11 TRENDS IN PHILANTHROPY FOR 2025

Dorothy A. Johnson Center
FOR PHILANTHROPY

Dorothy A. Johnson Center for Philanthropy

The Dorothy A. Johnson Center for Philanthropy at Grand Valley State University was established in 1992 with support from the W.K. Kellogg Foundation. Our mission is to be a global leader in helping individuals and organizations understand, strengthen, and advance philanthropy, resulting in a smart, adaptive sector that helps create strong, inclusive communities.

We put research to work with and for professionals across the country and the world. Through professional education offerings; research, evaluation, and strategic services; and bold thinking to advance the field, we support a philanthropic ecosystem defined by effective philanthropy, strong nonprofits, and informed community change.

Learn more at **johnsoncenter.org**

To connect with the Dorothy A. Johnson Center for Philanthropy, email jcp@gvsu.edu or call (616) 331-7585.

Contents

11 TRENDS IN PHILANTHROPY FOR 2025

It's remarkable to think that five years have passed since the world first went into lockdown. Five years since the COVID-19 pandemic reshaped our daily lives and presented us with challenges unlike any we'd faced before. Half a decade later, we're left to reflect on how much has truly changed — and what remains the same.

In 2020, philanthropy responded swiftly to the crisis, adopting practices nonprofits had long championed: streamlined reporting, simplified applications, and flexible funding that prioritized general operating support. These shifts brought hope for lasting transformation. Yet today, many funders have returned to pre-pandemic norms, leaving us to wonder if those changes were ever meant to last.

Movements like Trust-Based Philanthropy and efforts to advance racial equity seemed to make extraordinary gains, but they now face renewed challenges and critiques. And while foundation grantmaking has increased, overall charitable giving — once adjusted for inflation — has declined, even as that inflation continues to stretch nonprofit, government, and household budgets to their limits.

One constant remains: the growing demand for the essential services and resources nonprofits provide to help communities thrive. Five years on, the call to support and sustain these organizations is louder than ever.

This year's *11 Trends* report explores many of these issues and others — attempting to look beyond the pendulum swing and into a future where innovations in philanthropy and community-building may yet achieve the transformations we all hope to see.

We are deeply grateful to the generous donors of the Lubbers Philanthropy Innovation Fund who made this work possible, as well as the entire Johnson Center team, each of whom contributed to the production of this report.

To learn more about this report, contact Tory Martin, Director of Communications and Strategic Partnerships, at (616) 331-9039 or email martinv@gvsu.edu.

Collective Giving Projected to Double in the Next Five Years

By Michael D. Layton, Ph.D.

Long before institutional philanthropy emerged in the 19th and 20th centuries, informal — and no less deeply meaningful — forms of cooperative philanthropy pervaded cultures and communities around the world. "From *tandas* in Mexico to *gehs* in Korea and *sou sous* in West African countries, the collective giving model has historically served as a cornerstone of community generosity, supporting family, friends, and the community itself" (Loson-Ceballos & Layton, 2024, p. 1).

Studies show that, since the turn of the 21st century especially, communities and networks across the U.S. have embraced collective giving (groups are often called "giving circles") and added formal structures and a sense of group identity to this practice. Now, recent research from Adriana Loson-Ceballos, Ph.D., and myself (2024) reveals collective giving's striking momentum.

Our findings — published in *In Abundance: An Analysis of the Thriving Landscape of Collective Giving in the U.S.* — are decisive: between 2017 and 2023, nearly 4,000 collective giving groups mobilized approximately 370,000 philanthropists to donate more than $3.1 billion — indicating more than 140% growth in both participation and total monetary donations across the movement since the most recent previous landscape survey was published in 2017.

What's more, based on our findings, we can reasonably project that the collective giving movement is on a path to double again in the next five years — effectively making collective giving, as termed by Barron's (Serwer, 2024), "the Fast Track of Philanthropy."

Documenting Explosive Growth and Interest

Researchers first began to focus on giving circles in the early 2000s (Shaw-Hardy, 2000, 2005; Rutnik & Bearman, 2005; Eikenberry, 2007). Sondra Shaw-Hardy's work to trace the rise of the women's philanthropy movement, specifically, points to some baseline data for the field. She noted in 2005, for instance,

> It has been estimated that more than two hundred types of women's giving circles now exist throughout the United States, most organized since 2000. Other forms of giving circles include the more than sixty United Way Women's Initiatives that have been formed since 2002 ... and the Impact 100 groups that also began in 2002 ... (p. 14)

In 2007, Angela Eikenberry reported that United Philanthropy Forum (formerly known as the Forum of Regional Associations of Grantmakers) "had listed nearly 600 giving circles in the United States, Canada, Japan, the United Kingdom, and elsewhere. There is strong indication that many more exist and will continue to emerge" (p. 251).

A decade later, Eikenberry and colleagues — including Dr. Jason Franklin, the first W.K. Kellogg Community Philanthropy Chair at the Johnson Center, who first wrote in 2018 about the rise of the collective giving movement in *11 Trends in Philanthropy for 2018* — formed the Collective Giving Research Group. Their 2017 report, *The Landscape of Giving Circles/ Collective Giving Groups in the U.S.,* established the trajectory of the movement (Bearman et al.). They found that more than 150,000 people within 1,600 groups had participated in collective giving, jointly moving $1.29 billion into communities across the country since their inception.

That research led directly to the creation of Philanthropy Together in 2020 (n.d.; Krause, 2021), an infrastructure organization dedicated to elevating, supporting, and championing the collective giving movement. From there, Philanthropy Together went on to launch the first-ever Global Giving Circle Directory in partnership with Grapevine.

Philanthropy Together's broad-based support in the sector (the organization was co-designed in structure and mission by individuals from the Asian Women Giving Circle, Amplifier, Community Investment Network, Latino Community Foundation, and Philanos, with input from over 100 others [Krause, 2021]), and the broad public appeal of collective giving (Executive Director Sara Lomelin's [2022] TED Talk on collective giving has reached over 1.4 million views as of May 2024) are markers of the vehicle's increasing familiarity and popularity.

Collective Giving is About More Than Numbers

Beyond its overall quantitative growth, *In Abundance* shows how collective giving is also diversifying the philanthropic landscape by increasingly engaging marginalized communities and challenging the stereotype of the wealthy white male philanthropist (Loson-Ceballos & Layton, 2024):

- "From 2016 to 2019, 17% of the respondents who joined a giving circle identified as a person of color: from 2020 to 2023, the percentage rose to 27%, an increase of nearly 60%" (p. 22).
- Women's leadership and participation rates dominate the movement:
  - The percentage of groups composed entirely of women was found to be 53% in 2006 (Bearman, 2007), 53% in 2016 (Eikenberry et al., 2017), and 60% in 2023.
  - In 2016, 76% of respondents reported their group's membership as "more than half women" (Eikenberry et al., 2017, p. 17); in 2023, 84% of respondents said the same. While indicating room for improvement in engaging survey participants who identify as men, the data still indicates an overwhelming presence of women in group membership and leadership, in alignment with Shaw-Hardy's early findings.
- Survey respondents reported increased connection and empowerment, and the report emphasized the words of the collective giving leaders, who offered testimonials like this one from Melissa Walker (p.69): "The thing that I see in my own life since 2017, when I started my Giving Circle, is that I feel like it has changed the way I walk through the world. It has given me an understanding of a power that I didn't realize that I had, a power that I wasn't deploying before my circle — and that is the power I have when I walk with my people."

[B]etween 2017 and 2023, nearly 4,000 collective giving groups mobilized approximately 370,000 philanthropists to donate more than $3.1 billion[.]

Importantly for its current and future impact on communities, findings from In Abundance also showed how collective giving groups increasingly prioritize equity and inclusivity — 60% "reported an explicit commitment to addressing racial and ethnic equity as fundamental to their groups' approach to giving" (Loson-Ceballos & Layton, 2024, p. 32) — and how this practice broadens the definition of philanthropy to include contributions of time, talent, testimony, and ties, alongside treasure (or financial donations). A substantial portion of respondents reported supporting nonprofit grantees with more than money.

Global Giving Circles

Given the diversity of collective giving's global roots, it is also worth noting that giving circles are not merely a U.S.-based phenomenon. In 2015, Eikenberry and Breeze found 80 giving circles active in the U.K. and Ireland. Research from Franklin and Bearman (2021) projected that there were at least 426 giving circles outside of the U.S. in 2018, and that they collectively moved over $45 million (in U.S. dollars) that year. Updated data for the international giving circle movement is not available, but the rapid rise of U.S.-based circles indicates there is likely a parallel rise going on globally, even if we cannot yet estimate how closely that growth might mirror U.S. trends.

Reweaving the Social Fabric

For its hundreds of thousands of participants, collective giving ultimately represents more than a means of moving money. Their participation unites individuals through their shared generosity. It embodies a vision for a connected, compassionate, and empowered society, capable of effecting positive change in communities. In its abundance, collective giving has already begun to reweave the tattered social fabric of our country, signaling a promising future for philanthropy and civic engagement alike.

References

Bearman, J. E. (2007). *More giving together: The growth and impact of giving circles and shared giving.* Forum of Regional Associations of Grantmakers. https://philanos.org/resources/Documents/FY24/More%20Giving%20Together-%20The%20Growth%20and%20Impact%20of%20Giving%20Circles%20and%20Shared%20Giving.pdf

Bearman, J., Carboni, J., Eikenberry, A., & Franklin, J. (2017, November). *The landscape of giving circles/collective giving groups in the U.S.* Collective Giving Research Group. https://johnsoncenter.org/wp-content/uploads/2020/10/Giving-Circles-Research-Full-Report-WEB.pdf

Eikenberry, A. M. (2007). Giving circles: Self-help/mutual aid, community philanthropy, or both? *International Journal of Self-Help and Self-Care, 5*(3). https://doi.org/10.2190/sh.5.3.d

Eikenberry, A., & Breeze, B. (2015, February). Growing philanthropy through collaboration: The landscape of giving circles in the United Kingdom and Ireland. *Voluntary Sector Review, 6*(1). https://doi.org/10.1332/204080515X14241771107299

Franklin, J. (2018, January 15). Giving more by giving together. *11 Trends in Philanthropy for 2018.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/giving-more-by-giving-together/

Franklin, J., & Bearman, J. (2021). *Global giving circles.* Dorothy A. Johnson Center for Philanthropy. https://johnsoncenter.org/wp-content/uploads/2021/01/Giving-Circles-Webinar-Presentation.pdf

Independent Sector. (2017, August 31). *Becoming United Philanthropy Forum with David Biemesderfer.* https://independentsector.org/blog/becoming-united-philanthropy-forum-with-david-biemesderfer/

Krause, I. (2021, March 9). *How a study on giving circles led to the launch of Philanthropy Together.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/how-a-study-on-giving-circles-led-to-the-launch-of-philanthropy-together/

Lomelin, S. (2022, April). *Your invitation to disrupt philanthropy* [Video]. TED Conferences. https://www.ted.com/talks/sara_lomelin_your_invitation_to_disrupt_philanthropy

Loson-Ceballos, A., & Layton, M. D. (2024). *In abundance: An analysis of the thriving landscape of collective giving in the U.S.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University and Philanthropy Together. https://johnsoncenter.org/wp-content/uploads/2024/04/in-abundance-an-analysis-of-the-thriving-landscape-of-collective-giving-in-the-u-s.pdf

Philanthropy Together. (n.d.) *About us. Our story. The history.* https://philanthropytogether.org/about/

Rutnik, T. A., & Bearman, J. (2005). *Giving together: A national scan of giving circles and shared giving: The guidebook to giving circles.* Forum of Regional Associations of Grantmakers.

Shaw-Hardy, S. (2000) *Creating a women's giving circle: A handbook.* Women's Philanthropy Institute, Indiana University.

Shaw-Hardy, S. (2005, Winter). The emergence and future of the modern women's philanthropy movement. *New Directions for Philanthropic Fundraising, 50,* 11–22. https://doi.org/10.1002/pf.125

Four Key Factors are Driving a Surge in Nonprofit Lobbying Activities

By Tory Martin, M.A.

At the dawn of a new presidential administration, when legislators and executives around the country are welcoming colleagues and forming and reforming coalitions, many nonprofits and network organizations are doing the same, looking to build relationships and forge partnerships with decision-makers. While there is a distinction to be made between lobbying activities that are intended to benefit the sector at large — such as lobbying for the creation of a universal charitable tax credit — versus issue-area advocacy — such as lobbying for increased public education funding — there are four significant reasons why lobbying activities of any kind are likely to increase in 2025 and beyond:

1. Absolute numbers.

As the nonprofit sector has gotten larger over the past 30 years, more nonprofits in the field naturally equates to a rise in the absolute number of lobbying activities going on. In Independent Sector's report, *The Retreat of Influence: Exploring the decline of nonprofit advocacy and public engagement,* researchers Falk et al. (2023) looked specifically at the number of public charities reporting lobbying activities over two decades. They compared a

Note: Charitable Nonprofits vs. Private Foundations

The IRS draws a distinction between 501(c)(3) charitable nonprofits and private foundations in their regulation of lobbying activities. Charitable nonprofits are allowed to engage in a certain number of lobbying activities provided they file the proper paperwork.

Private foundations, however, are largely prohibited from engaging in direct lobbying, except in their own defense. They are, however, allowed to make grants that could be used for lobbying activities by charitable nonprofits.

For these reasons, the term "nonprofit" is used throughout this article to refer specifically to 501(c)(3) charitable nonprofits, not to private foundations.

For more information, see resources like "Bolder Advocacy" from Alliance for Justice and Candid's "Can nonprofits engage in advocacy or lobbying efforts?"

subset of organizations present in nonprofits' IRS Form 990 tax records[1] (excluding hospitals and higher education organizations) in 2003 to a sample with the same parameters in 2023. They identified 8,571 "lobbying public charities" (meaning nonprofits reporting lobbying activities to the IRS) in 2003 and 10,233 in 2023 (p. 18).

Additional analysis revealed that many organizations had added lobbying activities to their portfolios. Of those organizations that existed and filed a Form 990 in both 2003 and 2023, Falk et al. (2023) found that 38% "began reporting lobbying activities between 2003 and 2023 when they had not before" (p. 18). Combined with the number of new public charities entering the sector that filed lobbying expenses, overall, the authors found that "7,366 (or 72% of current public charities that report lobbying) began lobbying activities within the last 20 years" (p. 18).

2. The Sector's Own Advocates Have Grown and Become More Sophisticated

In their book, *Standing Up for Nonprofits,* Alan J. Abramson and Benjamin Soskis (2024) traced the development of sector-wide advocacy and lobbying efforts at the federal level, focusing heavily on what they call the "Big Five" advocacy organizations (p. 3): the Council on Foundations, the National Council on Nonprofits, Independent Sector, the United Philanthropy Forum, and the Philanthropy Roundtable.

While Abramson and Soskis focused heavily on analyzing the state of sector advocacy throughout and following the passage of the Tax Cuts and Jobs Act (TCJA) in 2017 and the federal response to COVID-19, their story also demonstrates the significant evolution and growth of this arm of the sector. The oldest of these national philanthropic infrastructure organizations — the Council on Foundations — dates its origin to 1949, while the youngest — the United Philanthropy Forum — was established in 1998. After decades of evolution and sharpening their skills and constituencies, the Big Five have become a significant force. In 2022, these organizations spent a combined $40.7 million on advocacy and lobbying activities and organizational expenditures (2024, pp. 4-9).

