, then around $700 a month for the rest of the program. A research group from Appalachian State University will analyze whether a large cash infusion leads to a better outcome or if a consistent payment option is best.

Success in Washington, D.C.

Fresh results from programs started early in the pandemic are fueling the spread of the
direct-cash efforts. In the nation’s capital, a direct-cash payment program, Thrive East of the River, launched in 2020 was a success.

Four organizations worked together to raise money and provide one-time payments of $5,500 each to nearly 600 families in a low-income region east of the city’s Anacostia River.

One of the four organizations that participated in the program was Bread for the City, which provides food, clothing, medical care, and legal and social services to low-income residents. Mandi Koba, economic security policy analyst at the nonprofit, said recipients were shocked they did not have to provide documentation or proof of their income to receive the cash payments.

“We trusted what they were telling us, and that’s so different than the safety-net and the public-benefit programs we have in place in our country,” Koba said.

An Urban Institute study of the program showed that 54 percent of the recipients spent all or almost all the money on rent or mortgage payments, and 42 percent spent all or almost all of its funds on food. Participants also reported having better mental health and lower hunger rates than other people with low incomes in the city and around the United States after receiving the Thrive payment.

Now Bread for the City is figuring out more ways to continue working to eradicate poverty. The group says offering another cash program is an option, as is advocating to make cash payments a government policy.

Such a policy could mean residents would no longer need Bread for the City’s services. Brittany Pope, who is on Bread for the City’s economic-security team, said that’s the goal. If the nonprofit is successful on one front, it can move on to other social-justice problems, Pope said.

Until then, she says it will look for ways to show residents to be “the experts of their own lives.”

Reporting for this article was underwritten by a Lilly Endowment grant to enhance public understanding of philanthropy. See more about the grant and our gift-acceptance policy on philanthropy.com.

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“Even with housing vouchers, food vouchers, people still need money.”
Rip Rapson arrived at the job interview carrying a four-foot-long piece of foam board. It was 1999, and Rapson was a candidate for his first position in philanthropy, as president of the McKnight Foundation in Minneapolis, a city where he had been deputy mayor.

McKnight wanted its new leader to help reimagine how it invested in children, families, and economic development. Rapson had put his ideas to paper — specifically, a three-panel, colored-pencil drawing attached to the foam board. As Rapson remembers it, he was dissuaded from bringing his visual aid into the interview. “What in the world is that?” asked Cynthia Boynton, daughter of McKnight founder Virginia Binger. But McKnight’s board later discussed the sketch at length. And Rapson was hired.

Two decades later, hundreds of Rapson drawings adorn the philanthropic landscape. Some of his earliest work, in the 1990s before he joined McKnight, helped the Annie E. Casey Foundation conceive a new strategy. At the Detroit-based Kresge Foundation, where he’s been president since 2006, his oeuvre includes more than 50 drawings detailing philanthropy’s work in the city, the 2013 bankruptcy, and the recovery. Over the years, his sketches have found their way into a White House cabinet meeting, the Detroit bankruptcy trial, and university discussions of philanthropy and society. Kresge staff hang them on their office walls.

When Jennifer Kulczycki interviewed to join Kresge’s communication’s office, Rapson pulled out a piece of paper and made a diagram of relationships at the foundation. “I still have it,” Kulczycki says. “This was before I knew that the drawings weren’t something special, that they were a daily exercise.”

Beatrix Potter’s Influence

It’s perhaps a surprise that Rapson, a lawyer versed in the arcane of policy and grant making, has an artistic bent. But his father, Ralph Rapson, was an internationally renowned architect who often worked out of the basement of the family home in Minneapolis. He believed that “architecture could literally change lives by bringing us together across races and incomes,” said then-Minneapolis mayor R.T. Rybak when the elder Rapson died in 1998.

