

DENTAL EDUCATION
OUR LEGACY - OUR FUTURE

Fundraising Academy

Fundraising & the Economy

...truths, myths, and realities

Presented by Kristina Carlson, CFRE, ePMT
President, Ketchum

The faltering economy is starting to affect a growing number of charities and the people they serve.

Chronicle of Philanthropy
February 2008

*Giving dropped an average of 1.3% — after adjusting for inflation — during the five national recessions since 1973. (Giving during non-recession years rose 4.3%.)**

...so we may end up at only \$299 billion for 2008

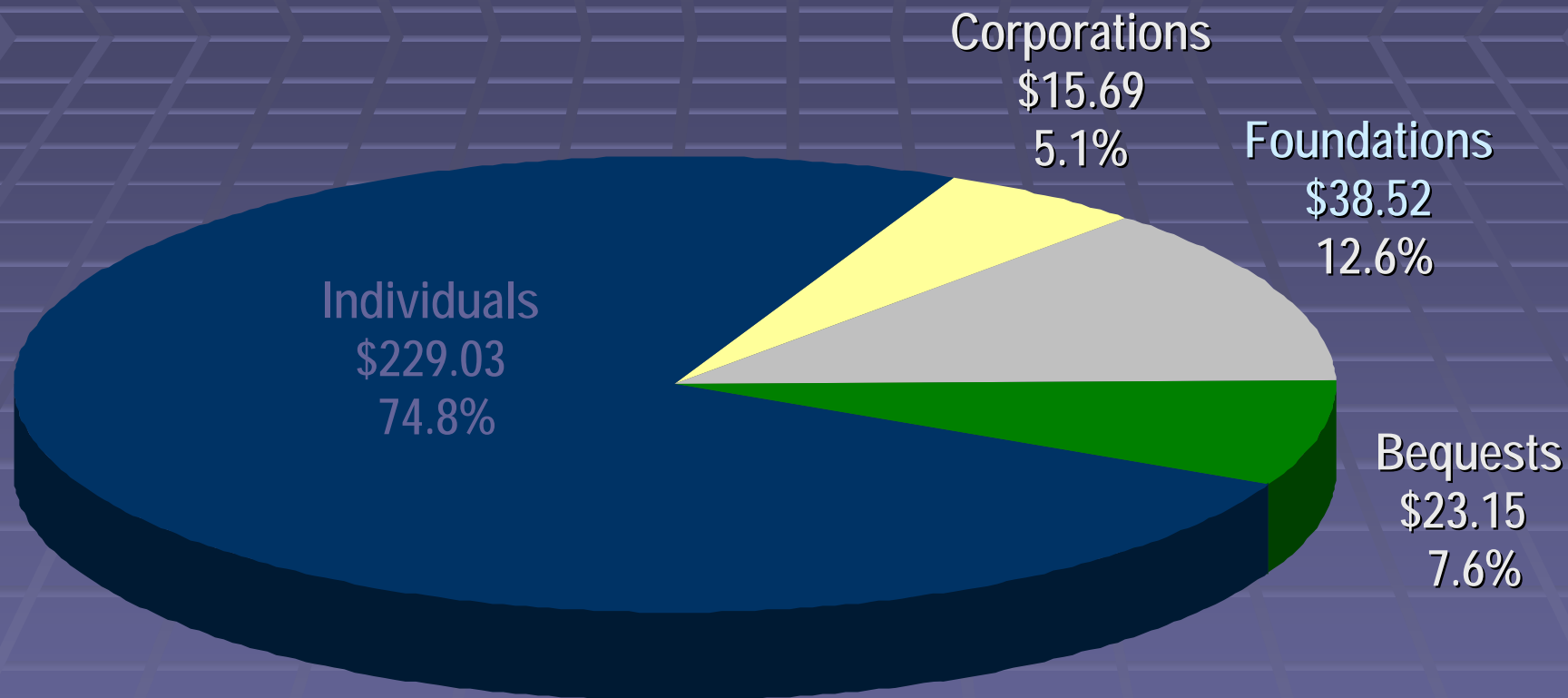
**Indiana University's Center on Philanthropy*

Fundraisers say the economy is having negative effect on giving and are also tempering their expectations for the future, according to a recent survey of fundraisers' attitudes about the economy and giving.

