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Giving USA: Total U.S. charitable giving declined in 2022 to \$499.33 billion following two years of record generosity

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Stock market drop and economic uncertainty accompanied decrease after giving surpassed half-trillion-dollar milestone during pandemic era

WHAT TO KNOW

- **Key findings from *Giving USA 2023: The Annual Report on Philanthropy for the Year 2022*** released today report that individuals, bequests, foundations and corporations gave an estimated **\$499.33 billion** to U.S. charities in 2022.
- **Total giving decreased in 2022**, a relatively rare occurrence usually seen during years with difficult or unusual economic conditions. Giving was influenced by stock market volatility and economic uncertainty. Total giving declined 3.4% in current dollars - down 10.5% after adjusting for inflation - from a revised total of \$516.65 billion in 2021.
- The 2022 results follow the two best years on record for charitable giving, including **2021 when giving surpassed \$500 billion for the first time.**

Giving USA: The Annual Report on Philanthropy, the longest-running and most comprehensive report on the sources and uses of charitable giving in America, is published by Giving USA Foundation <<http://www.givingusa.org>> , a public service initiative of The Giving Institute. It is researched and written by the Indiana University Lilly Family School of Philanthropy at IUPUI <<http://philanthropy.iupui.edu>> .

WHY THIS MATTERS

- **Total charitable giving has fallen only three other times in the last 40 years in current dollars:** in 1987, 2008 and 2009.
- **Giving had been especially strong in 2020 and 2021** as donors rallied to help address increasing needs amid a global pandemic and economic crisis and recovery, and supported efforts to advance racial justice.
- **Decreases in giving can affect the ability of nonprofit organizations to meet needs and fulfill their missions.**

"Drops in the stock market and high inflation caused many households to make tough decisions about their charitable giving for the year," said **Josh Birkholz, Chair of Giving USA Foundation and CEO of BWF** <<https://www.bwf.com/team/josh-birkholz/>> . "But despite uncertain economic times,

Americans demonstrated how essential they view the nonprofit sector and its ability to solve big problems-by still giving nearly half a trillion dollars in 2022."

"Declines in giving like those we saw in 2022 have a tangible impact on nonprofit organizations, especially those that rely on charitable dollars to support their daily work. Nonprofits and donors alike experienced the steady, negative impacts of inflation such as the growing cost of goods and high interest rates throughout 2022, and many of those challenges remain," said **Amir Pasic** <<https://philanthropy.iupui.edu/people-directory/pasic-amir.html>> , Ph.D., the **Eugene R. Tempel Dean of the Lilly Family School of Philanthropy**. "However, *Giving USA's* historical data also provide a case for hope: we have seen charitable giving rebound from each decline."

DIVING DEEPER

Giving in 2022 occurred amid tough economic conditions - especially for giving by individuals.

Challenging economic conditions included:

- A 19.4% drop in the S&P 500 (-25.4% adjusted for inflation), the first double-digit decrease since the Great Recession in 2008, creating economic uncertainty for high-net-worth households and foundations which are likely to be invested in the stock market
- Flat growth in disposable personal income (-0.1% in current dollars or -7.5% adjusted for inflation)
- 40-year-high inflation rate of 8.0%
- The S&P 500 experienced steep declines toward the end of the year, when a large share of charitable giving takes place

"Despite the downturn in financial markets in 2022, there were some bright spots in the economy thanks to a strong labor market and 9 percent growth in GDP," said **Una Osili** <<https://philanthropy.iupui.edu/people-directory/osili-una.html>> , Ph.D., **Associate Dean for Research and International Programs at the Lilly Family School of Philanthropy**. "The economic picture that emerges suggests that many households were stable-we did not see job losses or an increase in unemployment the way we did in the Great Recession. However, households tend to give when they are financially and economically secure - and the inflationary pressures meant that fewer households had extra to give. In addition, donors may not have been as compelled to respond to immediate needs as they had been during the early days of the COVID-19 pandemic or during the Great Recession."