Rip Rapson’s mother was a volunteer in the children’s literature archives at the University of Minnesota, where her son spent hours poring over manuscripts and early editions. How did Beatrix Potter illustrate *The Tale of Peter Rabbit?* Rapson

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THINKING IN COLOR
Rip Rapson’s sketches have found their way into a White House cabinet meeting, the Detroit bankruptcy trial, and university discussions of philanthropy and society.
sheets of paper. This led to an awkward moment at a meeting at the Casey foundation headquarters in Baltimore. Rapson had been invited to add a policy perspective from his work in Minneapolis and felt like an outsider to the discussion. Hours into the meeting, however, with the conversation stalled, Ralph Smith, then the foundation’s vice president, noticed Rapson’s sketches. Rapson worried Smith thought he was idly doodling. But the Casey veteran had the drawings copied and distributed, then restarted the meeting focused on them. Over the next couple of years, Casey leaders invited Rapson to visit and translate their thinking into visuals.

‘Conversation Propellant’

Rapson describes drawing as much more than simply a means to organize his thoughts. Distilling complex ideas and conversations onto a page “forces you to see the relationships among things and to make your own judgment about whether they add up to a coherent whole,” he says. When shared with others, the drawings can be “conversation propellant,” he says. “If you’re sitting in a room with 10 people trying to track and make sense of a conversation, sketching can be a clarifying act” that allows participants to quickly grasp key concepts and react.

Not everyone finds value in Rapson’s drawings. He says a former Kresge trustee called them “childish.” But others have made good use of them. According to Rapson, Shaun Donovan, a secretary of housing and urban development in the Obama administration, took into a cabinet meeting an early 2010s sketch of how philanthropy could look for answers in the book’s shiny metal production plates.

In the mid-1990s, Rapson discovered another influence when he joined the University of Minnesota’s Design Center for the American Urban Landscape, which at the time was working with aging inner-ring suburbs. Following meetings with residents and stakeholders, the team would gather around a table and watch as Bill Morrish, the project’s co-leader and a nationally recognized urban designer, illustrated challenges and potential solutions in a series of sketches. Morrish would use the drawing to start the next meeting with the communities. “One had the feeling of sitting in an airplane,” Rapson writes in a remembrance of this time, “looking out the window, and seeing not just the physical elements of the landscape but also the unseen tendrils connecting them. Genius.” Rapson took up the habit of sketching during meetings, swapping out lined paper for 11x17-inch sheets of paper. This led to an awkward moment at a meeting at the Casey foundation headquarters in Baltimore. Rapson had been invited to add a policy perspective from his work in Minneapolis and felt like an outsider to the discussion.

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py was stepping into the void as Detroit’s government and financial troubles left it unable to pay for even basic services. Donovan used it to illustrate the role each federal agency could play in Detroit.

Rapson relies heavily on his sketches during regular visits to Duke University’s Sanford School of Public Policy, where he talks about Detroit with students, faculty from several colleges, local philanthropy officials, donors, and others. The audience loves the sketches because they clearly establish relationships and entities key to any change, says professor Joel Fleishman, a philanthropy scholar.

“There are very few foundation presidents who have had the impact that Rip has had, both in Minneapolis and in Detroit,” he says. “One of the reasons is that he makes it all understandable by anybody who hears him talk about it and sees those diagrams.”

Humans at the Center

Typically, Rapson sketches in pen during meetings. If ideas are later presented to a broader audience, he will compose a colored-pencil sketch. Though his father worked only in black and white, the son opts for color as an organizing principle—yellows for one type of activity, greens for another, and so on.

Rapson’s art has signature elements. Bags with dollar signs represent grants or other money transfers. Bold arrows indicate a progression or narrative flow. Ornate pillars illustrate core principles or players in a plan. Cranes stand in for capital construction.

In many drawings, key institutions are depicted as colorful buildings. A recent drawing of the role of culture in advancing racial equity featured a wide array, from Detroit’s Motown Museum to the National Museum of African American History and Culture in Washington, D.C., complete with its stacked-basket contours.

People regularly populate the drawings. Rapson’s father, who emphasized the communities that architecture benefits, was among the first architects to include people in renderings. Similarly, Rapson aims to remind all that philanthropy’s grand plans have a human purpose.

Still, he struggles to draw people. Arms, for instance, often end in what look like long, extenuated flippers. There are no hands or fingers.