(Association of Fundraising Professionals
July 2008)

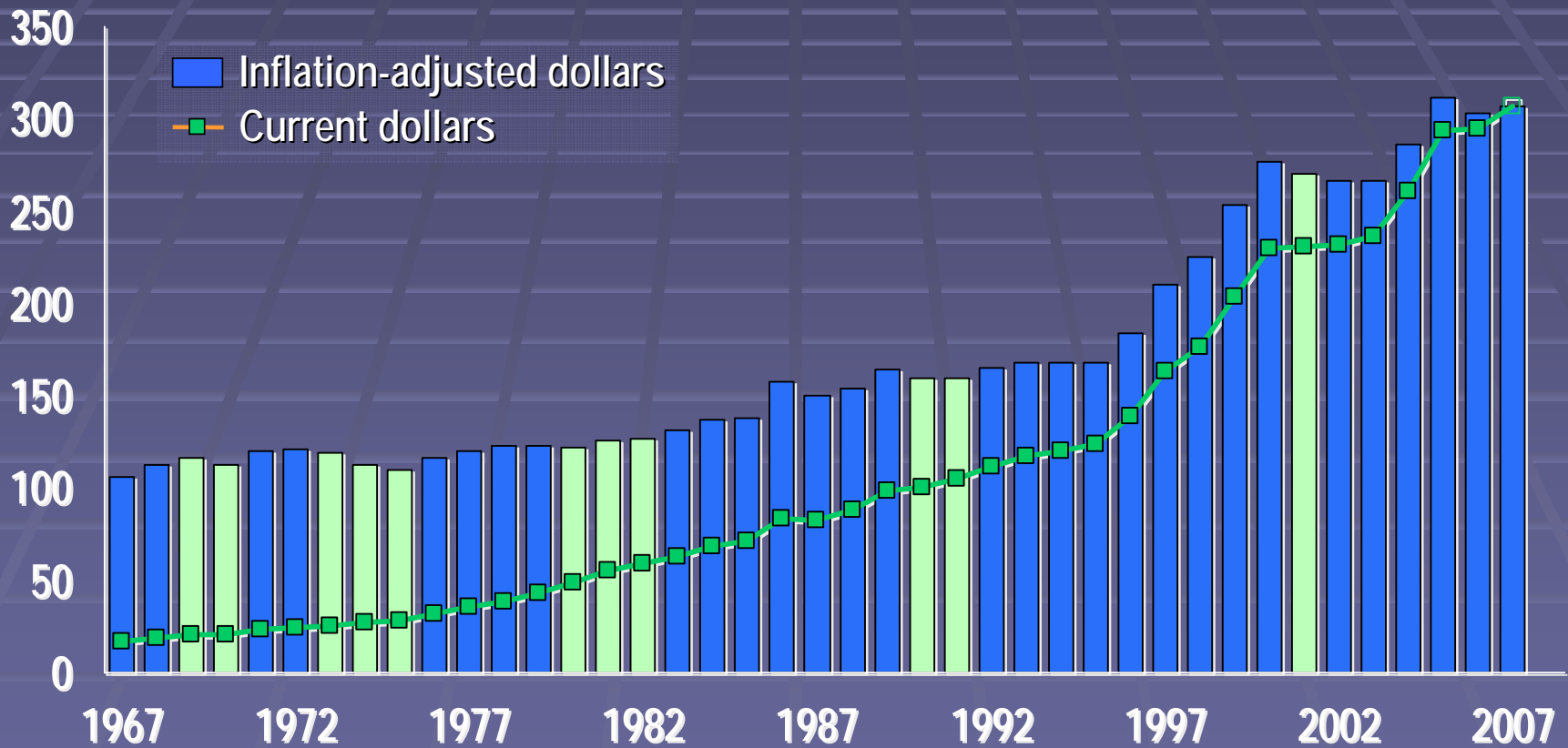
2007 charitable giving

Total = \$306.39 billion (\$ in billions)