There was growth in three of the four sources of giving in 2022 in current dollars, but all four sources declined when adjusted for inflation. Giving by foundations and corporations posted positive two-year growth, even when adjusting for inflation.

For the second year in a row, very large gifts by some of the wealthiest Americans represented nearly 5% of individual giving. Mega-giving from six individuals and couples totaled \$13.96 billion.

2022 Charitable Giving by Source:

- **Giving by individuals** totaled an estimated \$319.04 billion, declining 6.4 percent in 2022 (a decline of 13.4 percent, adjusted for inflation).
- **Giving by foundations** grew 2.5 percent, to an estimated \$105.21 billion in 2022 (a decline of 5.0 percent, adjusted for inflation).
- **Giving by bequest** totaled an estimated \$45.60 billion in 2022, growing by 2.3 percent over 2021 (a decline of 5.3 percent, when adjusted for inflation).
- **Giving by corporations** is estimated to have increased by 3.4 percent in 2022, totaling \$29.48 billion (a decline of 4.2 percent, adjusted for inflation). Corporate giving includes cash and in-kind contributions made through corporate giving programs, as well as grants and gifts made by corporate foundations.

Measured in current dollars, giving grew in five of the nine categories of nonprofits that receive charitable contributions, although this growth largely did not keep pace with the 8% inflation rate. In inflation-adjusted terms, seven of these nine subsectors experienced a decline. Giving to foundations and giving to international affairs both grew in inflation-adjusted terms, at 1.9% and 2.7% respectively.

2022 Charitable Giving to Recipients:

- Giving to **religion** grew by 5.2 percent between 2021 and 2022, with an estimated \$143.57 billion in contributions. Inflation-adjusted giving to the religion subsector declined by 2.6 percent.
- Giving to **human services** reached \$71.98 billion in 2022, and declined by 0.6% in current dollars, staying relatively flat with 2021. Adjusted for inflation, giving to human services organizations declined by -8.0 percent.
- Giving to **education** is estimated to have declined -3.6 percent between 2021 and 2022, to \$70.07 billion. Adjusted for inflation, giving to education organizations declined -10.7 percent.
- Giving to **foundations** is estimated to have increased by 10.1 percent in 2022, to \$56.84 billion. Adjusted for inflation, giving to foundations grew by 1.9 percent.
- Giving to **health** is estimated to have grown by 5.1 percent between 2021 and 2022 (a decline of 2.6 percent, adjusted for inflation), to \$51.08 billion.
- Giving to **public-society benefit** organizations decreased an estimated 8.4 percent between 2021 and 2022, to \$46.86 billion. Adjusted for inflation, giving to public-society benefit organizations declined by 15.2 percent.
- Giving to **international affairs** is estimated to be \$33.71 billion in 2022, growing over 2021 with 10.9 percent growth. Adjusted for inflation, giving to international affairs organizations grew by 2.7 percent.

- Giving to **arts, culture, and humanities** is estimated to have increased 2.9 percent between 2021 and 2022, to \$24.67 billion. Adjusted for inflation, giving to the arts, culture, and humanities subsector declined by 8.9 percent.
- Giving to **environmental and animal** organizations is estimated to have decreased 1.6 percent between 2021 and 2022, to \$16.10 billion. Adjusted for inflation, donations to the environment/animals subsector declined by 8.9 percent.

Giving USA estimates include two additional categories. **Giving to individuals:** the bulk of these donations are in-kind gifts of medications to patients in need made through patient assistance programs of pharmaceutical companies' operating foundations. **Unallocated giving:** this can be considered the difference between giving by source and use in a particular year. This amount includes the difference between itemized deductions by individuals (and households) carried over from previous years. The tax year in which a gift is claimed by the donor (carried over) and the year when the recipient organization reports it as revenue (the year in which it is received) may be different.