3. Visible Setbacks — and a New Opportunity: The Tax Cuts and Jobs Act (2017) and the Looming Tax Code Rewrite

When Congress set about rewriting portions of the federal tax code in 2017, proposing to double the standard deduction for individuals and married couples, nonprofit professionals and sector advocates alike passionately voiced concern that charitable giving would take a hit. According to 2024 research from the National Bureau of Economic Research, their concerns were more than legitimate. In the first year following the passage of TCJA, a research team determined that 23 million fewer households itemized their taxes, leading to a drop of approximately $20 billion in giving (Han et al., 2024).

For almost seven years, researchers in the nonprofit sector could only examine slices of data and do their best to untangle the direct impact of TCJA's policy changes on charitable giving. With this new data from Han et al. (2024), we know for sure what's at stake in the next round of tax code rewrites scheduled for 2025. The critical opportunity and need for effective lobbying practices that can help the sector make up lost ground and perhaps even help to slow, stabilize, or reverse the troubling trend of declining household participation in charitable giving (Moody, 2022), is very real — and very imminent.

[1] Prentice (2018) offers an important caveat to these findings. In *The 'State' of Nonprofit Lobbying Research: Data, Definitions, and Directions for Future Study,* Prentice explores in depth the challenges of accurately understanding the state of nonprofit lobbying efforts using Form 990 data. "Understanding how and where to report lobbying activities and expenditures is complex and requires legal and accounting expertise. Form 990 contributes to this complexity by requiring tax-exempt organizations to account for their lobbying activities and expenses in various ways and in multiple locations on the return" (p. 208S). (See Prentice's Figure 1, p. 209S, for as clear an explanation as I have found). It is therefore entirely possible that the number and proportion of nonprofits that engaged in lobbying activities could be much higher than Falk et al. (2023) found (assuming nonprofits that reported engaging in lobbying activities on their IRS Form 990 reviewed for the research did so accurately).

4. Visible Wins: Nonprofits Benefit from Federal Action on COVID-19

In the original version of the Paycheck Protection Program (PPP) debated in the U.S. Senate in 2020, any nonprofit receiving funds from Medicaid would have been ineligible to participate in the program (Abramson & Soskis, 2024, p. 49). It was the lobbying efforts of the Big Five, as part of a larger coalition of organizations working on behalf of the sector, that ensured the provision was removed before the final bill was signed. According to Johnson Center research (Williams, 2020), PPP loans ultimately protected 4.1 million nonprofit jobs in 2020.

Alongside lifting the cap on annual giving deductions and instituting a short-term charitable giving tax credit, the CARES Act ultimately proved a significant — if not unqualified — success for the sector. Abramson and Soskis wrote:

> Advocates noted several significantly improved dynamics in their work compared to the lobbying campaign during the TCJA deliberations. First, many of those interviewed noted how much better sector advocates worked together. In part, this was because many members of the group had developed working relationships during the TCJA deliberations as well as a productive division of labor. (p. 50)

Efforts at the state level have also showed how successful and important nonprofit lobbying activities can be. As examples, the Michigan Nonprofit Association (n.d.) secured $35 million from the State and Local Fiscal Recovery Funds (SLFRF), while the Kentucky Nonprofit Network (2023) was able to secure $75 million.

Conclusion

What's standing in the way? Despite efforts from the Big Five and others — see Exponent Philanthropy's recent "Foundation Advocacy Intensive" and "An Introduction to Advocacy as a Change Strategy for Nonprofits" from Community Commons, as examples — to educate the sector about what organizations can and cannot do, a murkiness remains. Part of this confusion comes from the daunting "legalese" of IRS regulations and forms. Another factor is public opinion: whether our donors, communities, board members, and advisors seem to think we should be part of a conversation or not, or provide faulty guidance one way or another.

The critical opportunity and need for effective lobbying practices that can help the sector make up lost ground and perhaps even help to slow, stabilize, or reverse the troubling trend of declining household participation in charitable giving, is very real — and very imminent.

In the end, if the nonprofit sector is committed to systems change in order to improve outcomes for the most people, they will have to engage with the systems — and the systems makers — themselves. That means working with policymakers, legislators, executives, and others at all levels of government. As more organizations and networks come to understand this reality — and pair that with a better understanding of what they are legally empowered to do — we're likely to see a continued increase in lobbying activities and greater visibility and voice for the sector in key public policy decisions.

References

Abramson, A., & Soskis, B. (2024, May 23). *Standing up for nonprofits: Advocacy on federal, sector-wide issues.* Elements in Public and Nonprofit Administration. Cambridge University Press. https://doi.org/10.1017/9781009401081

Faulk, L., Kim, M., & MacIndoe, H. (2023). *The retreat of influence: Exploring the decline of nonprofit advocacy and public engagement.* Independent Sector. http://www.independentsector.org/policy/advocacyresearch

Han, X., Hungerman, D. M., & Ottoni-Wilhelm, M. (2024). *Tax incentives for charitable giving: New findings from the TCJA* (Working Paper No. 32737). National Bureau of Economic Research. https://doi.org/10.3386/w32737

Kentucky Nonprofit Network. (2023, March 9). *Kentucky nonprofits celebrate $75 million investment at state* [Press release]. https://www.kynonprofits.org/sites/default/files/2023%20DAC%20press%20release%20post.pdf

Michigan Nonprofit Association. (n.d.) *Nonprofit relief fund.* Accessed October 1, 2024. https://www.mnaonline.org/policy/nonprofit-relief-fund

Moody, M. (2022, January 18). Increasing attention to the decline in household giving to nonprofits. *11 Trends in Philanthropy for 2022.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/increasing-attention-to-the-decline-in-household-giving-to-nonprofits/

Prentice, C. (2018). The "state" of nonprofit lobbying research: Data, definitions, and directions for future study. *Nonprofit and Voluntary Sector Quarterly, 47*(4S), 204S-217S. https://doi.org/10.1177/0899764018758957

Williams, J. (2020, July 21). *In the time of coronavirus: How many eligible nonprofits benefited from the Paycheck Protection Program?* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/in-the-time-of-coronavirus-how-many-eligible-nonprofits-benefited-from-the-paycheck-protection-program/

More Foundations Opt for Planned Lifespans and Spend-Down Strategies

By Elizabeth J. Dale, Ph.D., with research assistance from Jennifer Lawson, Ph.D.

In September 2024, 94-year-old Warren Buffett, who has long advocated the "giving while living" approach, announced that his three children will have just 10 years after his death to allocate what remains of his $143.1 billion fortune via a charitable trust (Koenig, 2024). It's a bold approach that seems to be gaining interest: setting an end date for a charitable entity and making more, and often significantly larger grants, at an accelerated pace to meet that deadline.

Within the philanthropic ecosystem, a growing number of foundations, trusts, and charitable entities are adopting this spend-down strategy — also referred to as "spend out," "sunsetting," or even "spend up" or "sunrise." Whatever the preferred terminology, this language reflects the fact that endowed foundations may very well need to distribute their principle faster than the rate of return on their investments, and within a designated amount of time; directives mostly range from five to 20 years.

Some of the organizations that are now in spend-down mode were first established as perpetual entities and have now shifted course. Others, known as limited-life entities, began their organizational lives with a clear end date in mind. At times, these end dates are set for a certain period after the death of a donor or trustee(s): a prominent example of this latter form is The Gates Foundation, which will cease to exist 20 years after the last of its founders passes away (Suzman, 2024, para. 7).

In Perpetuity or Not?

Gathering concrete data on foundations' decisions to sunset, or on the number of organizations in active spend out, is elusive. More than a decade ago, estimates were that 9% to 12% of foundations were in spend-down mode, with about a quarter considering the idea (Ostrower, 2009; Foundation Center, 2009). New research by the National Center on Family Philanthropy (2025) found that in the past five years, the number of family foundations in active spend down rose from 9% to 13% and that more than 28% were considering it.

Since the traditional U.S. foundation model is usually structured to exist in perpetuity (i.e., with no end date), announcements of foundations' planned closures make news. One of the most notable closures was The Atlantic Philanthropies, established in 1982 by the late entrepreneur Chuck Feeney, which gave out more than $8 billion in grants during its 38-year lifetime to a wide variety of causes around the globe — from advancing the peace process in Northern Ireland, to modernizing Vietnam's health systems, and even catalyzing the U.S. Affordable Care Act. "I see little reason to delay giving when so much good can be achieved through supporting worthwhile causes today," said Feeney (Waleson, 2017, p. 39). Feeney's other famous quote: "It's a lot more fun to give while you're alive than to give while you're dead" (The Atlantic Philanthropies, 2024, para. 3).

Today, interest in spending down seems to be on the rise. While smaller foundation closures might not get major attention, more foundations are electing to shift to a sunset strategy — and some are promoting their decision to maximize giving in the present, likely hoping other grantmaking entities will follow suit. Some notable closures in the last few years include The Whitman Institute in 2022, which launched the trust-based philanthropy project, the WEM Foundation in 2023, and the Chorus Foundation in 2023. In recent years, others have announced being in active spend-down mode: the Levitt, Compton, Stupski, and Ivey Foundations have all made public statements to give away their full endowments.

Change Can't Wait

Counter to foundations' standard pace of giving, often matching the federally-mandated annual minimum distribution requirement of 5% of assets for charitable purposes, organizations that transition to a spend-down strategy may need to double, or even triple grantmaking to take the endowment down to zero. As the Ivey Foundation (2022) board wrote in their open letter announcing their plans to wind down, "Foundations need not continue in perpetuity for perpetuity's sake. There is a strong argument that their philanthropic resources can, and in some cases should, be fully utilized for the most critical issues we face today" (para. 6).

And the numbers are compelling. Take the example of the Mortimer & Mimi Levitt Foundation, which supports free live music in underused public spaces. While the foundation gave away $20 million during the 20-year period of 2002–2021, its recent adoption of a spend-down strategy will have major impacts on its giving. From 2022 to the foundation's closure date in 2041, it will spend $150 million (Levitt Foundation, 2023). Even more massive: The Ralph C. Wilson Jr., Foundation — which supports a wide range of causes in Southeast Michigan and Western New York and was established as a limited-life entity in 2015 — will spend out $1.2 billion by 2035.

New research by the National Center on Family Philanthropy found that in the past five years, the number of family foundations in active spend down rose from 9% to 13% and that more than 28% were considering it.

Whether the decision to sunset is made at the outset of a foundation's creation or by the board of trustees during the foundation's lifetime, key motivations seem to be the ability to make a larger impact in the present; the urgency of societal challenges such as the climate crisis, economic inequality, and forced migration; and in some cases, poor economic circumstances such as the 2007–2009 Great Recession (Hengevoss & von Schnurbein, 2024; Markham & Ditkoff, 2013). Foundation leaders reported that a fixed time frame can also sharpen discussions, decision-making, and strategic focus (Mansson, 2020).

Spending down can also be part of a donor's philosophical stance of avoiding dynastic wealth or the belief that those who earned wealth should also be the ones to distribute it back to the community and that other donors will continue to give in the future (O'Donnell & Chen, 2023). Other donors prioritize giving during their lifetime to avoid a perpetually endowed foundation drifting away from their intent or becoming overly bureaucratic (Markham & Ditkoff, 2013). While it has not been mentioned as often, conversations at conferences and donor gatherings note another force driving this change: younger generations may have waning interest in running a family's foundation well into the future.

Redefining Legacy

Little research beyond the occasional collection of case studies or a foundation's own reports have studied this phenomenon. A 2019 report by the Johnson Center for Philanthropy investigated the impact of foundations' exits on nonprofits (Behrens & Gordillo). Recently, two researchers at the Center for Philanthropy Studies at the University of Basel, Switzerland, identified different strategies for foundations to sunset smoothly and successfully: either taking a resource-based approach based on the assets available, or a needs assessment view, being responsive to the needs of beneficiaries and offering as much support as possible (Hengevoss & von Schnurbein, 2024).

One critique of foundations closing is when it happens suddenly and without the ability for grantees to give input or plan for the sustainability of programs (Behrens & Gordillo, 2019; Johnston, 2009). At the same time, the need to move money out the door can also be transformational (Honig et al., 2021). According to a 2024 news report, when the WEM Foundation closed, many organizations received the largest gifts in their organization's history, enabling them to purchase or renovate buildings, expand programs, and plan for the future (Smith). Investing in future leaders, building organizational capacity, pioneering new research, and changing policies are other enduring outcomes that philanthropic advisors say magnify influence (Markham & Ditkoff, 2013).

In short, spending down is a strategy that may or may not be right for each charitable entity, but it's a question that more foundation boards might start asking themselves and from which others across the sector can learn. Spending down allows a funder to view the entirety of a foundation's endowment as a "holistic institutional strategy" capable of making big commitments (Henderson & Ebrahimi, 2024, para. 11). And when those grants respond to specific urgent needs that reduce grantees' overall reliance on philanthropy, the impact can be even greater.

Even in the philanthropic sector, organizational closure might be viewed with trepidation as long-standing colleagues or funders exit and change the ecosystem. But to those entities spending down, or to those that have closed entirely, their belief is that the time to give is now and they trust that the foundation's legacy will live on in the difference their grantmaking achieved.

References

Behrens, T., & Gordillo, E. (2019, August). *Foundation exits: A survey of foundations and nonprofits.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/wp-content/uploads/2020/10/FoundationExits2019.pdf

Foundation Center. (2009, April). *Highlights of perpetuity or limited lifespan: How do family foundations decide? Intentions, Practices and Attitudes.* Author. https://candid.issuelab.org/resources/13587/13587.pdf

Henderson, A.-L. W., & Ebrahimi, F. (2024 Winter). We need a strategy for spending down. *Stanford Social Innovation Review, 22*(1), 5-7. https://ssir.org/articles/entry/we_need_a_strategy_for_spending_down#

Hengevoss, A., & von Schnurbein, G. (2024, Spring). Sunsetting in Style. *Stanford Social Innovation Review,* p. 65-66. https://ssir.org/pdf/Viewpoint_Sunsetting_in_Style.pdf

Honig, H., Behrens, T., Martin, V., & Brenner, E. (2021, November). *Time-limited foundations: Lessons from a CEO peer group.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/wp-content/uploads/2021/12/Time-limited-Foundations-Lessons-from-a-CEO-Peer-Group-FINAL.pdf

Ivey Foundation. (2022, November 29). *A letter to our friends and partners on the decision to wind up the Ivey Foundation and distribute its full endowment by 2027.* https://www.ivey.org/documents/WindUp_OpenLetter_Final%20PDF%20(2).pdf

Johnston, D. C. (2009, November 11). As foundations close, anxiety for charities. *The New York Times.* https://www.nytimes.com/2009/11/12/giving/12SPEND.html

Koenig, M. (2024, September 23). Warren Buffett gives his three children an astonishing $143.1 billion task and the famed investor's eldest son Howard says 'it's not so easy'. *DailyMail.com* and *Associated Press.* https://www.dailymail.co.uk/news/article-13880567/Warren-Buffett-children-Howard-Susie-Peter-charitable-trust-fortune.html

Levitt Foundation. (2023, November 30). *Accelerating change: A look into philanthropy's spend down movement.* https://levitt.org/accelerating-change-a-look-into-philanthropys-spend-down-movement/

Mansson, L. (2020). The Experiences of a Foundation With a Limited Life: Benefits and Challenges. *The Foundation Review, 12*(2). https://doi.org/10.9707/1944-5660.1521

Markham, A., & Ditkoff, S. W. (2013, October). *Six pathways for enduring results: Lessons from spend-down foundations.* The Bridgespan Group. https://www.bridgespan.org/getmedia/2827f9c6-870a-4c51-8443-2adc51fee834/Six-Pathways-to-Enduring-Results_1.pdf

National Center for Family Philanthropy. (2025). *Trends 2025: Results of the third national benchmark survey of family foundations.* National Center for Family Philanthropy. https://www.ncfp.org/trends-2025-release/

O'Donnell, C., & Chen, M. (2023, January). *The work of a lifetime: Spend down funds.* Cambridge Associates. https://www.cambridgeassociates.com/insight/the-work-of-a-lifetime-spend-down-funds/

Ostrower, F. (2009). *Limited life foundations: Motivations, experiences, strategies.* The Urban Institute. https://www.urban.org/sites/default/files/publication/30121/411836-Limited-Life-Foundations-Motivations-Experiences-and-Strategies.pdf

Smith, K. (2024, August 3). Cargill billionaire's foundation quietly closes after giving out unprecedented $500 million. *The Minnesota Star Tribune.* https://www.startribune.com/cargill-billionaires-foundation-quietly-closes-after-giving-out-unprecedented-500-million/600700776

Suzman, M. (2024). *2024 Gates Foundation annual letter: Philanthropy's once-in-a-generation opportunity.* The Gates Foundation. https://www.gatesfoundation.org/ideas/articles/2024-gates-foundation-annual-letter

The Atlantic Philanthropies. (2024). *Giving while living.* https://www.atlanticphilanthropies.org/giving-while-living

Waleson, A. (2017). *Giving while living.* The Atlantic Philanthropies. https://www.atlanticphilanthropies.org/wp-content/uploads/2017/11/Atlantic-Insights_Giving_While_Livng_9_26_17-sm.pdf

Tax “Cliff” in 2025 Could Mean Major Change for Philanthropy and Nonprofits

By Trish Abalo and Jeff Williams, M.B.A., Ed.D.