“It took me forever to figure out how to draw a baby in diapers,” Rapson says. “I just can’t do it.”

DETROIT LANDSCAPES

Rip Rapson has made more than 50 drawings detailing philanthropy’s work in the city, the 2013 bankruptcy, and the recovery.

Bags with dollar signs represent money. Bold arrows show progression. Elaborate pillars illustrate core principles or players.
A abortion-rights activists, along with all Americans who support reproductive access, are mourning the loss of Roe v. Wade and scrambling to figure out what comes next. During this devastating time, I have a suggestion: Look beyond your nation’s shores for inspiration. Specifically, look to the global feminist movement, which for years has fought for and won abortion rights in countries worldwide, often in the face of fierce opposition.

To accomplish this, philanthropic and nonprofit leaders will need to let go of past practices that for years have created barriers to partnerships elsewhere in the world.

At Ipas, the global reproductive-justice network I lead, it was obvious to us years ago that Roe would fall. We work in countries where abortion is banned or severely restricted and wanted to share our experiences and resources with partners in the United States. We did an assessment to gauge interest and found that large national abortion-rights groups were too busy and, given their limited resources, couldn’t prioritize partnerships with us and international grassroots groups. State-level nonprofits, which saw the direct connection to their work, were eager to collaborate but even more strapped for funds.

We started fundraising but found limited interest. Just one U.S. donor supported the global exchange of ideas and resources we proposed, and another made a general-support grant that could be used for such work for just one year. Common refrains from grant makers went like this: “We’re only funding work in swing states” or “We only want to fund direct service” or “We don’t fund global groups,” and so on. The message seemed to be: “Stay in your lane even if we’re headed off a cliff.”

Ultimately, we used our unrestricted funds to support a modest program but were never able to offer state groups the support they needed to actively engage with us.

I look at the situation of abortion access in America
today and think it doesn’t have to be this way. There are so many lessons beleaguered activists could glean from abortion-rights groups across the world that have fought to expand reproductive access — and are increasingly winning.

But cross-border collaboration won’t happen on abortion or any other social issues unless philanthropy breaks down its so-called silos and recognizes the value of this work. Separating issues such as economic inequality, racial justice, climate-change mitigation, and sexual and reproductive rights may make sense administratively, but that is not how social movements succeed and not how people experience their lives. The most pernicious silo, however, is the one that separates the United States from the rest of the world.

In the case of abortion access and rights, donors fund work either outside or inside the United States, but seldom both. And when they do fund the two, as some larger foundations do, they don’t support exchanges of ideas and strategies between different countries. That means that rather than learn from others, American activists are condemned to reinvent the wheel.

**If there was ever a time to change these practices and break down barriers, it’s now. Abortion activists searching for where to go next will find inspiration in recent victories outside of the United States.**

Mexico, for example, offers lessons in the importance of persistence in the fight for abortion rights. When activists there succeeded in legalizing abortion in Mexico City in 2007, they assumed that other states in the country would soon follow. Instead, anti-abortion advocates swung into action, forcing reproductive-rights groups to switch gears and combine service delivery with litigation strategies. The results paid off last September when the Supreme Court of Mexico declared that laws criminalizing abortion are unconstitutional, signaling that anyone who has the procedure anywhere in the country should not face prosecution.

Mexico has one of the largest Catholic populations in the world, and the Roman Catholic Church has been a formidable opponent of abortion, yet change has happened because activists haven’t let up. As the focus of abortion-rights efforts in the United States switches to the state level, advocates could learn so much from Mexican feminist leaders about the importance of building community and elevating diverse voices to shift thinking about reproductive justice.

I recently met with North Carolina State Rep. Julie von Haefen, who was part of a delegation of U.S. state legislators who traveled to Mexico City to study how abortion is provided for free through the city’s public-health system. She told me she was “moved to tears” by the supportive network of care in Mexico City and has introduced a bill to protect abortion access in the North Carolina state legislature.