Total giving, 1967–2007

\$ in billions



Recessions in light green: 1969–70; 1973–75; 1980; 1981–82; 1990–91; 2001

Giving USA 2008

Total giving, 1967–2007

- Total giving increased in current dollars every year but one since recording began.
 - Exception is 1987, when 1986 tax law change led some to “give early” to maximize the tax benefit of giving.
- Giving grows more slowly—or declines adjusted for inflation—in recession years.
- When the stock market increases, giving grows more rapidly.
- 2007 began with strong economic growth and ended with growth of 2.3 percent in Gross Domestic Product.
 - Slowest rate of GDP growth since 2002.

Total giving as a percentage of Gross Domestic Product, 1967– 2007

- Giving has remained 2.0 percent or more of GDP since 1997.
- Total giving = high of 2.4 percent of GDP in 2005
 - Households, corporations, and foundations gave “above and beyond” their normal budgets for Asian tsunami relief and Gulf Coast hurricane relief.
- Giving as a percentage of GDP above 2.0 percent:
 - 1960’s through 1972.
 - Since 1997 it has been that high again.
- It declined to 1.7 percent of GDP during the 1973–1975 recession.

Giving to education, 1967–2007

- Education = \$43.32 billion in 2007.
- Growth of 6.4 percent (3.4 percent adjusted for inflation).
- 14.1 percent of total estimated giving.
- Giving to education had an inflation-adjusted real rate of growth of:
 - 1.2 percent 1967–1990.
 - 6.3 percent growth 1991–2005.

The Great Depression

- The amount of bequests to high education institutions increased
- Giving to 49 American colleges and universities dropped a whopping 2.3%

New York Times, Monday, April 3, 1939

Worst Strategies

- Stop annual fund
- Implement across the board cuts
- Stall a launched capital campaign
- Reduce spending on stewardship
- Allow perceptions of the economy to impact donors, volunteers, meetings, plans and strategies.

Immediate Actions

- Be armed with the facts
- Educate leadership regarding facts
- Focus on organizational alignment
- Refine your case
- Focus on donors you already have
- Think geographically
- Focus planned giving 65+
- Explore lower cost methods for “connecting”

And most importantly...

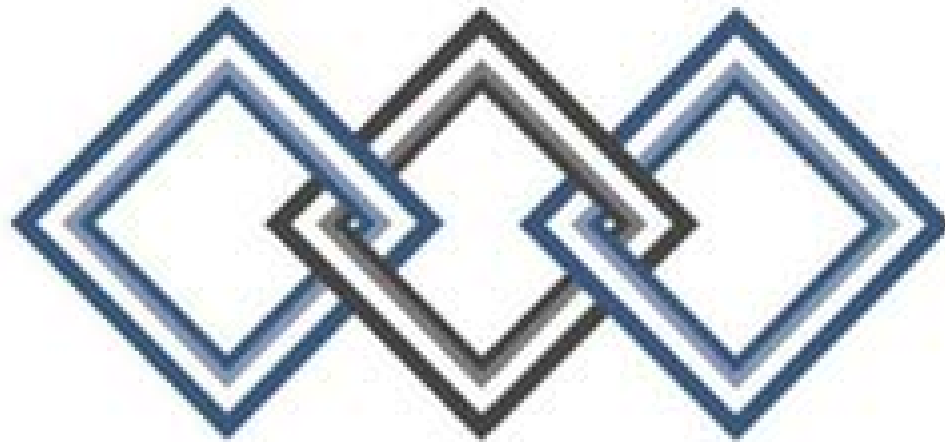
keep asking

Thank you

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