Though the American tradition of voluntary and charitable association predates the nation's founding, formal recognition of a "tax-exempt sector" did not come until the Tariff Act of 1894 named specific types of organizations that could operate free from tax (Arnsberger et al., 2008). Additional laws and regulatory language slowly evolved[1] until the Tax Reform Act of 1969. To this day, the 1969 act forms the basis of modern nonprofit organizational tax treatment (Arnsberger et al., 2008; Steuerle & Soskis, 2020).

Although debates about the taxation of nonprofits, the concentration of wealth, and the overlap between the nonprofit and for-profit sectors are not new (Moody, 2019), a confluence of major factors and a government-created tax “cliff” in 2025 has created momentum for a potential major overhaul of the charitable sector.

The Situation Everyone Saw Coming

Between 1969 and today, Congress enacted two significant rewrites of the tax code — one in 1986, and one in 2017. Because of the expedited “reconciliation” process Congress used to enact the Tax Cuts and Jobs Act of 2017 (TCJA) (Tax Policy Center, 2024a, para. 2), many 2017 tax changes — such as individual income tax brackets, an increase in the individual standard deduction, changes to the pass-through business tax, and an increase in the estate tax exemption[2] — are scheduled to sunset (expire) in 2025.

The Perfect Storm Creates Winds of Change

Neither the 1986 nor 2017 major tax code rewrites contained significant changes to nonprofit organizations; they had far more effects on individual and corporate tax rates and deductions. However, the 2025 TCJA sunset has become the focal point for three macro shifts that may bring large-scale change to the sector: increasing skepticism of institutions broadly and of philanthropy specifically, declining giving and volunteering rates, and the effects of TCJA itself.

[1] The Revenue Act of 1909, for example, codified the concept of no private inurement; the Revenue Act of 1917 set the first individual income tax deduction for charitable contributions; and the Revenue Act of 1950 set limits on how nonprofit organizations could earn unrelated business income (Arnsberger et al., 2008).

[2] The Congressional Research Service has a good overview summary of the major provisions of TCJA that will expire in 2025 (Crandall-Hollick et al., 2023) https://crsreports.congress.gov/product/pdf/R/R47846.

Increasing Skepticism of Institutions Broadly and of Philanthropy Specifically

Government leaders, elected officials, the military, religious organizations, and businesses have all seen declines in trust over the last five decades and especially in the previous ten years (Brady & Kent, 2022; Gallup, 2024; Jones, 2022; Kennedy et al., 2022). Nonprofits and philanthropy have not been immune to the overall decline in trust, even though both score relatively high compared to other sectors (Independent Sector, 2024; Indiana University Lilly Family School of Philanthropy, 2023).

Skepticism is driving many philanthropists, members of Congress, and communities to push for new legislative action to drive change in how the sector operates. Our 2023 trend, "Policymakers are Paying Increasing Attention to Moving More Money Faster," summarized efforts by philanthropists and Congress alike to spur or mandate increased charitable giving and grantmaking (Williams, 2023). Observers have noted that the Supreme Court's 2010 *Citizens United* decision has led to increased scrutiny of wealthy donors and tax and campaign finance laws — and thus, nonprofits' real or perceived impact on elections — by Democrats and Republicans alike (Lau, 2019; Rosenthal, 2022; Martin & Layton, 2024). These efforts have their roots in the decline of trust in institutions and critiques of philanthropy (Moody & Martin, 2020).

Declines in Giving and Volunteering

Longitudinal studies such as the Giving USA series have long shown that while the rate of individual giving is volatile from year to year, it has remained remarkably consistent as approximately 2.0% of disposable personal income over the past 40 years (Giving USA Foundation, 2024, p. 56).

However, this consistency on the surface masks a perceptible churning beneath. As Benjamin Soskis wrote earlier this year in *The Shifting Landscape of American Generosity,* this churning has a name: "dollars up, donors down" (p. 5). This phrase references a two-decade decline in the number of donors to charities of all kinds and the simultaneous increase in total dollars given. Efforts such as the Generosity Commission have been convened against this backdrop. Further, this broad decline in general giving from "everyday donors" explains why many philanthropic sector-based advocacy associations continue to support restoring items such as the charitable tax credit at both the federal and state levels.

> ***The challenge for philanthropy will be to navigate an overhaul of the tax code — only the second major rewrite in the last 40 years — while navigating the confluence of the historic cultural trends[.]***

Effects of TCJA itself

Multiple researchers in the last year have been able to analyze trendline changes in individual deductions and link them to studies of charitable giving:

- The Tax Policy Center (2024b) notes strong evidence that the TJCA reduced the tax incentive for giving to charity by disincentivizing the itemized charitable deduction. Further, "the TCJA reduced the marginal tax benefit of giving to charity by more than 30 percent, raising the after-tax cost of donating by about 7 percent" (para. 5).
- A newly released working paper from the National Bureau of Economic Research focused on the 23 million households that switched from itemizing to taking the standard deduction. The researchers found that these taxpayers, on average, contributed $880 less to charity that year due to the switch, calculating to a drop of over $20 billion total. And that's what we saw. Write the researchers: "Our results suggest that essentially the entire observed decline in giving in 2018 can

be explained by the TCJA reform" [emphasis added] (Han et al., 2024, p. 16).

Policy Reform: If You're Not at the Table, You're on the Menu

Eric Zwick (2024), a professor of economics and finance at the University of Chicago, has called the Tax Policy Center's recent conversation on the looming 2025 tax code rewrite the "Superbowl of Tax Law." The challenge for philanthropy will be to navigate an overhaul of the tax code — only the second major rewrite in the last 40 years — while navigating the confluence of the historic cultural trends explored here. Several proposed reforms to the TCJA are already making the rounds in policy circles (Clausing & Sarin, 2023; Marr et al., 2024; York et al., 2024), and additional proposals are very likely to emerge as the Congressional committees take their preparatory work public with the entrance of the new session — and president — in January 2025.

While the charitable sector is not the primary reason for the rewrite, the mere presence of a 'soup to nuts' discussion required by the sunsetting of major provisions of the TCJA will quickly put philanthropy on the radar of budget-balancing committees. Whether the ensuing policy and tax code changes encourage or discourage additional philanthropy remains to be seen.

Community organizing, advocacy, redevelopment, and reimagination are happening all across the South. We can expect success to breed success so long as the necessary resources — the people, the ingenuity, the enabling political environment, and, inevitably, the money — materialize.

References

Arnsberger, P., Ludlum, M., Riley, M., & Stanton, M. (2008). *A history of the tax-exempt sector: An SOI perspective.* https://www.irs.gov/pub/irs-soi/tehistory.pdf

Brady, H. E., & Kent, T. B. (2022, November 15). Fifty years of declining confidence & increasing polarization in trust in American institutions. *Daedalus, 151*(4), 43–66. https://doi.org/10.1162/daed_a_01943

Clausing, K., & Sarin, N. (2023, September 27). *The coming fiscal cliff: A blueprint for tax reform in 2025.* The Brookings Institution. https://www.brookings.edu/articles/the-coming-fiscal-cliff-a-blueprint-for-tax-reform-in-2025/

Crandall-Hollick, M. L., Marples, D. J., & McDermott, B. (2023, November 21). *Reference table: Expiring provisions in the "Tax Cuts and Jobs Act"* (TCJA, P.L. 115-97). Congressional Research Service. https://crsreports.congress.gov/product/pdf/R/R47846

Gallup. (2024). *Confidence in institutions.* https://news.gallup.com/poll/1597/Confidence-Institutions.aspx

Giving USA Foundation. (2024). *Giving USA 2024: The annual report on philanthropy for the year 2023.* Indiana University Lilly Family School of Philanthropy. https://www.givingusa.org

Han, X., Hungerman, D. M., & Ottoni-Wilhelm, M. (2024, July). *Tax incentives for charitable giving: New findings from the TCJA* (Working Paper 32737). National Bureau of Economic Research. https://doi.org/10.3386/w32737

How did the TCJA affect incentives for charitable giving? (2024, January). Tax Policy Center. Accessed November 2024. https://www.taxpolicycenter.org/briefing-book/how-did-tcja-affect-incentives-charitable-giving

Independent Sector. (2024). *Trust in Nonprofits and Philanthropy.* https://independentsector.org/resource/trust-in-civil-society/

Indiana University Lilly Family School of Philanthropy. (2023, April). *What Americans think about philanthropy and nonprofits.* https://scholarworks.indianapolis.iu.edu/server/api/core/bitstreams/b5904a8a-5081-42cd-bd44-56740b98fb67/content

Jones, J. (2022, July 5). *Confidence in U.S. institutions down; Average at new low.* Gallup. https://news.gallup.com/poll/394283/confidence-institutions-down-average-new-low.aspx

Kennedy, B., Tyson, A., & Funk, C. (2022, February 15). *Americans' trust in scientists, other groups declines.* Pew Research Center. https://www.pewresearch.org/science/2022/02/15/americans-trust-in-scientists-other-groups-declines/

Lau, T. (2019, December 12). *Citizens United explained.* Brennan Center for Justice. https://www.brennancenter.org/our-work/research-reports/citizens-united-explained

Marr, C., Fenton, G., & Jacoby, S. (2024, March 21). *Congress should revisit 2017 tax law's trillion-dollar corporate rate cut in 2025.* Center on Budget and Policy Priorities. https://www.cbpp.org/research/federal-tax/congress-should-revisit-2017-tax-laws-trillion-dollar-corporate-rate-cut-in

Martin, T., Layton, M. (2024, January 17). Donor anonymity is under the miscroscope. *11 trends in philanthropy for 2024.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/donor-anonymity-is-under-the-microscope/

Moody, M. (2019, February 13). The boundaries are blurring between philanthropy and business. *11 trends in philanthropy for 2020.* Dorothy A. Johnson Center for Philanthropy at Grand

Valley State University. https://johnsoncenter.org/blog/the-boundaries-are-blurring-between-philanthropy-and-business/

Moody, M., & Martin, T. (2020, January 15). Increasing critiques of (big) philanthropy. *11 trends in philanthropy for 2020.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/increasing-critiques-of-big-philanthropy/

Rosenthal, S. (2022, August 29). Congress could end tax breaks for gifts to non-profits with political agendas. *Forbes.* https://www.forbes.com/sites/stevenrosenthal/2022/08/29/congress-could-end-tax-breaks-for-gifts-to-non-profits-with-political-agendas/

Soskis, B. (2024). *The shifting landscape of American generosity.* The Generosity Commission. https://www.thegenerositycommission.org/wp-content/uploads/2024/07/Generosity-Commission_Landscape-Analysis_072424_Final.pdf

Steuerle, C. E., & Soskis, B. (2020, February 8). *Taxes and foundations: A 50th anniversary overview.* https://www.urban.org/sites/default/files/publication/103608/taxes-and-foundations-a-50th-anniversary-overview_3.pdf

Tax Policy Center. (2024a) *What is reconciliation?* https://www.taxpolicycenter.org/briefing-book/what-reconciliation

Tax Policy Center. (2024b). *How did the TCJA affect incentives for charitable giving?* The Tax Policy Briefing Book. https://taxpolicycenter.org/briefing-book/how-did-tcja-affect-incentives-charitable-giving

Williams, J. (2023). Policymakers are paying increasing attention to moving more money faster. *11 Trends in Philanthropy for 2023.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/policymakers-are-paying-increasing-attention-to-moving-more-money-faster/

York, E., Durante, A., Li, H., Watson, G., & McBride, W. (2024, May 7). *Options for navigating the 2025 Tax Cuts and Jobs Act Expirations.* Tax Foundation. https://taxfoundation.org/research/all/federal/2025-tax-reform-options-tax-cuts-and-jobs-act/

Zwick, E. [Brookings Institution]. (2024, September 12). *The Tax Cuts and Jobs Act of 2017: Lessons learned and the debate ahead* [Video]. YouTube. https://www.youtube.com/live/bUStOBzpVAs?t=1695s

America's Population is Rapidly Aging. Can Philanthropy Keep Up?

By Trish Abalo, with research assistance from Emily Dorn Jex, M.S., Jill Roof, M.P.A., and Jeff Williams, M.B.A., Ed.D.

Americans today are living longer and having fewer babies, shifting the median age from 30 years old in 1980 to 38.9 years old in 2022 — the oldest it has ever been (Population Reference Bureau, 2024). Across the country, the number of adults ages 65 and older is projected to increase from 17% to 23% of the total population within the next three decades. What's more, a major turning point is coming: by 2034, the number of adults 65 and older (77 million) is projected to surpass the number of children under 18 (76.5 million) for the first time in U.S. history (U.S. Census Bureau, 2018).

Danielle Arigoni, former director of AARP Livable Communities, presciently urged that the dominant paradigm for community development must shift to embrace this simple reality: we are all aging (2018).

In 2017, Giving USA estimated that only 6% of nonprofits focused on providing services to older adults. While that number seems small, another number provides a different picture from the last decade: Johnson Center analysis of Foundation Center data (2024) indicates that the number of grantmakers funding nonprofits supporting older adults increased by 225% from 2012 to 2022. (See Table 1.) More funders and more resources are entering the space, but it remains to be seen whether philanthropy will (or should) be able to meet the growing need.

Why Pay Attention (Now)?