** Foundations should support similar exchanges between activists in places such as Latin America, where abortion-rights advocates have scored major wins in the last few years. In 2020, Argentina legalized abortion in the first 14 weeks of pregnancy, and last month, abortion became legal in Colombia during the first 24 weeks of pregnancy.**

How did these victories come about at the very moment American states were rolling back abortion rights in the lead-up to the Supreme Court ruling on Roe? The answer is a massive feminist movement known as the “green wave” — named for abortion-rights leaders in Argentina who more than a decade ago decided to don green, a color representing hope and health, at all demonstrations.

Beyond a visual statement, the green wave embraced clear and specific strategies for achieving abortion access. Groups such as Las Socorristas, a feminist network in Argentina, advised women on how to get safe abortions in clinics or by using pills, while also joining public cries to legalize abortion. Las Socorristas volunteers were among the millions of people across the country who took to the streets in 2018 in support of the Voluntary Interruption of Pregnancy bill that passed in 2020.

The success of the green wave should be a lesson for grant makers in the United States about the importance of giving reproductive-rights groups the funding they need to both provide abortion care and advocate for policy change.

American philanthropy and nonprofit leaders deny themselves tremendous opportunities when they close themse 10. Several years ago, I went to Busia County in Kenya, where I participated in a meeting with community elders, pastors, young people, teachers, parents, grandparents, and county government leaders. They talked about teen pregnancy, poverty, violence, and unsafe abortions, which cause thousands of deaths in the country. And they discussed solutions, including forming a network of churches to champion reproductive-health care, including abortion.

I came back feeling that U.S. activists have a great deal to learn about the importance of bringing together unlikely coalitions to accomplish their goals — especially on deeply polarizing issues such as abortion rights.

It pains me to see the United States returning to a battle many thought was won 50 years ago. My daughter wept at the news. My colleagues are devastated. Groups like mine and our many partners throughout the world are once again reaching out to extend a hand. We know what needs to be done. Since 2000, we have helped at least a dozen countries expand legal grounds for abortion despite deeply entrenched and persistent opposition movements.

This time, we hope that U.S. grant makers will connect the dots between what’s happening in the United States and what happens overseas. We’re ready and willing to help.

Anu Kumar is president and CEO of Ipas, an international reproductive justice organization.
On that first visit, my brother was nearly unrecognizable. It had been seven years since I last saw him; seven years since we had lived together for just one year, when I was 6 and he was 7.

During the intervening time, our lives in the foster-care system had taken different paths. I had spent time in and out of foster homes. My brother, by contrast, was deemed too emotionally troubled to be placed with a family following the sudden death of his adopted mother and was put in a state-run institution.

Those diverging paths eventually turned into a chasm. By the time I was in my twenties, I had founded Think of Us, a nonprofit dedicated to transforming child welfare. I testified before Congress. My brother spent most of his twenties incarcerated or homeless.

Through all this, I remained haunted by that long-ago day when I visited my brother at the prison-like facility that was his home for eight years. I remember being greeted with metal detectors and pat downs upon arrival. I expected our reconnection to be a moment of joy. It was not. The strain of daily life and all the medication he was forced to take had left him disturbed, dull, and not at all like the talkative, energetic kid I remembered.

I believed he brought this on himself. I was conditioned to feel that way by staff at the facility who told me he was violent, who listened in on our calls, and who took away his privileges, including the right for me to visit him. I did not see how the adults created a system that amounted to state-sanctioned abuse — that it was that system, not my brother, that was to blame for what happened to him.

I've been thinking a lot about my brother’s story lately amid calls in some circles for greater philanthropic investment in institutional care, mostly driven by news reports of kids sleeping in child-welfare offices because of a lack of space in congregate facilities. Based on my own experiences as a foster youth and those of my brother, along with decades of research and data, I am certain that more institutional care is not the solution and would, in fact, cause palpable harm.

At a time when the Biden administration has opened doors to a genuine overhaul of the foster-care system, those of us who have dedicated our lives to this cause, including those in philanthropy, should not be tempted to move backward into an era when institutional care...
was the norm. President Biden’s 2023 budget has the potential to spur historic changes by sig-
ificantly increasing federal reimbursements to states for the costs of placing foster children with relatives or close family friends and decreasing reimbursements for those placed in institutional settings.

