

# Trends in Charitable Giving

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Whether you're giving to what you know or are inspired by current events to support a particular cause, your charitable dollars help shape the multi-billion-dollar philanthropy industry. Here are some of the recent trends shaping philanthropy and thoughts for donors considering a gift this year.

## The State of Charitable Giving

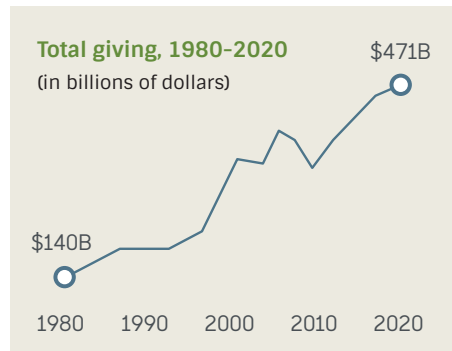
As it did in so many other areas, 2022 brought major changes in philanthropy. Charitable giving dropped off significantly, with market performance, geopolitics, and inflation likely driving the decline. After two years of record highs, 2022 stands out as only the fourth decline in annual giving in 50 years.<sup>1</sup> Charitable giving tends to correlate with economic well-being. It's not surprising that gifts dropped significantly last year, when you look at how the stock market performed in 2022.

**\$499.3B** total charitable giving in 2022

**-3.4%** year-over-year decline in charitable giving<sup>1</sup>

**-10.5%** decline after adjusting for inflation<sup>1</sup>

However, giving patterns tend to rebound after periods of decline, which is exactly what we saw following the financial crisis of 2008 and other economic downturns.



## Growing Sectors of Philanthropy

People continue to give to what they know, with religion, education, and human services remaining the top sectors for giving. However, donor funds are increasingly being directed to issues dominating news headlines:

- Humanitarian crises such as the war in Ukraine
- Climate change and sustainability efforts
- Ongoing social issues such as racial justice and LGBTQ rights

Donor-Advised Funds reached new records in 2021:

**1.2M** DAF accounts opened in the U.S. (+27.6% YOY)

**+\$234B** Total charitable assets in DAFs (+39.5% YOY)

**\$45B** Grants out of DAFs to public charities (+28.2% YOY)

## Going Beyond Cash Gifts

Savvy donors are employing strategic tactics with their giving by making non-cash contributions to charities.

- 57% of Fidelity Charitable's contributions in 2022 were in the form of non-cash donations.<sup>3</sup>
- Contributions of illiquid assets to Fidelity Charitable such as restricted stock, private equity, and limited partnership interests totaled over \$1.4 billion in 2022.<sup>3</sup>
- Fidelity Charitable's cryptocurrency contributions exceed \$500 million, \$38 million of which was contributed in 2022.<sup>3</sup> Cryptocurrency donations currently total over \$300 million annually and are only predicted to grow in coming years.<sup>4</sup>

**Gifting highly appreciated securities can be a strategic way to eliminate capital gains taxes.**

Is this the right time to explore the charitable or legacy gift you've been contemplating? Let RMB's team of experienced advisors help you consider the ways in which your giving can shape the world around you.

<sup>1</sup> [https://philanthropy.iupui.edu/news-events/news-item/giving-usa--total-u.s.-charitable-giving-declined-in-2022-to-\\$499.33-billion-following-two-years-of-record-generosity.html?id=422](https://philanthropy.iupui.edu/news-events/news-item/giving-usa--total-u.s.-charitable-giving-declined-in-2022-to-$499.33-billion-following-two-years-of-record-generosity.html?id=422)

<sup>2</sup> <https://www.nytimes.com/2022/09/14/climate/patagonia-climate-philanthropy-chouinard.html>

<sup>3</sup> 2023 Giving Report, <https://www.fidelitycharitable.org/insights/2023-giving-report.html>

<sup>4</sup> <https://johnsoncenter.org/blog/11-trends-in-philanthropy-for-2022/>

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