Growth of the older adult population and its implications for how we fund services has been forecasted for years (National Research Council, 1996; Lim Rogers et al., 2000; Wallace, 2015). However, notable movement is taking place that will push the philanthropic field into action:

- The Older Americans Act (OAA) – One of the country's foremost pieces of legislation for aging services turns 60 this year. Grantmakers in Aging called its reauthorization "a historic opportunity" to integrate lessons learned from the pandemic into support for older adults and to commit funding levels to match the needs of communities (2024a, para. 1).

- A paradigm shift in caregiving is evident – Paris (2022) asserted that the sector is increasingly interested in funding aging issues since the COVID-19 outbreak, especially given its intersections with caregiving. In

Table 1. Increase in the number of grantmakers and grants, and total dollar value of grants, by population over 65 years, from 2012 to 2022

	Number of Grantmakers	Number of Grants	Total Dollar Value of Grants	Population (65 years+)
2012	4,965	16,227	$720,368,232	40,671,441
2022	16,150	40,962	$2,735,836,820	54,737,648
Percentage Change	225%	152%	280%	35%
Compound Annual Growth Rate	113%	110%	114%	103%

Source: Johnson Center (2024) analysis of Foundation Center data and U.S. Census Bureau American Community Survey 5-year estimates, Table S0103. https://data.census.gov/

While a review of summary grantmaking data shows a massive increase in funding for projects related to an aging population (280%) over the last decade, it is uncertain whether this level of spending aligns with growing levels of need, or the role of nonprofits and philanthropic funding to meet community needs. Furthermore, older-adult issues connect across sectors, making it challenging to determine the extent of grantmaking that supports them relative to various causes and community needs. This analysis uses grantmaking data designated as "Senior" by the Foundation Center.

2021, the Ford Foundation published "The Price We Pay: Why We Need to Redefine Care in America" (Gupta) while the following year, the Administration for Community Living (the main implementing body of OAA programs) launched the first National Strategy to Support Family Caregivers, with strong backing from philanthropy (Paris, 2023).

- The conversation on aging is changing – Weir (2023) called ageism "one of the last socially acceptable prejudices" in American society. Originally catalyzed by nine funders, the National Center to Reframe Aging advocates for the varied experiences and benefits of getting older. Their Summit 2024: The Movement to Reframe Aging, was cited as "the first event of its kind" with the largest gathering of experts ever assembled to reshape local and national discourse on ageism (Gerontological Society of America, 2024, para. 2).

Implications and Considerations for Nonprofits and Philanthropy

Volunteer Base Changes

Volunteering and civic engagement have long been shown to provide benefits to older adults with their contributions worth billions per year to our country (Population Reference Bureau, 2011; White House Conference on Aging, 2015). Moreover, Ladner (2023) lauded the volunteer contributions of older adults, finding that from 2002 to 2021, their share of total volunteer hours grew much more than their proportion of the overall population. However, in contrast, recent data indicates a decline in older adult volunteering that has been largely attributed to the pandemic: volunteer rates for baby boomers (ages 58–76) and seniors (ages 77+) fell from 24% pre-pandemic to 17% in 2023 (Collins, 2023). While volunteer engagement is an ongoing concern for the sector, this trend indicates that nonprofits relying on older adult volunteers must prioritize rethinking their labor force models.

Donor Pool Is No Longer Tied to Age

Older adults have historically shown higher rates of giving behaviors than other generations, but Collins (2023) observed that over the last decade, age has become less of a predictor of charitable giving; instead, household income provides a better indication. Notably, 2024 marked the year all baby boomers reached 65 or older, and for wealthy individuals, the "largest transfer of assets in world history" — an expected $18 trillion by the year 2030 (Toepfer & Palmieri, 2024, para. 2) — is already underway. Nonprofits and foundations are actively planning for and engaging high-net-worth donors in current and planned giving strategies (Cole, 2024; The Giving Block, 2024).

A Retirement Crisis

A growing number of Americans cannot afford to retire (Tavares et al., 2024; AARP, 2024) and are facing the financial insecurity of a retirement crisis that Bond et al., (2024) at the National Institute on Retirement Security reported "is no longer looming; it is here now" (p. 2). The field will need to keep up with evolving policy debates over how to fix the burdened retirement system, such as attempts to address the impending shortfall in Social Security and returning access to pensions, to ensure support for older adults as they age (Fitcher, 2021; Doonan & Kenneally, 2024; Social Security Administration, 2024).

Additionally, as the nation ages, Social Security and Medicare expenditures will grow, necessitating tax increases, federal budget cuts, and/or increasing ceilings on the national debt. Philanthropic efforts will need to support equitable public commitments for healthy retirement, while any changes to public funding must remedy persistent socioeconomic disparities and recognize the specific context of communities, for example:

- Rural areas and long-standing need for resources: More than one in five older adults live in a rural-designated community, but estimates indicate that only 6% of large foundation grants are directed towards rural areas (Grantmakers in Aging, 2024b).
- Incarcerated populations and accelerated aging: From 1991 to 2021, the share of the state and federal prison population across the country aged 55 or older increased from 3% to 15%, increasing at a much faster rate than the rest of the nation. This aging prison population is often subject to dangerous conditions and inadequate health care (Widra, 2023).

Growing Dollars to Meet Growing Population

No region is left untouched by this demographic change. Regionally, while the highest share of people 65 and older can be found in the Northeast and Midwest, the fastest-growing aging populations are found in Southern and Western states (Weldon Cooper Center for Public Service at University of Virginia, 2024).

Recent Johnson Center analysis indicates that regionally, philanthropic funding is growing alongside older adult population increases. In the South, West, and Midwest regions, dollars allocated towards older adults have increased by over 330%, while in the Northeast they have increased by over 280%. However, this analysis does not answer whether the growing level of funding is matching the growing level of need. Nor can it address questions related to whether and how philanthropy should fund critical aging services.

	Region	Grant Dollars	Population	Grant Dollars Percentage Change	Population Percentage Change
2012	Midwest	$101,560,868	9,089,852	-	-
	Northeast	$142,158,309	7,868,930	-	-
	South	$163,096,742	15,057,291	-	-
	West	$119,399,987	8,655,368	-	-
2022	Midwest	$497,328,923	11,697,021	390%	29%
	Northeast	$542,796,034	10,075,375	282%	28%
	South	$714,943,699	20,695,546	338%	37%
	West	$519,830,079	12,269,706	335%	42%

Source: U.S. Census Bureau. (2012 and 2022). American Community Survey 5-year estimates [Data Table ID: S0103]. Retrieved from https://data.census.gov/

- U.S. territories and migration: In Puerto Rico, the largest U.S. territory by population, migration over the past decade has driven unprecedented rapid aging of its population and with it, increased reliance on social services as multigenerational family networks are increasingly separated by distance (Acevedo, 2023).

Future Needs and Philanthropy's Role

However, to what extent and how equitably philanthropic funding, coupled with public allocations, will meet the growing need for older adult services and well-being remains to be seen. As aging communities and their varied needs continue to be top of mind for the country, philanthropy will engage with older adults in ways that recognize this rapidly shifting landscape.

References

AARP. (2024). *New AARP survey: 1 in 5 Americans ages 50 have no retirement savings and over half worry they will not have enough to last in retirement.* https://press.aarp.org/2024-4-24-New-AARP-Survey-1-in-5-Americans-Ages-50-Have-No-Retirement-Savings

Administration for Community Living. (2024). *2022 national strategy to support family caregivers.* https://acl.gov/CaregiverStrategy

Acevedo, N. (2023, June 3). Aging in Puerto Rico is a struggle for families fragmented by migration. *NBC News.* https://www.nbcnews.com/news/latino/puerto-rico-fastest-aging-population-young-migrate-rcna81080

Arigoni, D. (2018). *Preparing for an aging population.* AARP. https://www.aarp.org/livable-communities/about/info-2018/aarp-livable-communities-preparing-for-an-aging-nation.html

Bond, T., Doonan, D., Kreps, M., Lowell, J., Price, J., & Wadia, Z. (2024, May). *Policy ideas for boosting defined benefit pensions in the private sector.* National Institute on Retirement Security. https://www.nirsonline.org/wp-content/uploads/2024/05/NIRS_Boosting-DB-Pensions-in-the-Private-Sector_FINAL.pdf

Cole, A. L. (2024, March 25). How nonprofits can navigate the challenges of the great wealth transfer. *NonProfit PRO.* https://www.nonprofitpro.com/article/how-nonprofits-can-navigate-the-challenges-of-the-great-wealth-transfer/

Collins, L. (2023, September 6). *Giving trends: The role of age and income in charitable giving.* Giving USA Foundation. https://givingusa.org/giving-trends-the-role-of-age-and-income-in-charitable-giving/

Doonan, D., & Kenneally, K. (2024, February). *Retirement insecurity 2024: Americans' views of retirement.* National Institute on Retirement Security. https://www.nirsonline.org/reports/retirementinsecurity2024/

Fichtner, J. J. (2021, March 30). *The peak 65 generation: Creating a new retirement security framework.* Alliance for Lifetime Income. https://www.protectedincome.org/wp-content/uploads/2021/04/ALI-White-Paper-PEAK-65-Update-4.22.21.pdf

Foundation Center. (2024). *Foundation directory.* Retrieved from https://fconline.foundationcenter.org/?

Gerontological Society of America. (2024, April 17). *Leaders embrace call to action to improve our understanding of aging* [Press release]. https://www.geron.org/News-Events/GSA-News/Press-Room/Press-Releases/leaders-embrace-call-to-action-to-improve-our-understanding-of-aging

Giving USA Foundation. (2017, February 17). *Philanthropy may be imperative for the future of aging services.* https://givingusa.org/philanthropy-may-be-imperative-for-the-future-of-aging-services-2/

Grantmakers in Aging. (2024a). *Older Americans Act.* https://www.giaging.org/older-americans-act

Grantmakers in Aging. (2024b). *New frontiers for funding: An introduction to grantmaking in rural America.* https://www.giaging.org/system/files/documents/2024-06/New%20Frontiers%20for%20Funding-%20An%20Introduction%20to%20Grantmaking%20in%20Rural%20Aging.pdf

Gupta, S. (2021, May 11). *The price we pay: Why we need to redefine care in America.* Ford Foundation. https://www.fordfoundation.org/news-and-stories/stories/the-price-we-pay-why-we-need-to-redefine-care-in-america/

Ladner, J. (2023, September 25). *How older adults lead the way in American volunteerism.* NationSwell. https://nationswell.com/older-adults-lead-the-way/

Lim Rogers, D., Toder, E., & Jones, L. (2000, September). *Economic consequences of an aging population.* The Retirement Project, Occasional Paper Number 6. The Urban Institute. https://www.urban.org/sites/default/files/publication/67431/retire_6.PDF

National Research Council Committee on National Statistics. (1996). Improving data on America's aging population: summary of a workshop. In D. Carr, A. Pemmarazu, & D. P. Rice (Eds.), *America's Aging Population: Trends and Uncertainties.* National Academies Press (US). https://www.ncbi.nlm.nih.gov/books/NBK233242/

Paris, W. (2022, August 24). New funding for old age: Grantmakers in Aging shares new growth. *Inside Philanthropy.* https://www.insidephilanthropy.com/home/2022-8-24-new-funding-for-old-age-grantmakers-in-aging-shares-new-growth

Paris, W. (2023, November 16). Four ways aging-focused funders are taking multisector collaborations national. *Inside Philanthropy.* https://www.insidephilanthropy.com/home/2023-11-16-four-ways-aging-focused-funders-are-taking-multisector-collaborations-national

Population Reference Bureau. (2011, August). Volunteering and health for aging populations. *Today's Research on Aging.* Issue 21. https://www.prb.org/wp-content/uploads/2020/11/TRA21-2011-volunteering-aging.pdf

Population Reference Bureau. (2024). *Fact sheet: Aging in the United States.* https://www.prb.org/resources/fact-sheet-aging-in-the-united-states/

Social Security Administration. (2024, May 6). *Strong economy, low unemployment, and higher job and wage growth extend* *social security trust funds to 2035* [Press release]. https://www.ssa.gov/news/press/releases/2024/#5-2024-1

Tavares, J., Cohen, M., Pallis, M., Glova, K., & Sethi, R. (2024, August). *The 80%: Increases in older Americans' income and household assets still cannot support most during financial hardship.* National Council on Aging. https://assets-us-01.kc-usercontent.com/ffacfe7d-10b6-0083-2632-604077fd4eca/108ad617-addf-4d8d-9919-5197cc08b4e9/2024_Research_80_Report.pdf

The Giving Block. (2024, July 29). *The 'great wealth transfer' signals a new era in philanthropy.* https://thegivingblock.com/resources/the-great-wealth-transfer-and-philanthropy/

Toepfer, O., & Palmieri, U. (2024, April 11). *How to navigate the US$18t wealth management challenge.* EY. https://www.ey.com/en_us/insights/wealth-asset-management/how-to-navigate-the-us18t-wealth-management-challenge

University of Virginia, Weldon Cooper Center for Public Service. (2024). *National and 50-state population projections.* https://coopercenter.org/national-population-projections

U.S. Census Bureau. (2012 and 2022). *American Community Survey 5-year estimates* [Data Table ID: S0103]. Retrieved from https://data.census.gov/

U.S. Census Bureau. (2018, March). *An aging nation: Projected number of children and older adults.* https://www.census.gov/library/visualizations/2018/comm/historic-first.html

Wallace, N. (2015, August 31). Seismic changes are ahead for charities as Americans age. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/seismic-changes-are-ahead-for-charities-as-americans-age/

Weir, K. (2023, March 1). Ageism is one of the last socially acceptable prejudices. Psychologists are working to change that. *Monitor on Psychology 54*(2). https://www.apa.org/monitor/2023/03/cover-new-concept-of-aging

White House Conference on Aging. (2015). *Healthy aging policy brief.* https://archive.whitehouseconferenceonaging.gov/home/blog/policy/post/healthy-aging-policy-brief.html

Widra, E. (2023, August 2). *The aging prison population: Causes, costs, and consequences.* Prison Policy Initiative. https://www.prisonpolicy.org/blog/2023/08/02/aging/

With Unique Approaches and Millions Raised, Giving Days Grow Up

By Julie Couturier, CPA, and Tory Martin, M.A.

GivingTuesday (2024a) was launched in 2012 as a way to encourage generosity during the holiday season. The hashtag #GivingTuesday made it fun and modern in the early 2010s, and it quickly became a viral fundraising phenomenon. The GivingTuesday Data Commons (2023) estimates that GivingTuesday has raised $13 billion since its first year.

But with so many nonprofits and community groups trying to capture attention on the same day, too many of those messages got lost in the noise. What came next was likely predictable — and is well summarized by *The Nonprofit Times* headline (2017): "Giving Days Get Cluttered so Charities Start Their Own."

New organization- and cause-specific giving days are popping up throughout the year and raising significant dollars. Even GivingTuesday (n.d.) now has an initiative called #GivingEveryTuesday. The success of these giving days has significant implications for the giving cycle, strategic planning, donor engagement, and more.

What Works About Giving Days

The success and growth of giving days (typically 24-hour events combining online and in-person opportunities to give, promote, and engage) can be attributed to the ease of online giving, the social media presence of nonprofits (Bhati & McDonnell, 2020), and the sense of community that giving days offer (Bhati & Burk, 2023). The shift toward online giving has been especially crucial in fueling their success; especially for small organizations with revenue under $1 million, the percentage of gifts donated online increased more than organizations of other sizes in 2023, with nearly 17% of donations coming from online sources (Blackbaud, 2024).