The presence of these new approaches in the president’s budget is the result of decades of in-
novation and experimentation made possible by philanthropic support. These include invest-
ments in technology to locate the families of foster kids and in programs that train relatives to care for foster children with severe mental-health needs. Now is the time to ramp up that work.

That should start with dispelling myths about the benefits of institutional care. I hung on to many of those myths myself until very recently, when my organization released a study based on young people’s experiences living in child-welfare institutions. I heard my brother’s story echoed in the stories of the young people we interviewed and finally started to realize that I had judged him all wrong. Let’s uproot those myths starting now.

Myth #1: Children are placed in institutions because of severe mental-health needs. Propo-
nents of institutional care say these facilities are necessary because some children require short-
term intensive treatment to stabilize them. In reality, 40 percent of children in institutions have no clinical need for nonfamily care, according to the Children’s Bureau. Black boys, like my brother, are nearly 30 percent more likely to be placed in institutions than other foster youths.

My brother entered institutional care when his adoptive mother died. In his grief, he acted out in ways that were developmentally appropriate. Rather than responding with support, the system defined him too “emotionally disturbed” and shut him away in institutions, where he would stay, except for one year, from ages 9 to 10. Our research shows that his story is all too common. If these children had access to high-quality care aimed at helping those who experience trauma, most could have grown up with the love of a supportive family.

Myth #2: Institutional care is about healing. But philanthropy has also played a vital role in

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in funding groundbreaking research and programs that improve outcomes for thousands of foster kids. As a 15-year-old boy, I was able to participate in just such a program — the Jim Casey Youth Opportunities Initiative. It provided me with the tools to succeed outside the child-welfare system and changed my life. More foster kids need access to such programs.

Rather than invest in antiquated structures that deepen racial inequality and childhood trauma, philanthropy should build on hard-won progress by continuing to innovate and by encouraging governments to embrace family-centered approaches to child well-being.

I recently asked my brother what would have been different for those in the system never put in the effort to find her. Similarly, the youths we interviewed said they were told repeatedly that they would have to stay in facilities because there weren’t enough homes, because they were too old for a family, or because the licensing process was too difficult for their relatives.

It’s personal for me. A few years ago, my brother and I learned we had an aunt who lived only 58 miles away from us when we were kids. She was a foster parent who could have provided a loving home. But those in the system never put into practice what we already know and trust.

This is why I focus on eradicating the myths that still plague the child-welfare system.

Let’s embrace family-centered approaches to child well-being, not antiquated structures that deepen inequity.
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• Smart ways to capture donors’ attention amid global health, economic, and political crises

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Holding on to donors — and increasing their giving — are pillars of successful fundraising and more vital than ever as nonprofits work to retain the influx of supporters who gave in response to the pandemic and racial-justice crises. Savvy groups are using surveys to learn more about their donors so they can communicate in ways that resonate and keep people in the fold.

“Surveys are the single most important tool in a fundraiser’s toolbox because you’re listening to donors,” says Sean Triner, co-founder of Moceanic, a consultancy that provides training for fundraisers. “The best surveys — they’re not really interested in what donors have to say; they’re only interested in what each and every donor has to say.”

To build a donor survey that deepens connections and helps keep supporters giving, focus on finding out why they care about your work and which aspects they value the most, Triner says. This will shed light on their motivations for giving and help you inspire them to give again.

Try to learn what people understand — and don’t — about your mission so you can assess and improve your communications, says John Warner, chief development and communications officer at the Marine Mammal Center in Sausalito, Calif. The organization in 2018 sent what Warner calls a stakeholder survey to donors and others connected to the group’s work, such as employees, volunteers, board members, and program partners. The responses helped the charity tailor its outreach to specific groups, which has improved donor retention, boosted giving, and helped win back some donors who had stopped giving.

As you use the insights from the survey to shape your messages and communicate with donors about their interests, Warner says, you should see them get more invested in your cause — and give more over time. “You have them now as more of a partner in your work as opposed to an episodic donor,” he says.

To help you develop a smart donor survey and boost fundraising, here are tips from a variety of experts.