"Households were heavily impacted by economic uncertainty, the threat of recession, inflation, and changes in the stock market - and in turn, individual giving took the biggest hit of all in 2022. While in 2020 and 2021, giving was buoyed by stock market performance, in 2022, it appears individual donors were impacted by changing economic conditions," said **Wendy McGrady, Secretary/Treasurer of Giving USA Foundation and Executive Vice President and COO of The Curtis Group** <<https://curtisgroupconsultants.com/about-us/team/wendy-mcgrady/>> . "Additionally, individual giving has been declining as a share of total giving for several years. It dropped to 70% of total giving in 2018, which was considered low, and has steadily decreased since then, falling further in 2022 to 64%.

Note to Editors

The requested citation for *Giving USA* is *Giving USA 2023: The Annual Report on Philanthropy for the Year 2022*, a publication of Giving USA Foundation, 2023, researched and written by the Indiana University Lilly Family School of Philanthropy. Available online at www.givingusa.org <<http://www.givingusa.org>> .

About Giving USA Foundation™

The Giving USA Foundation was established in 1985 by The Giving Institute. Today, the Giving Institute continues to provide financial support, expertise, and volunteer leadership to the Foundation and works in partnership with it to advance the field of generosity and to promote community excellence, and diversity and inclusion in the field.

About Giving USA

For more than 65 years, *Giving USA: The Annual Report on Philanthropy in America*, has provided comprehensive charitable giving data that are relied on by donors, fundraisers and nonprofit leaders.

The research in this annual report estimates all giving to charitable organizations across the United States. *Giving USA* is a public outreach initiative of Giving USA Foundation and is researched and written by the Indiana University Lilly Family School of Philanthropy at IUPUI. Giving USA Foundation, established in 1985 by The Giving Institute, endeavors to advance philanthropy through research and education. Explore *Giving USA* products and resources, at www.givingusa.org <<http://www.givingusa.org>> .

About The Giving Institute

The Giving Institute, the parent organization of Giving USA Foundation, consists of member organizations that have embraced and embodied the core values of ethics, excellence and leadership in advancing philanthropy. Serving clients of every size and purpose, from local institutions to international organizations, The Giving Institute member organizations embrace the highest ethical standards and maintain a strict code of fair practices. For information on selecting fundraising counsel, visit www.givinginstitute.org <<https://www.givinginstitute.org/>> .

About the Indiana University Lilly Family School of Philanthropy

The Indiana University Lilly Family School of Philanthropy at IUPUI is dedicated to improving philanthropy to improve the world by training and empowering students and professionals to be innovators and leaders who create positive and lasting change. The school offers a comprehensive approach to philanthropy through its undergraduate, graduate, certificate and professional development programs, its research and international programs and through The Fund Raising School, Lake Institute on Faith & Giving, the Mays Family Institute on Diverse Philanthropy and the Women's Philanthropy Institute. For more information, visit philanthropy.iupui.edu <<http://philanthropy.iupui.edu>> .

Giving USA Methodology

Giving USA estimates primarily rely on econometric methods developed by leading researchers in philanthropy and the nonprofit sector and are reviewed and approved by members of the Giving USA External Review Panel. Members of the External Review Panel include research directors from national nonprofit organizations, as well as scholars from such disciplines as economics and public affairs, all of whom are involved in studying philanthropy and the nonprofit sector.

The Indiana University Lilly Family School of Philanthropy prepares all of the estimates in *Giving USA* for Giving USA Foundation. *Giving USA* develops estimates for giving by each type of donor (sources) and for recipient organizations categorized by subsectors (uses). Most of *Giving USA's* annual estimates are based on econometric analyses and tabulations of tax data, economic indicators and demographics. Data for giving by foundations come from Candid (formerly the Foundation Center).

Following the same approach used by leading public and private institutions that develop economic statistics, *Giving USA* researchers update data found within *Giving USA* each year. This is because current *Giving USA* estimates are developed before final tax data, some economic indicators and some demographic data are available. The estimates are revised and updated as final versions of these data become available. Final estimates are usually developed two or three years after their initial release.

For more specific details on *Giving USA's* methodology, please refer to the "Brief summary of methods" section within *Giving USA 2023* or contact the Indiana University Lilly Family School of Philanthropy at adrldavi@iupui.edu <<http://adrldavi@iupui.edu>> .

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