Giving days have also proven to be a successful strategy for quickly converting prospects into first-time donors: EAB, a best practices firm serving education institutions, reported that the average share of alumni of private colleges and universities who make their first gift on a giving day was 12.7%; 19.8% for alumni of public institutions (Jones, 2024). Fundraising teams can also tap donor renewals and reengage lapsed donors by playing on the condensed timeline and the energy of the day — using hourly prizes, matching gifts, real-time dashboards, and more to grab attention and cultivate donations (Smilde & Ayrea, 2022). The concept is inherently flexible and scalable — making room for every organization to take its own approach.

More Causes and Organizations Stake Out Their Own Giving Days

The strategy to schedule GivingTuesday for the first Tuesday following Thanksgiving was no accident: leaders at the 92nd Street Y and the United Nations Foundation chose the day following Black Friday, Small Business Saturday, and Cyber Monday in order to take advantage of the public's already heightened attention for themed spending days (Piper, 2023). They used that attention to create a philanthropic phenomenon.

Now, organizations and causes are taking that same approach, but in alignment with their own unique missions and audiences:

- The Michael J. Fox Foundation for Parkinson's Research aligned its 2024 Day of Giving with World Parkinson's Day in April. According to its website, "by coming together on one day, everyone can amplify their impact and bring us one step closer to a world without Parkinson's" (para. 2).
- The American Red Cross (n.d.) holds its Red Cross Giving Day in March, which is Red Cross Month.

Colleges and universities are converting often otherwise random days of the year into full-blown giving bonanzas, using a one-day deadline to create tremendous drive:

- Purdue University held its first giving day in 2013. In its first five giving days, 44% of donors were first-time supporters of the university (Joslyn, 2018). The Purdue Day of Giving continues to be successful, raising over $76 million on April 24, 2024.
- On its 10th Cornell Giving Day, March 14, 2024, Cornell University had a record 18,692 donors support 656 funds across the university. Over $12 million was raised (Wholey, 2024).

Community foundations, too, are taking up the strategy. Knowing that location matters — a GivingPulse (2024) survey showed that 65% of individuals gave locally — community foundations are also increasingly using giving days as a place-based, collaborative way to expand giving for nonprofits in their communities. Bhati and Burk (2023) found only two giving days led by community foundations

The success of these giving days has significant implications for the giving cycle, strategic planning, donor engagement, and more.

in 2009, but 71 giving days in 2022. According to their analysis, the amount raised by community foundation-led giving days grew from an inflation-adjusted $6 million in 2009 to $282 million in 2022. Examples include:

- Since 2009, over 3,000 nonprofits have participated in the Communities Foundation of Texas' North Texas Giving Day. In 2024, the 16th annual event raised over $68 million. According to its website, North Texas Giving Day is the largest community-wide giving event in the nation. One participating nonprofit in the region, North Texas Food Bank (2024), raised almost $1.4 million.
- Orange County Community Foundation (n.d.) provides a platform for multiple giving days throughout the year to benefit different causes. They hosted nine giving days in 2024, including The Future is Working and Imagining Mental Wellness.

What Giving Days Do for Philanthropy

Across the sector, giving days are making an impact — not only on the outcomes of our work but on the work itself. The annual giving cycle, for instance, has long been tied to a major boom at the end of the year. According to Nonprofits Source (2024), 30% of annual giving from individuals occurs in December. While that statistic may not change significantly for the sector as a whole, giving days may cause dramatic shifts for individual organizations. Endicott College in Massachusetts, for example, raised $623,700 on their giving day in March 2024 (Sweeney, 2024, para. 3) — just over half (53%) of the their total annual fund contributions for the previous year ($1,188,787) (Endicott College, 2024).

Smilde and Ayrea (2022) also emphasize the true extent of the planning, brand integration, data, and gift processing that needs to go into a successful giving day — elements that may take months, if not the entire year to put in motion and execute. To activate their leadership, communications and marketing functions, events, gift processing, and others as part of a specific and coordinated initiative, organizations need to take a proactive and strategic approach, rather than allowing individual functions to react to giving cycles on their own.

Additionally, while online giving's overall trajectory has been fairly flat — Blackbaud (2014, 2024) calculated online giving at 6.4% of total giving in 2013 and only 8% by 2022 — the rise of GivingTuesday and so many individual giving days that count on social media and online donations to be successful may help push online giving to finally make up real ground as a proportion of overall giving.

Ultimately, the giving days we're seeing now are in many ways an evolution of long-familiar fundraising events — telethons, public media pledge drives — that have been standard and successful practice for decades. Yet given the amount of investment, media connections, and organizational capacities required to pull off a telethon in 1990, for example, these special giving events were often the exclusive purview of major charities and well-known causes. What GivingTuesday and the internet have achieved is the democratization of the giving day. Organizations and causes of all sizes can now take advantage of the model and scale to their capacities — and they're doing just that.

References

American Red Cross, (n.d.) *What is Giving Day?* https://www.redcross.org/donations/ways-to-donate/giving-day.html

Bhati, A., & Burk, A. (2023). The landscape of community-based giving days in the United States. *The Foundation Review, 15*(4). https://doi.org/10.9707/1944-5660.1674

Bhati, A., & McDonnell, D. (2020). Success in an online giving day: The role of social media in fundraising. *Nonprofit and Voluntary Sector Quarterly, 49*(1), 74–92. https://doi.org/10.1177/0899764019868849

Blackbaud. (2014, February). *Charitable giving report. How nonprofit fundraising performed in 2013.* https://webfiles-sc1.blackbaud.com/files/resources/downloads/2014/2013.charitablegivingreport.pdf

Blackbaud. (2024, April 8). *Blackbaud Institute shares spotlight on 2023 trends in giving.* https://www.blackbaud.com/newsroom/article/blackbaud-institute-shares-spotlight-on-2023-trends-in-giving

Communities Foundation of Texas. (n.d.) *North Texas Giving Day.* https://cftexas.org/north-texas-giving-day/

GivingTuesday (n.d.) *Giving every Tuesday.* https://www.givingtuesday.org/givingeverytuesday/

GivingTuesday. (2023, November 29). *$3.1 billion in giving & millions united around generosity to celebrate GivingTuesday 2023.* https://www.givingtuesday.org/blog/3-1-billion-in-giving-millions-united-around-generosity-to-celebrate-givingtuesday-2023/

GivingTuesday. (2024a). *About.* https://www.givingtuesday.org/about/

GivingPulse. (2024, January to March). *GivingPulse Q1 2024 report.* GivingTuesday. https://www.givingpulse.givingtuesday.org/q12024#part5

Jones, J. (2024, February 16). *The impact of giving days—and how to re-invigorate yours.* EAB. https://eab.com/resources/blog/advancement-blog/impact-of-giving-days-re-invigorate-yours/

Joslyn, H. (2018, May 1). Online fundraising: 4 standouts in crowdfunding and giving days. *The Chronicle of Philanthropy, 30*(7). https://www.philanthropy.com/article/online-fundraising-4-standouts-in-crowdfunding-and-giving-days/

The Michael J. Fox Foundation for Parkinson's Research. (n.d.). *Day of Giving 2024.* https://www.michaeljfox.org/news/DayofGiving2024

Nonprofits Source. (2024). *The ultimate list of charitable giving statistics for 2024.* https://nonprofitssource.com/online-giving-statistics/

The NonProfit Times. (2017, April 17). *Giving days get cluttered so nonprofits start their own.* https://thenonprofittimes.com/npt_articles/giving-days-get-cluttered-charities-start/

North Texas Food Bank. (2024, September 25). *NTFB Raises Nearly $1.4 Million on North Texas Giving Day.* https://ntfb.org/blog-ntfb-raises-nearly-1-4-million-on-north-texas-giving-day/

Orange County Community Foundation. (n.d.). *Giving Days.* https://www.oc-cf.org/about-us/strategic-initiatives/iheartoc-giving-days/

Piper, K. (2023, November 24). GivingTuesday, explained: A short history of GivingTuesday, the international day for giving back.

Vox. Accessed October 31, 2024. https://www.vox.com/future-perfect/21727010/giving-tuesday-explained-charity-nonprofits

Purdue University. (n.d.). *Purdue Day of Giving.* https://dayofgiving.purdue.edu/

Smilde, J., & Ayrea, W. (2022, Autumn/Fall). Giving day: Conducting a symphony or herding cats? *Journal of Education Advancement & Marketing, 7*(3), 1–10. https://doi.org/10.69554/YMHV6398

Sweeney, S. (2024, March 8). *Endicott's 6th annual Giving Day raises more than $600K to fuel the college's future.* Endicott College. https://www.endicott.edu/news-events/news/news-articles/2024/03/endicotts-6th-annual-giving-day-raises-more-than-600k-to-fuel-the-colleges-future

Wholey, J. (2024, March 18). *Record-breaking number of donors turn out for Cornell Giving Day 2024.* Cornell University. https://giving.cornell.edu/story/record-number-of-donors-for-cornell-giving-day-2024/

What Does the Future of Volunteering Look Like?

By Tory Martin, M.A., with research assistance from Mandy Sharp Eizinger, M.S., and Emily Dorn Jex, M.S.

The marked decline in the number of households that give to charity in the U.S. has dominated headlines for several years. But this phenomenon is coupled with another, potentially equally disruptive and concerning shift for the nonprofit sector: the decline of volunteering.

According to the U.S. Bureau of Labor Statistics (2006), 27.6% of the population aged 16 and over volunteered in 2002 — the earliest date for which BLS data is available. A decade later, in 2012, it was a more-or-less comparable 26.5% (BLS, 2012). By 2019, that number had climbed to 30% (AmeriCorps, 2021). But then, one year into the pandemic, the national rate of volunteering hit a historic low: from September 2020 to September 2021, just 23.2% of Americans participated in formal volunteering (AmeriCorps, 2023).

The good news: AmeriCorps data released in late 2024 showed that number is rebounding. From September 2022 to September 2023, 28.3% of adults aged 16 years and older formally volunteered with an organization — a 5-point increase year-over-year (p. 1).

The Generosity Commission's 2024 report *Everyday Actions, Extraordinary Potential: The Power of Giving and Volunteering* provided a comprehensive overview of the trend data concerning declines in both giving and volunteer participation rates — though it was published before the most recent AmeriCorps numbers were released. But the question now is, where do we go from here? What can research tell us about the future of volunteering? How will it be managed, what forms of service will be embraced, and what skills and systems will nonprofits and funders need to prioritize to reverse the slide?

What Volunteering Could Look Like in the Future

The sector may not be able to use traditional volunteering models to engage Gen Z, and even the millennials before them. As Hager and Brudney (2021) report, "the 'super volunteer' of an earlier era who anchored the work life of an organization day-in and day-out for years on end is increasingly rare" (p. 18). Routine, in-person engagements — such as having the same volunteer show up for the same four-hour slot at an information desk week after week — are becoming harder to fill. Instead, the future of volunteering may look more like this:

Bite-Sized Experiences

Hager and Brudney (2021) identified that between 2003 and 2021, volunteers became "more interested in episodic, short-term assignments" (p. 18). Gruber and Deschênes (2024) confirmed this finding and encouraged nonprofits to see its value:

> New volunteers seek flexibility and opportunity; they help out when they have time and when the task fits their agenda. Adopting a pragmatic approach to the relationship is crucial for nonprofit organizations. This involves accepting a certain degree of distance to and from these volunteers, who may be less emotionally attached to the organization, and respecting their desire for intermittent engagement. What matters is not their unwavering loyalty but their existing skills. (para. 9)

This shift may be visible in the popularity of platforms like Catchafire and the UK's OnHand (touted by its creators as "'the Netflix' of volunteering" [Clegg, 2024, para. 4]) which offer potential volunteers the opportunity to take on short-term, often project-based volunteer assignments according to their talents, inclinations, and available time. Catchafire (n.d.) has moved from facilitating just over 2,700 volunteer engagements in November 2020 to over 14,000 in November 2024.

Virtual Engagements

Catchafire's model also illustrates a second characteristic likely to define the future of volunteering: more of it will be virtual. An August 2020 survey conducted by Fidelity Charitable (2021) revealed that only 11% of respondents preferred virtual volunteering to on-site/in-person engagements, but the researchers shared a caveat: "as more nonprofits pivot to offering virtual volunteer opportunities and the variety of options broadens, more volunteers may find virtual roles they prefer" (p. 16).

The pandemic created a natural experiment and an urgency for developing, testing, and launching these offerings. Dietz and Grimm (2023) found that 31.3% of nonprofits said they created "more remote and virtual volunteer opportunities" (p. 36) during the pandemic; 38% of funders also reported they would like to see nonprofits offer more of these kinds of engagements.

AmeriCorp's 2024 data continued to bear this out: 18% of those individuals who formally volunteered with an organization in the September 2022 to September 2023 period did so entirely online (p. 3).

As philanthropy comes to better recognize and account for a diversity of philanthropic forms, it will likely serve our sector – and our country – well to shift the narrative on what "counts" as philanthropy and volunteering, specifically.

Shifting the Narrative to Recognize More Informal Giving

According to "Volunteering and Civic Life in America" (AmeriCorps, 2023), while 23.2% of Americans formally volunteered with an organization between September 2020 and September 2021, nearly 51% performed informal acts of service for neighbors, friends, and family. As philanthropy comes to better recognize and account for a diversity of philanthropic forms (Layton, 2022), it will likely serve our sector — and our country — well to shift the narrative on what "counts" as philanthropy and volunteering, specifically. The language of decline and disconnection could breed its own self-fulfilling prophesy, while a different story might encourage different outcomes.

Hager and Brudney (2021) also observed that volunteers will play an irreplaceable role in helping people to reestablish trust with one another and rebuild social fluency post-pandemic, and nonprofits will need to think carefully and creatively about how to engage their volunteers in this work. Thousands of nonprofits depend on a dedicated and skilled pool of volunteers, of course, and many organizations are entirely volunteer-run. That story is worth telling, too.

Declining Together, Rising Together

Moreover, investing in meaningful and effective volunteer engagement and management could well be the key to reversing the decline in charitable giving participation. “When donation rates dwindle overall, those who volunteer maintain their giving behaviors and are more likely to be retained as monetary donors,” according to the *GivingPulse Q1 2024 Report* (2024, part 5). “When monetary donation rates were at their lowest in Q1 [2024], volunteers made up over half (55%) of donors” (part 5).

This finding reflects the overarching narrative of so many research studies published in the past decade, including the Fidelity Charitable 2014 report, *Time and Money: The Role of Volunteering in Philanthropy,* Goldseker and Moody's 2020 *Generation Impact* study of next-gen major donors, and Dietz's 2024 report, *Social Good and Generosity,* from the Do Good Institute. Donors want nonprofits to create more opportunities for their donors to make an impact with their time and talents, as well as their treasure. They want to contribute to strategy, to evaluation, to concrete outcomes; they want their ideas taken seriously. Organizations that can build volunteer programs that include these kinds of engagement opportunities alongside their task-based engagements are likely to thrive.

Will the Future of Volunteering be Resourced, Researched, and Valued?

However, the work to shift our vision and systems for what it means to volunteer will take time and capital — both financial and human — to achieve. Volunteer management — including the staffing, expertise, and systems necessary for operating effective volunteer corps — has long been undervalued and under-resourced in the nonprofit sector.