**Make sure you can use what you learn.**

If you ask donors to take a survey but don’t do anything with their responses, Warner says, you’ll just annoy them. And that could work against your goals. Before sending out a survey, carefully consider whether your team has the resources, knowledge, and the will to use the results to enact change, he suggests.

**Choose the format.**

Online surveys are typically cheaper to develop and distribute than direct-mail versions, so they can be a smart way to reach a wider audience on a smaller budget. If you opt for a digital survey, Triner says, share it widely, including, for example, program participants, staff members, trustees, newsletter subscribers, and event attendees. It’s usually worth investing in the paid version of online platforms like SurveyMonkey, he adds, so you can get higher-quality analysis, technical support, and such features as unlimited questions.

And don’t forget about the phone. In addition to sending its survey to all donors, the Marine Mammal Center held one-hour individual phone calls with 20 major donors to get deeper insights into what they knew about the organization. “That provided a really critical secondary ‘aha’ set of data to pressure-test what comes from the larger survey,” Warner says.

**Select your audience.**

A stakeholder survey, rather than one that is only for donors, can be a good starting point, Warner says, because it can give you a sense for how people in your nonprofit’s orbit perceive the organization. “Everyone is a prospective donor and an evangelist for your organization,” he says, so you can use the survey to find out who the people who matter are and talk about it effectively will help you build a pipeline of donors and keep existing ones.

**Ask people to give.**

Surveys don’t usually raise as much as direct-mail appeals, Triner says, but they can help cover the
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It can be tough to analyze and identify themes from open-ended answers, Warner says, so use them with care. If you don’t have outside assistance with the survey, it may be best to focus on multiple-choice, ranked-order, and other kinds of questions that platforms like Survey Monkey can present in reports.

Try to learn what people understand — and don’t — about your mission so you can improve your communications.

Ask questions that reflect what is happening in the world.

This idea is from Karla Kalis, manager of individual giving at the PAN Foundation, which helps underinsured people pay for their health care. During the pandemic, PAN created two donor surveys that included questions about how people were feeling and how the organization could help. The answers prompted the group to make its outreach more personal and relevant, Kalis says.

Offer an incentive to complete the survey.

Kalis suggests providing a tool that is useful and relevant, such as a downloadable one-pager with tips for how to do something related to your work. You could also offer something fun. For example, First Book secured two pairs of round-trip plane tickets from a corporate partner, JetBlue. Everyone who completed the survey by the deadline was entered into a drawing to win them. The group highlighted this prize on the outer envelope of its survey, which motivated people to open it, Evans says.

Request contact information.

Include a question toward the end asking if respondents would like to contact them and the best way to do so, Kalis suggests. Provide fields for an email address and phone number. First Book didn’t have email addresses for a large share of its direct-mail donors before sending its survey, Evans says. The group asked these supporters to share their email addresses, and about half did, she says, which improved the fundraisers’ ability to communicate with them.

Follow up.

“Don’t go dark on people,” Warner says. If people take the time to do your survey, thank them and explain why their participation was valuable. For example, the Marine Mammal Center told respondents that the information helped the group understand how to better communicate the impact of giving. The organization also invited participants to share feedback on its outreach and set up a specific email address for that purpose.
A glossy book is arriving at the homes and offices of America’s wealthiest individuals. Inside is a charity pitch that aims to raise as much as $6 billion for nonprofits fighting global poverty.

The proposition? Donate and get results — or your money back.

The advocacy group Global Citizen and the finance firm NPX are engineering this campaign. It targets Forbes 400 billionaires, Giving Pledge members, and the wealthy generally — a group increasingly criticized for what is seen as tight purse strings. The drive launched recently with dinners, meetings, and a Wall Street Journal ad that asked: “Will you donate ... if we achieve results?”

Initially, the effort aims to raise at least $150 million through six $25 million funds. Each of the programs could absorb as much as $1 billion, according to campaign officials.

The drive is an unusually large effort to tap two big sources of capital — the wealth of individual philanthropists and the funds amassed for impact investments that seek both social and financial returns.

