



## **Why Donations Are Down (and How to Get Them Up)**

**By Futurus Group, Inc.  
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The average American who works outside of the non-profit sector may think charitable giving is growing. We can't blame them for believing this — the media is saturated with reports about Internet fundraisers on platforms, like GoFundMe, successfully raising money for people facing adversity of all types.

However, within the non-profit world, we recognize such anecdotal data paints a far rosier picture than the hard data on philanthropy in the 21<sup>st</sup> century. As noted in our [last post](#), the Giving USA 2020 Report [confirms](#)

charitable gifting as a percentage of GDP remains mired at the 2.1% level, where it has languished for decades.

While philanthropy in the United States is treading water as a percentage of GDP, the people responsible for giving is changing. Both the middle and lower class are giving less. In fact, only 56% of American households [made](#) any sort of charitable gift in a given year.

This drop in giving amongst the “regular people” has to some extent been masked by an increase in giving by billionaire mega-donors, like Bill Gates and Warren Buffett. Their massive gifts can have a secondary negative effect on the middle class. The news that a wealthy individual has committed an astronomical sum to a cause can crowd out the common person, who may say to themselves, “Well, if Bill Gates is committing \$100 million to this cause, they probably don’t need my \$100.”

This type of thinking is problematic, to say the least. Diving to the core of the issue allows us to discern the decline is based on a mix of multiple, complex factors. First, raising a family is becoming increasingly more expensive. *Forbes* [reports](#) the cost of a college education is rising an astonishing *eight times* faster than wages. From the perspective of an American family facing skyrocketing education and healthcare costs, it makes sense to cut back on charitable giving. Charity, after all, begins at home.

On a larger scale, linguist and philosopher [Noam Chomsky](#) blames what he calls the “atomization” of western culture. Chomsky [explains](#), “Neoliberal

democracy: Instead of citizens, it produces consumers. Instead of communities, it produces shopping malls. The net result is an atomized society of disengaged individuals who feel demoralized and socially powerless.”

One effect of this atomization is the decline of organized religion in America. Church and synagogue attendance were declining even before the COVID-19 pandemic. This is especially problematic since religious people tend to be [more charitable](#) to such a degree that Giving USA reports a “staggering difference between the charitable giving practices of the religiously affiliated and those with no religious affiliation (62% vs. 46%).”

If Chomsky’s assessment of our societal breakdown is correct, we must collectively work to fight against cultural atomization to increase giving, especially among millennials and Generation Z as they mature. But there is good news around the corner. If organized religion is on the wane, we can still foster a culture of giving in other ways, beginning with the family unit.

As evidence of this, the *New York Times* reports philanthropy has actually [surged](#) during the pandemic. Yes, you read that right. Certainly, giving during a crisis is not the same thing as regular giving, but it does indicate a culture of gratitude exists in America. Just think about the outpouring of thanks shown towards hospital workers and first responders, ranging from children sending thank you cards, to car parades outside hospitals.

Without a doubt, finding innovative ways to instill gratitude is of critical importance to every nonprofit. Why? Our work has shown gratitude is the key

factor leading to greater philanthropy, even amongst the less than affluent. Aware of this truth, our company is on the frontlines utilizing AI to discover what unique factors influence the gratitude individuals feel towards a non-profit organization, whether it be a hospital system, university, or charity.

Ultimately, finding the right mixture of culture building, combined with state-of-the-art technology, can help America embrace giving once again. Not only that, if we get this right, it's Futurus Group's belief we can even beat last year's donation levels. If and when this happens, we can move towards the not so impossible goal of increasing giving as a percentage of GDP by 50% or more in the future.

Let's do this together. If you are interested in being part of our movement and want to learn more about our G2G product and how it could be applied to your organization to increase philanthropic revenue, click [here](#) to schedule a 15-minute call, or visit us at [Futurusgroup.com](https://Futurusgroup.com) to start this very needed conversation.