The results of this under-investment affect both volunteer managers (Bennett, 2022; Smith, 2023; Swift, 2019) and the volunteers themselves. Hager and Brudney (2021) compared their own research from 2003 to the state of the field in 2019 and found that, “on average, nonprofits have not increased their volunteer management capacity” in that time. “As in 2003, a substantial number of nonprofits work on a shoestring, under-valuing volunteers by shortchanging the amount of time, effort, and resources that they devote to support of their volunteers” (p. 18).

While Dietz and Grimm (2023) separately reported that staffing for volunteer management increased slightly from 2003 to 2019 (62% of nonprofits utilizing volunteers had a paid staff person to manage them in 2003, versus 65.2% in 2019), the people in those roles continued to face a dearth of training (p. 10) and actionable research on effective organizational practices (Spinney and Clinton, 2024, p. 2) that could have made their jobs and programs more sustainable — and volunteer cadre larger.

This may be because there is little money available in the sector for studying and supporting effective volunteer programs. The Leighty Foundation (2017) is one of the very few with a stated mission to use grantmaking to advance volunteer management and to help nonprofits expand their capacities to support volunteers. However, new programs like Independent Sector’s Strategic Volunteer Engagement Program (2024), which “aims to transform the future of volunteerism by supporting nonprofits to effectively engage their volunteer networks, and by providing guidance to funders on how to invest in strategic volunteer engagement” (para. 1), are reason for hope.

Conclusion

The people who power this sector — be they paid or volunteer — play a foundational role in supporting civil society and growing organizations’ capacity. But it is also often an unacknowledged and unsupported role: grant funding for salaries and benefits has been scarce and the general public lacks a real understanding of how nonprofits serve communities (Indiana University Lilly School of Philanthropy, 2023). If the sector wants to reverse the tide of declining volunteer rates, it’s going to have to put more of everything — money, people, research, training — into supporting meaningful and sustainable volunteer management.

References

AmeriCorps. (2021). *Key findings from the 2019 Current Population Survey: Civic Engagement and Volunteering Supplement.*

AmeriCorps. (2023). *Volunteering and civic life in America.* https://americorps.gov/sites/default/files/document/volunteering-civic-life-america-research-summary.pdf

AmeriCorps. (2024). *Renewed engagement in American civic life.* https://americorps.gov/sites/default/files/document/CEV2023_HeadlineReport_11052024_final_508.pdf

Bennett, J. (2022, September 22). *Volunteer managers—Are you quietly going about your day, solving problems, and being awesome?* Volunteer Match. https://blogs.volunteermatch.org/response-article-why-and-how-charities-should-revive-a-declining-but-vital-resource-...-volunteers

Bureau of Labor Statistics. (2006). *Volunteering in the United States, 2002.* U.S. Department of Labor. https://www.bls.gov/cps/volun.pdf

Bureau of Labor Statistics. (2012). *Volunteering in the United States, 2012.* U.S. Department of Labor. https://www.bls.gov/news.release/archives/volun_02222013.pdf

Catchafire. (n.d.). *Impact metrics.* Retrieved November 18, 2024, from https://www.catchafire.org/impact/metrics/

Clegg, M. (2024). 'Netflix of volunteering' eases burden of corporate charity work. *Financial Times.* https://www.ft.com/content/77af63a8-a25f-4b5a-b817-e025c7c2f754

Dietz, N., & Grimm, R. T. (2023, February). *The state of volunteer management: Insights from nonprofit leaders and funders.* Do Good Institute, University of Maryland. https://dogood.umd.edu/sites/default/files/2023-02/TheStateofVolunteerEngagement_DGI2023_0.pdf

Dietz, N. (2024). *Social connectedness and generosity: A look at how associational life and social connections influence volunteering and giving (and vice versa).* Do Good Institute, University of Maryland. https://dogood.umd.edu/sites/default/files/2024-01/FINAL_SocialConnectednessandGenerosity_2024.pdf

Fidelity Charitable. (2021). *The role of volunteering in philanthropy.* https://www.fidelitycharitable.org/content/dam/fc-public/docs/resources/the-role-of-volunteering-in-philanthropy.pdf

GivingPulse. (2024, January to March). *GivingPulse Q1 2024 report.* GivingTuesday. https://www.givingpulse.givingtuesday.org/q12024#part5

Goldseker, S., & Moody, M. (2020). *Generation impact: How Next Gen donors are revolutionizing giving* (updated and expanded edition). Wiley.

Gruber, V., & Deschênes, J. (2024, July 9). *The new paradigm in volunteering—And how nonprofits can adapt to "neither-growing-nor-fading" brand relationships.* American Marketing Association. https://www.ama.org/2024/07/09/the-new-paradigm-in-volunteering-and-how-nonprofits-can-adapt-to-neither-growing-nor-fading-brand-relationships/

Hager, M. A., & Brudney, J. L. (2021). *Volunteer management capacity in America's charities: Benchmarking a pre-pandemic field and assessing future directions.* Arizona State University. https://www.volunteeralive.org/docs/Hager_Brudney_VMC2_2021_brief.pdf

Independent Sector. (2024). *Strategic volunteer engagement program.* https://independentsector.org/resource/initiative-for-strategic-volunteer-engagement/

Indiana University Lilly Family School of Philanthropy. (2023). *What Americans think about philanthropy and nonprofits.* https://scholarworks.indianapolis.iu.edu/server/api/core/bitstreams/b5904a8a-5081-42cd-bd44-56740b98fb67/content

Layton, M. (2024). Expanding the definitions of philanthropy and philanthropist. *11 trends in philanthropy for 2022.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/expanding-the-definitions-of-philanthropy-and-philanthropist/

Leighty Foundation. (2017). *Why invest in volunteer engagement?* https://www.leightyfoundation.org/volunteer-engagement/invest-volunteer-engagement/

Smith, N. R. (2023, October 12). One of the most difficult jobs in the world: Volunteer engagement. *Medium.* https://nicolersmith.medium.com/one-of-the-most-difficult-jobs-in-the-world-volunteer-engagement-1a8531deac08

Spinney, S., & Clinton, Y. (2024). *Engaging volunteers: A comprehensive literature review.* ICF. https://americorps.gov/sites/default/files/document/Literature%20Review%20for%20Volunteer%20Management_0.pdf

Swift, M. (2019, August 7). *Whose fault is it that volunteer management is misunderstood?* Volunteerplaintalk. https://volunteerplaintalk.com/2019/08/07/whose-fault-is-it-that-volunteer-management-is-misunderstood/

The Generosity Commission. (2024, September 30). *Everyday actions, extraordinary potential: The power of giving and volunteering.* https://www.thegenerositycommission.org/report/

Increasing Efforts to Address the Health Professional Shortage

By Jennifer Lawson, Ph.D.

The United States is in dire need of healthcare workers (American Hospital Association, 2022; Adashi et al., 2024). With projections suggesting that by 2026 it is possible that more than 3 million healthcare personnel, including doctors, nurses, and allied health professionals, may be needed to meet demands for care (AHA, 2022), the question remains — what can and should be done to reduce or even eradicate this conundrum that limits access to care (AHA, 2022; Adashi et al., 2024)?

Philanthropists, community organizations, government, and even corporations are responding to the call for help by allocating resources to address this problem, in hopes of ensuring a critical component of society's safety net is available when necessary.

Philanthropists Fund Healthcare Education

Over a relatively short period of time, several philanthropists have given large donations to universities to support careers in healthcare.

- In 2018, Elaine and Kenneth Langone donated $100 million to the NYU School of Medicine to provide scholarships to medical students. In 2023, they circled back and gave the school an additional $200 million to ensure that future medical students could attend school without paying tuition (Di Mento, 2023).
- In 2022, The University of Pennsylvania's Penn Nursing school received a significant gift from Leonard Lauder. Earmarked for the school's nurse practitioner program, the funds will prepare nurses who will "provide primary care to individuals and families in underserved communities across the U.S." (University of Pennsylvania, 2022, para. 1).
- The Albert Einstein College of Medicine was the recent recipient of a $1 billion gift from Dr. Ruth Gottesman. The retired professor's donation will cover the cost of tuition for all students (Rothenberg & Souza, 2024).
- Bloomberg Philanthropies has also made historic donations to the healthcare profession. Not only did the organization give $1 billion to Johns Hopkins University (Maruf, 2024), it contributed to all four historically Black medical schools: Howard University College of Medicine, Merry Medical College, Charles R. Drew University of Medicine, and Morehouse School of Medicine (Associated Press, 2024; (Bloomberg Philanthropies, 2024).

In addition, Bloomberg Philanthropies (2024) has committed funds to the forthcoming Xavier Ochsner College of Medicine, which was formed as a result of a partnership between Ochsner

Health and Xavier University of Louisiana (2024). The Xavier Oschner College of Medicine will become the fifth medical school located at a historically Black college or university (HBCU) (Oschner Health, n.d.). Will Bloomberg support the Maryland College of Osteopathic Medicine, a potential sixth HBCU medical school that is in the works via Morgan State University and Salud Education LLC (Alonso, 2024)? Only time will tell.

Nonprofits, Governments, and Collaboratives Address the Health Professional Shortage

Throughout the U.S., various entities, such as nonprofits, government, and even collaboratives are working diligently to reduce the health professional shortage. In 2020, Kaiser Permanente and the Service Employees International Union-United Healthcare Workers West (SEIU-UHW) created the nonprofit Futuro Health to address California's shortage of allied health workers (Kaiser Permanente, 2020). Since its inception, the organization has served more than 14,000 individuals via one of its training initiatives (Futuro Health, 2023). Recently the organization received a $10.2 million grant from the Elisabeth C. Deluca Foundation to strengthen the healthcare workforce (Philanthropy News Digest, 2024).

ARPA funds and federal appropriations have led to the creation of the Industry-Driven Healthcare Apprenticeship Program in Missouri, a partnership between the Missouri Chamber Foundation and local employers that trains individuals for careers in healthcare. (Missouri Chamber of Commerce and Industry, 2024). In Michigan, funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) was used to establish the Futures for Frontliners state scholarship program that provides eligible Michigan residents with a tuition-free education at a community college. While not restricted to any majors, it should be noted that recipients can use the dollars to pursue careers in healthcare (State of Michigan, n.d.)

At the local level, in Detroit, the city's regional CEO group is focused on preparing people for

In 2020, Kaiser Permanente and the Service Employees International Union-United Healthcare Workers West created the nonprofit Futuro Health to address California's shortage of allied health workers. Since its inception, the organization has served more than 14,000 individuals via one of its training initiatives.

job opportunities. Through the establishment of a collaborative that mirrors the "city of Detroit's public-private approach" (Welch, 2024, para. 7), unsurprisingly, the collective will first direct its attention to equipping individuals for careers in healthcare, as opportunities in the field are plentiful now and should remain available in the future (Welch, 2024; Michigan Center for Data and Analytics, 2024a, 2024b).

The increased allocations of resources to ensure individuals are prepared for careers in healthcare suggest there may be interest in reducing and arguably eradicating the health professional worker shortage that we are experiencing and expected to face in the future. It also illustrates a commitment to ensuring people have access to care when it is needed. The noted efforts, and arguably others that have not been mentioned, are impressive and deserving of recognition as a staffed healthcare workforce is critical for the overall functioning of our society.

References

Adashi, E. Y., O'Mahony, D. P., & Cohen, I. G. (2024). Allied Health Professionals: An ill-afforded national shortage. *The American Journal of Medicine.* https://doi.org/10.1016/j.amjmed.2024.08.026

Alonso, J. (2024, May 29). Medical College affiliated with Morgan State pushes timeline. *Inside Higher Ed.* https://www.insidehighered.com/news/quick-takes/2024/05/29/medical-college-affiliated-morgan-state-pushes-timeline

American Hospital Association. (2022, June 17). *Fact sheet: Strengthening the health care workforce.* https://www.aha.org/fact-sheets/2021-05-26-fact-sheet-strengthening-health-care-workforce

Associated Press. (2024, August 6). Bloomberg gives $600 million to 4 Black medical schools' endowments. *CNN Business.* https://www.cnn.com/2024/08/06/business/bloomberg-black-medical-school-donations/index.html

Bloomberg Philanthropies. (2024, August 6). *Bloomberg Philanthropies announces largest-ever gift to the nation's four historically Black medical schools* [Press release]. https://www.bloomberg.org/press/bloomberg-philanthropies-announces-largest-ever-gift-to-the-nations-four-historically-black-medical-schools/

DiMento, M. (2023, July 23). Kenneth and Elaine Langone give $200 million to make medical school tuition free. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/kenneth-and-elaine-langone-give-200-million-to-make-medical-school-tuition-free

Futuro Health. (2023). *Futuro Health annual report.* https://futurohealth.org/wp-content/uploads/pdf/FH-2022-Report.pdf

Kaiser Permanente International. (2020, January 9). *New nonprofit Futuro Health will grow a network of health care workers.* https://international.kaiserpermanente.org/blog/2020/01/09/new-nonprofit-futuro-health/

Maruf, R. (2024, July 9). Medical school is now free for most students at this top university after a $1 billion donation. *CNN Business.* https://www.cnn.com/2024/07/08/business/free-medical-school-tuition/index.html

Michigan Center for Data and Analytics. (2024a). *Michigan career outlook through 2032.* State of Michigan. https://www.michigan.gov/mcda/-/media/Project/Websites/mcda/reports/2024/Michigan-Career-Outlook-through-2032.pdf?rev=868a5d4b6bdc4c14a08bfdf6eeea5424

Michigan Center for Data and Analytics. (2024b). *Michigan's Hot 50 Job Outlook Through 2032.* State of Michigan. https://www.michigan.gov/mcda/-/media/Project/Websites/mcda/reports/2024/Michigan-Hot-50-Job-Outlook-through-2032.pdf?rev=692067ec2ab6412897e5962c9012b785

Missouri Chamber of Commerce and Industry. (2024, May 24). *Industry-Driven Healthcare Apprenticeship program.* https://mochamber.com/workforce/industry-driven-healthcare-apprenticeship-program/

Ochsner Health. (n.d.). *Xavier Ochsner College of Medicine.* https://www.ochsner.org/xocom

Philanthropy News Digest. (2024, September 28). *Futuro Health receives $10.2 million for healthcare workforce training.* Candid. https://philanthropynewsdigest.org/news/futuro-health-receives-10.2-million-for-healthcare-workforce-training

Rothenberg, E., & Souza, S. (2024, February 26). Albert Einstein college of medicine to offer free tuition after billion-dollar gift. *CNN business.* https://www.cnn.com/2024/02/26/business/albert-einstein-college-of-medicine-free-tuition/index.html

State of Michigan. (n.d.). *About Future for Frontliners.* https://www.michigan.gov/frontliners/about

University of Pennsylvania. (2022, February 14). *University of Pennsylvania announces new tuition-free program to recruit, train and deploy nurse practitioners to underserved communities across the U.S.* https://www.nursing.upenn.edu/live/news/2094-university-of-pennsylvania-announces-new

Welch, S. (2023, December 14). Regional workforce development effort launches with first focus. *Crain's Detroit Business.* https://www.crainsdetroit.com/workforce/deroit-regional-workforce-partnership-launches-focus-health-care-job-talent

Xavier University of Louisiana. (2024, April 29). *Xavier Ochsner College of Medicine announces founding dean and location in downtown New Orleans at Benson Tower.* https://www.xula.edu/news/2024/04/xavier-ochsner-college-of-medicine-announces-founding-dean-and-location-in-downtown-new-orleans-at-benson-tower.html

Evolution and Challenges of Social Justice Philanthropy in a Polarized Era

By Crisol Beliz, Emily Doebler, M.P.P., and Jennifer Lawson, Ph.D.