It also is a test of whether a “pay for results” model can get millions of dollars that are earmarked for social good but sitting on the sidelines — including more than $1.3 trillion in foundation assets, $160 billion in donor-advised funds, and an estimated $700 billion managed by impact-investment firms.

Lots of high-net-worth individuals worry that their money won’t be well spent or that results won’t follow, says Lindsay Beck, co-founder of NPX. They declare themselves ready to give — if they see a clear line to results.

“I’ve heard that in lots of one-on-one meetings,” Beck says. “And that’s what we’re solving for here. We’re saying, ‘OK, here are the results.’

Pay for Results

The “pay for results” financing plan would work like this:

Donors would commit to gifts, but the money would be released only as measurable outcomes are achieved. For example, $500 from a gift might be awarded for each woman lifted out of poverty. If the nonprofit missed its targets, donors would be able to shift donations to another project or organization.

NPX and other impact investors, meanwhile, would loan the money for the program expansion. Their repayment, which would draw on the cash from the donors, would be based on results as well. If results were high, the return would be high, and vice versa.

Five nonprofits are involved:

- BRAC to expand a program to lift 50,000 women-led families in Bangladesh out of poverty.
- Charity: water for clean water supplies for 500,000 people.
The Global Fund to expand malaria care to treat 5.1 million more cases.

The International Rescue Committee to educate 300,000 young out-of-school children across Bangladesh, Nigeria, and Niger.

The One Acre Fund for work with farmers in Ethiopia, Kenya, Malawi, and Rwanda to increase food supplies and forestation.

Global Citizen and NPX reviewed these programs to ensure their results were backed by evidence and they could scale quickly. Research on International Rescue’s tutoring program, for instance, found that third graders gained a year and a half in reading comprehension and fluency reading aloud after 21 weeks of instruction. The cost: $63 per child.

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Opening Wallets

For many years, Global Citizen has advocated for increased government spending to address the U.N. 2030 Sustainable Development Goals, according to Mick Sheldrick, the organization’s policy chief. More recently, it has tried to persuade the wealthy to open up their wallets through a Give While You Live campaign, urging the world’s billionaires to donate 5 percent of their wealth to important causes like Covid relief.

Linking donations to results could motivate big philanthropy in ways not seen before, Sheldrick says. “This is a case study. The potential really has no limits if it works.”

Each of Global Citizen’s proposed deals would create a financing arrangement similar to a “social-impact bond.” Typically, with impact bonds, private investors provide upfront capital for an effort on climate, social services, and the like. A municipality or a regional or national government agency repays the investor — with interest — based on the program’s success.

The proposed Global Citizen impact bonds are unusual both in size and in philanthropy’s role paying for outcomes, says Emily Gustafsson-Wright, a Brookings global economy and development senior fellow. If completed, she adds, it would be the largest outcomes-based program in which philanthropy alone provided the outcomes funding.

The Quality Education India Development Impact Bond, which aims to improve outcomes for more than 200,000 primary-school students, counts only philanthropy among its outcome funders. They are the Michael and Susan Dell Foundation, Comic Relief, the Larry Ellison Foundation, and the Mittal Foundation. But their combined commitment is only $9.2 million over four years.

Presented together, the six Global Citizen funds are intended to make donors an offer they can’t refuse. “To be honest, it removes an excuse not to give,” Sheldrick says. “A donor can’t say: ‘You don’t cover my issue.’”

Chris Stadler, chair of Global Citizen and managing partner of the private-equity firm CVC Capital Partners, said he plans to make a mid- to high-seven-figure contribution split between a donation and an impact investment. Investors will like that the programs are proven, Stadler says, which means there’s little risk to their principal. Donors will appreciate that their money pays only for results.

“We’d like to help connect people who are having trouble finding impact that can scale,” Stadler says. Global Citizen and NPX expect executives in the financial industry will be drawn to the model, but also the wealthy generally. NPX donors include five members of the Giving Pledge: Richard and Joan Branson; Charlie and Candy Ergen; Gordon Gund (who signed the pledge with his wife, Llura, now deceased); Lyda Hill; and Pierre and Pam Omidyar.
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