The concept of social justice has long been influenced by historical, philosophical, and religious traditions. Social justice has many definitions, but today it is broadly viewed as the effort to "seek fairness, equity, inclusion, self-determination or other goals" for historically marginalized groups (Duignan, 2024, para. 1).

Philanthropic interest in social justice surged following the brutal and unjustified murder of George Floyd by Officer Derek Chauvin in 2020. This tragedy and the coronavirus pandemic catalyzed an increase in philanthropic support for racial equity, with commitments reaching $16.5 billion in 2020 by some estimates (Bowermaster, 2024; See PRE's "Mismatched: Philanthropy's Response to the Call for Racial Justice" [2021] for alternative estimates and sources). However, the momentum gained in 2020 has slowed significantly, with funding levels dropping to just under $8 billion in 2021 (Bowermaster, 2024).

This decline in funding coincides with heightened political polarization and a growing backlash against social justice initiatives, particularly diversity, equity, and inclusion (DEI) efforts. The recent Supreme Court ruling striking down affirmative action has strengthened opposition, causing many philanthropic entities and institutions of higher education to retreat from prior commitments to social justice. As a result, marginalized individuals face a growing risk of losing the essential support they need to build economic and civic power and strengthen community well-being.

In *11 Trends in Philanthropy for 2023,* Teri Behrens asked whether philanthropy's response to 2020's multiple social justice crises — "the numerous pledges, equity statements, and realignments — represent[ed] a true trend in our sector, or rather a moment in time" (para 9). One thing Behrens did not explore was whether or not philanthropy would get to answer that question for itself.

Two years on from that writing, some answers have begun to emerge while others remain unpredictable. But the influence of decision-makers outside of philanthropy is undoubtedly an enormous factor.

Public Opinion and Policy Shifts: The Impact on Social Justice Initiatives and Outcomes

Shifts in public opinion regarding organizations' engagement in social justice work appear to align with this overall decline. A Pew Research Center survey (2023) showed that while two-thirds (67%) of Americans *supported* the Black Lives Matter movement in 2020, *opposition* has risen significantly in just three years, with 46% of respondents opposed to the movement — a 15% increase (Horowitz et al.).

Alongside shifting public opinion, efforts from conservative groups like the American Alliance for Equal Rights, a nonprofit organization committed to challenging racial and ethnic policy and programmatic distinctions in federal and state courts, have significantly affected the ability of organizations, companies, and institutions to incorporate social justice into their work. A notable achievement for these groups is the 2023 Supreme Court decision to eliminate affirmative action from college and university admissions citing violations of the Equal Protection Clause of the 14th Amendment.

The full impact of the Supreme Court's decision remains uncertain; however, initial enrollment data for fall 2024 suggests that the ruling could significantly affect the demographics of student bodies. Both Harvard University and the University of North Carolina at Chapel Hill have reported a decrease in the number of Black first-year students in comparison to the prior year (Bailey, 2024; Ventura, 2024). Yale University, on the other hand, saw a decline in Asian American students (Talbert, 2024). At Washington University, fewer Black and Asian American students enrolled (Maglione et al., 2024) just as Brown University observed a decline in its share of first-year Black and Hispanic students (Hartocollis & Saul, 2024; LeVine, 2024). It should be noted that other universities, such as Massachusetts Institute of Technology and Columbia University, enrolled more Asian American students (Maglione et al., 2024) while other schools are having a completely different experience, which may include no changes at all (Hartocollis & Saul, 2024).

The 2023 Supreme Court ruling striking down affirmative action has strengthened opposition, causing many philanthropic entities and institutions of higher education to retreat from prior commitments to social justice.

In conversations around the sector, we're also hearing that the fear of lengthy and expensive legal battles has led many organizations to alter or eliminate programs that typically serve people of color — although it's difficult to find publicly announced examples. The Fearless Fund, a venture capital fund, has come to stand as a proxy for what's happening. The fund, which aimed to support Black women business owners through its Fearless Strivers Grant contest, recently closed that program to settle a lawsuit filed by the American Alliance for Equal Rights (Franklin, 2024). Although the settlement helped avoid any legal precedent that might have affected race-based or -focused grantmaking, it raises concerns about how lesser-funded or under-resourced organizations will navigate potential litigation.

The Ripple Effect Across Subsectors

Changes occurring within higher education institutions are affecting more than just college admissions and student body demographics. Tracked by *The Chronicle of Higher Education,* as of November 22, 2024, more than 200 college campuses have implemented changes to their DEI programming (Gretzinger et al.). These alterations, including the closure of departments, elimination of staff, and removal of training, reflect the impact of "mounting political pressure" (para. 1) and legislative changes on higher education institutions nationwide.

Eliminating successful initiatives that have helped create an academic community where individuals from various backgrounds have increased chances of success is a concern (Asmelash, 2023). For example, DEI programming can positively contribute to student retention — "particularly among students of color" (Harsha, 2023, para. 5) — and provides increased social support for LGBTQ+ learners (Schermele, 2023). As stated in an opinion piece by John Eaves (2024), "DEI is not just about race; it encompasses a broader spectrum of society, including veterans, individuals with disabilities, first-generation college students, the LGBTQ+ community and women, many of whom are white" (para. 2). One must wonder if the changes to DEI programming in higher education are a precursor of more to come in our society (Ashmelash, 2023).

Philanthropic organizations, too, are grappling with how to respond to the backlash against social justice. While some organizations remain steadfast, others have decided to distance themselves by erasing or disguising "language about commitments or programs related to racial equity from their websites and applications." (Beaty, 2024).

It is also noteworthy that, according to research from the Center for Effective Philanthropy (2024), foundations led by people of color were far more likely than foundations with non-POC leaders to convene conversations about the implications of the affirmative action ruling internally (75% versus 49%) and with grantees (60% versus 30%) (p. 5). These gaps were equally visible within foundations that explicitly fund social justice work and those that do not — indicating that the urgency of social justice work, and comfort with managing its complexities, remains deeply uneven across the field.

As philanthropy navigates these challenges, it is crucial to reflect on and consider the broader implications for social justice work during this current period of heightened political and ideological tension in the U.S.

Navigating the Future of Social Justice Philanthropy

The current opposition to social justice is deeply unsettling for those committed to building a society where everyone has the opportunity to thrive. As we confront efforts to dismantle initiatives and organizations that offer hope, support, and encouragement to individuals who are far too often downgraded to a "lesser than" status, we must acknowledge the uncertainty of how this movement will ultimately affect us. We should be deeply concerned about its potential to reverse progress toward social justice and recognize the irreparable harm it may cause.

References

Asmelash, L. (2023, June 14). DEI programs in universities are being cut across the country. what does this mean for higher education? *CNN.* https://www.cnn.com/2023/06/14/us/colleges-diversity-equity-inclusion-higher-education-cec/index.html

Bailey, C. (2024, September 14). What college campuses look like after the end of affirmative action. *CNN.* https://cnn.com/2024/09/14/us/diversity-post-affirmative-action-unc-harvard/index.html

Beaty, T. (2024, February 7). As DEI policies come under legal attack, philanthropic donors consider how to adapt. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/as-dei-policies-come-under-legal-attack-philanthropic-donors-consider-how-to-adapt

Behrens, T. (2023, January 18). Will philanthropy stay focused on racial equity? *11 Trends in Philanthropy for 2023.* Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. https://johnsoncenter.org/blog/will-philanthropy-stay-focused-on-racial-equity/

Bowermaster, D. (2024, May 24). 4 years after George Floyd, racial equity giving faces challenges. *Forbes.* https://www.forbes.com/sites/davidbowermaster/2024/05/24/4-years-after-george-floyd-racial-equity-giving-faces-challenges/#:~:text=By%20Candid's%20estimate%2C%20commitments%20for,2020%20levels%2C%20according%20to%20Candid

Center for Effective Philanthropy. (2024, February). *How foundations are responding to the U.S. Supreme Court affirmative action rulings.* https://cep.org/wp-content/uploads/2024/02/CEP_Research_Snapshot_Series_AA_FNL.pdf

Cyril, M. D., Kan, L. M., Maulbeck, B. F., & Villarosa, L. (2021, September). *Mismatched: Philanthropy's response to the call for racial justice.* Philanthropic Initiative for Racial Equity (PRE). https://racialequity.org/wp-content/uploads/2021/09/0910_PRE_Mismatched_PR_infographic-1.pdf

Duignan, B. (2024, September 17). *Social justice.* Britannica. Retrieved October 16, 2024, from https://www.britannica.com/topic/social-justice

Eaves, J. H. (2024, November 21). We can't let Trump dismantle college DEI efforts - Diversity, equity and inclusion programs have been politicized, but they help America live up to its founding ideals. *The Atlanta Journal-Constitution.* https://www.ajc.com/opinion/opinion-we-cant-let-trump-dismantle-college-dei-efforts/QEOXON3YPZBUFAMMR3NI73YKRY/

Franklin, J. (2024, September 11). A venture capital grant program for Black women officially ends after court ruling. *NPR.* https://www.npr.org/2024/09/11/nx-s1-5108729/fearless-fund-atlanta-grant-program-shut-down-lawsuit

Gretzinger, E., Hicks, M., Dutton, C., & Smith, J. (2024, November 22). Tracking higher ed's dismantling of DEI. *The Chronicle of Higher Education.* https://www.chronicle.com/article/tracking-higher-eds-dismantling-of-dei

Harsha, D. (2024, April 2). *As attacks on campus diversity programs grow, HKS researchers point to evidence that equity and inclusion programs strengthen higher ed outcomes.* Ash Center for Democratic Governance and Innovation. https://ash.harvard.edu/articles/as-attacks-on-campus-diversity-programs-grow-hks-researchers-point-to-evidence-that-equity-and-inclusion-programs-strengthen-higher-ed-outcomes/

Hartocollis, A., & Saul, S. (2024, September 13). Affirmative action was banned. what happened next was confusing. *The New York Times.* https://www.nytimes.com/2024/09/13/us/affirmative-action-ban-campus-diversity.html

Horowitz, J. M., Hurst, A., & Braga, B. (2023, June 14). *Support for the Black Lives Matter movement has dropped considerably from its peak in 2020.* Pew Research Center. https://www.pewresearch.org/social-trends/2023/06/14/support-for-the-black-lives-matter-movement-has-dropped-considerably-from-its-peak-in-2020/

LeVine, T. (2024, September 6). At Brown University, Black freshman enrollment drops 40%. *The Brown Daily Herald.* https://www.browndailyherald.com/article/2024/09/at-brown-university-black-freshman-enrollment-drops-40

Maglione, F., Cachero, P., Choi, A., & Wahid, R. (2024, September 27). Black enrollment drops at top schools as affirmative action axed. *Bloomberg Law.* https://news.bloomberglaw.com/daily-labor-report/black-enrollment-drops-at-top-schools-as-affirmative-action-axed

Schermele, Z. (2023, October 20). A college LGBTQ center disappeared. it wasn't the only one. *USA Today.* https://www.usatoday.com/story/news/education/2023/10/19/university-lgbtq-centers-disappearing/71147364007/

Talbert, H. (2024, September 4). In first Yale class since the end of affirmative action, Black and Latine enrollment share remains stable while Asian American decreases. *Yale Daily News.* https://yaledailynews.com/blog/2024/09/04/in-first-yale-class-since-the-end-of-affirmative-action-black-and-latine-enrollment-share-remains-stable-while-asian-american-decreases/

Ventura, J. (2024, September 11). Black enrollment drops in Harvard's freshman class after Supreme Court ruling. *The Hill.* https://thehill.com/homenews/education/4874513-harvard-diversity-decrease-affirmative-action/

The Movement to Fund Democracy is Learning Important Lessons

By Elizabeth J. Dale, Ph.D.

Philanthropy has always been a pillar of civil society. But in recent years, a surging number of funders are making investments in the very threads that tie together the U.S. social fabric, such as voting rights and access, free and fair elections, an informed citizenry, and civil public discourse. In other words, philanthropy is investing heavily in making our democracy work.

Researchers and journalists noted that interest in U.S grantmaking to democracy-related 501(c)(3) nonprofits began increasing during the 2016 presidential election cycle when there was evidence of election interference activity from Russia (Daniels, 2024, para.4; Griffin et al., 2024). "Foundations, fiscal sponsors, donor-advised funds, and other grant makers spent $9.7 billion on democracy efforts in 2022, nearly twice the total from 2018" (Lindsay, 2024a, para. 15). While totals from the 2024 election cycle are not available as of this writing, all indications are that the upward trend of democracy funding continued in 2024, especially with toxic polarization in a deeply divided America at an all-time high (Council on Foundations, 2024). [See sidebar.]

Sidebar

An October 2024 *New York Times/* Siena College poll of 2,516 likely voters found that 76% said American democracy was currently under threat, and 45% felt the U.S. political system did not do a good job representing the people. Even the word, "democracy" has become partisan. The organization Philanthropy for Active Civic Engagement (PACE) found that while 82% of Democrats responded positively to the word, that was only true for 66% of Independents and 64% of Republicans (Lindsay, 2024b).

According to *The Chronicle of Philanthropy,* there hasn't been much analysis of the pro-democracy movement — "its funding, its key players, its challenges and opportunities," let alone its true impact on healing our divides (Lindsay, 2024a, para. 5). But we are beginning to see major efforts to improve how these countless disparate players approach and coordinate the work.

Eight years on from the turning point that was 2016, we're seeing this subsector move past some of its early growing pains and towards a more sophisticated, coordinated, and responsive approach to action.

A Mission Area on its Own Timeline

Most nonprofits and foundations are used to setting their own timelines — for grant cycles and evaluations, for major events and milestones. But organizations entering the democracy space — be they civic groups, foundations, or nonprofit media — must contend with the opposite dynamic. Democracy has its own timelines — election cycles, voter registration deadlines, etc. — that democracy funding and programs must be responsive to. Ensuring that funding is both steady and received in time to make an impact are important criteria for funders to consider and plan for.

In previous election cycles, funding for non-partisan, election-related activities accelerated in presidential election years and often subsided in the years that followed, creating an inefficient and ineffective "boom-and-bust cycle" that wreaks havoc for organizations on the ground (Democracy Funders Network, n.d., para. 6). Additionally, funders have often made grants to support organizations too late in an election cycle to be of much use.

Long-time funders are trying to smooth out this rollercoaster and bring newer funders onboard. For instance, in 2024, Democracy Fund launched the "All by April" campaign to encourage funders to disburse support more quickly to resource organizations well before the November 2024 election (para. 1). More than 170 foundations, advisors, and donors signed on, rapidly moving money to organizations ahead of the traditional summer and fall get-out-the-vote seasons (Henry, 2024). As Ali Noorani of the William and Flora Hewlett Foundation said in *The Chronicle of Philanthropy,* "We have to be thinking beyond election cycles, ... This is a long-term body of work" (Lindsay, 2024c, para. 6).

Democracy has its own timelines — election cycles, voter registration deadlines, etc. — that democracy funding and programs must be responsive to. Ensuring that funding is both steady and received in time to make an impact are important criteria for funders to consider and plan for.

Improving Visibility and Coordination

The flood of new funders, actors, and philanthropic infrastructure organizations entering the democracy space has created both dynamism and, at times, a confusing ecosystem of local, regional, and national players approaching the issue from a multitude of angles. To bring visibility and coordination to this work, three new digital platforms launched in the fall of 2024 alone.

- In September, Impala launched the U.S. Democracy Hub with support from the Democracy Funders Network (Brukner, 2024). The platform shares funding data and identifies organizations in the democracy space, tracking some 4,000 nonprofits and 25,000 funders, drawing on IRS data for both grantmakers and nonprofits, and capturing not just institutional donors, but also donor-advised funds (DAFs) and individuals.
- In October, the National Civic League launched the Healthy Democracy Ecosystem Map to identify nonprofits, funders, and community groups across the country working on democracy efforts, to facilitate collaboration, and to serve as a resource, particularly for place-based funders (Lindsay, 2024a).

- In November, the Listening Post Collective at Internews and the Information Futures Lab at Brown University launched the Civic Information Index. The platform — which allows users to "input a county and quickly see data on a range of factors, including volunteer rates, housing insecurity, medical debt and the existence of local news outlets, among others" (Civic Information Index, 2024, para. 2) — was intentionally built to support journalists in diagnosing and reporting on civic health challenges and strengths.

Inequitable Access to Civic Resources

Despite the national importance of these efforts, access to civic opportunities and democracy funding is far from equal. Researchers at Johns Hopkins' SNF Agora Institute created a "heat map" of opportunities for civic engagement across the country, layering information about nonprofits and public data from the U.S. Census Bureau to better understand where and whether Americans have access to civic infrastructure (De Vries et al., 2023, para. 2). "Civic opportunity scores per capita decreased as poverty levels increase" in census tracts across the country, the researchers found, "and wealthier, whiter, better-educated communities were more likely to have civic opportunity" (para. 6).

On top of fewer civic opportunities, there are also disparities in funding for the nonprofits engaged in this work, creating a cyclic pattern of civic deserts. The Council on Foundations (2024) reported that the U.S. South and small, rural communities saw the least investment from the grant makers they surveyed. As getting people to engage in politics — at the local, state, or national level — is essential to a strong democracy, any funding gaps can have a cascading set of effects.

While much remains uncertain, it's clear that it will take continued and increased investment from a wider swath of the sector to strengthen democracy and build bridges in the coming years.

References

Brukner, S. (2024, September 18). *Introducing the U.S. Democracy Hub: A groundbreaking resource for the democracy sector.* Impala. https://impala.digital/blog/u.s.-democracy-hub-launch

Civic Information Index. (2024). *About the Civic Information Index.* https://civicinfoindex.org/about/

Council on Foundations (2024). *Coming together, not apart: How philanthropy supports connection in a time of dangerous division.* https://cof.org/content/coming-together-not-apart

Daniels, A. (2024, July 11). As 'pro-democracy' philanthropy grows, experts warn of many obstacles to combating misinformation. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/as-pro-democracy-philanthropy-grows-experts-warn-of-many-obstacles-to-combating-misinformation

De Vries, M., Han, Y., & Kim, H. (2023). *Civic engagement and inequality in America.* Johns Hopkins SNF Agora Institute. https://snfagora.jhu.edu/publication/the-unequal-landscape-of-civic-opportunity-in-america/

Democracy Funders Network. (2024). *What Election Day to every day means to us.* https://www.democracyfundersnetwork.org/resources/2024/10/21/what-election-day-to-every-day-means-to-us

Griffin, R., Lobeck, C, Botero, M. Cooper, S, Diggles, M., McKay, C. & Steffen, E. (2024, January). *Field in focus: The state of pro-democracy institutional philanthropy.* Democracy Fund. https://democracyfund.org/idea/field-in-focus-the-state-of-pro-democracy-institutional-philanthropy/

Henry, S. (2024, May 8). Democracy donors rally to fund election-related work well before November. *Inside Philanthropy.* https://www.insidephilanthropy.com/home/2024-5-8-democracy-donors-push-to-fund-groups-well-before-election-day

Impala. (2024). *U.S. Democracy Hub.* https://impala.digital/democracy

Lindsay, D. (2024a, October 7). How much is philanthropy spending toward a more perfect union? *The Chronicle of Philanthropy.* https://www.philanthropy.com/commons/philanthropy-funding-democracy

Lindsay, D. (2024b, October 24). What to say on November 7 and how to say it. *The Chronicle of Philanthropy.* https://www.philanthropy.com/commons/civic-language-philanthropy?

Lindsay, D. (2024c, November 6). The day after: Inside a quiet billion-dollar election effort. *The Chronicle of Philanthropy.* https://www.philanthropy.com/commons/election-trust-nonprofits-philanthropy

The New York Times. (2024, October 25). *Cross-Tabs: Late October 2024 Times/Siena Poll of the likely electorate.* https://www.nytimes.com/interactive/2024/10/27/us/elections/times-siena-poll-crosstabs.html

The Nonprofit Workforce is in Crisis

By Mandy Sharp Eizinger, M.S., and Jill Roof, M.P.A.

Employee wellbeing remains a trending strategic focus in the workplace, and its significance in the social impact sector will be mission-critical in 2025.

Evidence from the field and global workplace indicators confirm the connection between employee wellness and overall engagement, productivity, and performance (Pendell, 2021). In practice, employee wellness is not easily prioritized in the nonprofit sector, putting the sustainability of the nonprofit workforce and the programs they deliver at risk.

Looking back to the decade between 2007 and 2017, employment at nonprofit organizations grew 18.6%, far outpacing the 6.2% growth seen in private employment for for-profit businesses (Friesenhahn, 2024).

However, that impressive growth has since given way to concerning staffing shortages. In a 2023 survey conducted by the National Council of Nonprofits, nearly 75% of nonprofits reported persistent job vacancies — particularly in program and service delivery roles, where 74% reported vacancies — severely impacting the sector's ability to serve communities. Half of nonprofit survey respondents indicated vacancies were more prevalent in 2023 compared to pre-pandemic levels.

Vulnerabilities in the Nonprofit Workforce

These vulnerabilities are further magnified by systemic challenges. It is no secret that the reward and rigor of nonprofit leadership often comes with budget constraints and wage inequity, coupled with complex human and social issues and pervasive burnout. The Center for Effective Philanthropy's report, the *State of Nonprofits 2024: What Funders Need to Know,* found that 95% of nonprofit leaders were concerned about staff burnout with nearly 50% finding it difficult to fill staff vacancies (Im et al.). Looking to 2025, the forecast reflects an ongoing interplay of economic constraints and talent shortages.

Echoing noted research, the peoplepower is perhaps the most vulnerable. According to a 2024 study by Independent Sector and United for ALICE, in 2022, 22% of nonprofit employees lived in households unable to afford necessities like housing and healthcare. This financial strain disproportionately impacts racial and ethnic minority workers and individuals in social assistance roles, revealing an unfortunate irony where employees providing social services often seek support themselves.

It is unclear whether and when the situation might turn around. Research from the Center for Effective Philanthropy (2024) found that most foundation leaders reported "some degree of understanding about the well-being of staff at the organizations they fund" (p. 1), and that most were also concerned about staff burnout at those organizations. However, only half reported that their foundation engaged in practices to support the wellbeing of staff in grantee organizations, while nonprofit leaders identified funding as one of the biggest barriers "to supporting the mental health or well-being of their staff" (p. 5).

In January 2024, reporting from *The Chronicle of Philanthropy* shared an especially dire look at the sector's hiring and retention struggles, and how pervasive and destructive the funding disconnect has become (Rendon). Many nonprofits have closed their doors due to unexpected shifts in funding from long-time partners, and several reported they face significant challenges in identifying the additional support they need to meet the increased expenses of closing wage-equity gaps and improving wellness resources and benefits for staff.

While the pace of inflation has slowed, the higher prices consumers and employers have seen since the start of the pandemic have not reversed — and are not expected to (Mutikani, 2024). Costs for staffing, supplies, infrastructure, and service needs are only expected to rise in the coming years — as is the demand for those services (Rendon, 2024). The stress on organizations and individuals to meet the needs of staff, grantees, and communities will most likely increase as well.

Some Commitments, Yet Burdens are Significant on BIPOC Leaders

Empirical data and case studies underscore that embedding wellbeing strategies is not just beneficial but essential for a resilient and engaged workforce, and "investing in staff wellbeing is not "merely an expense; it's an integral investment" (Bancroft, 2023, para. 14).

There are myriad examples of funders, nonprofits, and initiatives that take this wellbeing imperative very seriously. The Imago Dei Fund's Keep the Spark Alive grants program helps ensure that wellbeing initiatives are prioritized through targeted funding for team retreats, counseling, and wellness programs (Doyle et al., 2024). Similarly, the Walter & Elise Haas Fund's multi-year unrestricted funding provides organizations the flexibility to allocate resources toward staff care, reinforcing the principle that resilient organizations result in more effective service delivery (Alison, 2023).

In a 2023 survey conducted by the National Council of Nonprofits, nearly 75% of nonprofits reported persistent job vacancies ... severely impacting the sector's ability to serve communities.

There are also many programs and leaders across philanthropy that recognize that addressing the disparities in wellbeing experienced by BIPOC communities is crucial for the stability of the nonprofit sector. In Southeast Michigan, programs like the McGregor Fund's Rest and Liberation Initiative exemplify sabbaticals and resilience-building cohorts in BIPOC-led nonprofits, a critical need in combating systemic burnout, promoting rest, and reducing stress (Michigan Community Resources, 2023). Katya Fels Smyth (2024) points to a number of projects aimed at reversing "wellbeing stripping" (para. 6), which undermines access to wellbeing, and developing a new understanding of economic stability that includes wellbeing measures.

Moving From Data and Models to Action

With these data insights, it is critical to evaluate prominent frameworks that support workplace wellbeing and move to action.

- Mindful Philanthropy (n.d.) launched in 2020 as a collaborative of Peg's Foundation, Well Being Trust, Scattergood Foundation, and The John Heller Fund. The group focuses on galvanizing impactful funding in mental health, wellness, and addiction treatment, and engages and convenes funders around investments in wellbeing.

- *The U.S. Surgeon General's Framework for Workplace Mental Health & Wellbeing* appeared in 2022 and emphasized worker voice and equity and highlighted Five Essentials: protection from harm, community connection, work-life harmony, mattering at work, and opportunities for growth (Office of the Surgeon General, 2022). The Framework can be used "as a starting point for organizations in updating and institutionalizing policies, processes, and practices" (p. 11).
- Gallup's Employee Wellbeing survey (2024) measures some parallel themes, like "life evaluation, daily negative emotions, burnout, and how strongly employees believe their organization cares about their wellbeing" (para. 1). Survey data revealed that employee perception of organizational care about their wellbeing peaked in May 2020, yet waned to its lowest in February 2024, a likely reflection of return-to-office mandates.

Conclusion

Today's workforce expects more from their employers (Rendon, 2024), including work environments that foster transparency, autonomy, and professional growth. Benefits such as mental health support, flexible schedules, and hybrid work arrangements are increasingly seen as baseline expectations, contributing to stronger teams and better retention (Case, 2024; Hughes, 2024).

The U.S. Surgeon General's framework (2022) offers systems that are critical to practices that advance the wellbeing of workers: "Organizations should build in systems for accountability, review existing worker engagement survey data to better understand the needs among disproportionately impacted groups, utilize validated tools for measuring worker well-being, and ensure processes for continuous quality improvement" (p. 11) so that the sector can do good — for good.

References

Allison, J. (2023, May 11). *The Walter & Elise Haas Fund's new grantmaking philosophy.* Walter & Elise Haas Fund. https://haassr.org/blog/wehf-new-grantmaking-philosophy/

Bancroft, E. (2023, November 28). Why every nonprofit should offer sabbaticals (and how to make it happen). *Forbes.* https://www.forbes.com/councils/forbesnonprofitcouncil/2023/11/28/why-every-nonprofit-should-offer-sabbaticals-and-how-to-make-it-happen/

Case, T. (2024, September 4). Why employee happiness is starting to hinge more on HR-fostered engagement than hybrid flexibility. *WorkLife.* https://www.worklife.news/leadership/why-employee-happiness-is-starting-to-hinge-more-on-hr-fostered-engagement-than-hybrid-flexibility/

The Center for Effective Philanthropy. (2024, June). *How foundations are supporting grantee staff well-being.* https://cep.org/wp-content/uploads/2024/06/CEP_Research_Snapshot_Series_WB_FNL.pdf

Doyle, K., Oakley, J., & Nielsen Jones, E. (2024, August 1). *Keeping the spark alive: How one funder invests in grantee well-being.* The Center for Effective Philanthropy. https://cep.org/blog/keeping-the-spark-alive-how-one-funder-invests-in-grantee-well-being/

Friesenhahn, E. (2024, January). Nonprofits: A look at national trends in establishment size and employment. *Monthly Labor Review.* U.S. Bureau of Labor Statistics. https://doi.org/10.21916/mlr.2024.2

Gallup. (2024). *Global indicator: Employee wellbeing.* Retrieved December 17, 2024 from https://www.gallup.com/394424/indicator-employee-wellbeing.aspx

Hughes, C. (n.d.). *Retention and wellness: Preventing nonprofit staff turnover.* Swell Fundraising. https://blog.swellfundraising.com/retention-and-wellness-preventing-nonprofit-staff-turnover

Im, C., Grundhoefer, S., & Smith Arrillaga, E. (2024). *State of nonprofits 2024: What funders need to know.* The Center for Effective Philanthropy. https://cep.org/wp-content/uploads/2024/06/NVP_State-of-Nonprofits_2024.pdf

Independent Sector and United For ALICE. (2024, September 10). *ALICE in the nonprofit workforce: A study of financial hardship.* https://independentsector.org/resource/financial-insecurity-in-the-nonprofit-workforce/

Michigan Community Resources. (2023). *The rest and liberation initiative.* https://mi-community.org/rest-and-liberation

Mindful Philanthropy. (n.d.). *Our story.* https://www.mindfulphilanthropy.org/our-story

Mutikani, L. (2024, November 13). Progress lowering US consumer inflation stalling; rate cut pace uncertain in 2025. *Reuters.* https://www.reuters.com/markets/us/us-consumer-prices-rise-expected-october-2024-11-13/

National Council of Nonprofits. (2023). *2023 Nonprofit workforce survey results: Communities suffer as nonprofit workforce shortage crisis continues.* https://www.councilofnonprofits.org/nonprofit-workforce-shortage-crisis

Office of the Surgeon General. (2022). *The U.S. Surgeon General's framework for workplace mental health & well-being.* U.S. Department of Health and Human Services. https://www.hhs.gov/sites/default/files/workplace-mental-health-well-being.pdf

Pendell, R. (2021, March 22). Wellness vs. wellbeing: What's the difference? *Gallup.com.* https://www.gallup.com/workplace/340202/wellness-wellbeing-difference.aspx

Rendon, J. (2024, January 17). Nonprofits find ways to manage a staffing crisis with no end in sight. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/nonprofits-find-ways-to-manage-a-staffing-crisis-with-no-end-in-sight

Smyth, K. F. (2024, January 17). We have to talk about stripping: What's been extracted from communities is so much more than financial wealth. *Medium.* https://medium.com/@katya_3596/we-have-to-talk-about-stripping-f3f8db9f609b

WANT MORE?

Explore previous years' reports online at **johnsoncenter.org/trends**.

Dorothy A. Johnson Center
FOR PHILANTHROPY

201 Front Ave SW, Suite 200
Grand Rapids, MI 49504
P: 616.331.7585
johnsoncenter.org

Grand Valley State University
gvsu.edu