

2020 Year in Review

Josh Birkholz



March 2021

© 2020 BWF®

**What
happened
in 2020?**



2020



Very bad, would not recommend.

COVID-19

Where do we begin???

Overall

1. Sectors of market growth fueling HNW giving
2. Record Giving Days and Giving Tuesday initiatives
3. Crisis response bump for the base
4. Foundations stepping up

3 & 4 predicted to retract in 2021 by some experts

In a pandemic, billionaires are richer than ever. Why aren't they giving more?

Chuck Collins


#GivingTuesday Blasts Past \$2 Billion

Mark Hrywna | News | December 3, 2020

More than \$2.47 billion was raised on #GivingTuesday, a 25% increase from the [\\$1.97 billion both online and offline in 2019](#), according to preliminary estimates from the [GivingTuesday Data Commons](#).

In Wake Of Pandemic, Five Foundations Pledge \$1.7 Billion Increase In Charitable Giving



Michael T. Nietzel Senior Contributor 

Education

I am a former university president who writes about higher education.

Where Have All The Arts Grants Gone?



Timothy J. McClimon Contributor  

Leadership Strategy

I write about the intersection of grassroots movements & philanthropy.



Arts and culture showing steepest declines

Public society benefit, student priorities in education, and patient care in healthcare proved most resilient

International relief typically declines when domestic crises emerge, early to tell but likely

Capital needs difficult in most sectors except healthcare

How we do business

1. Main disruptions – office, donor events, prospect visits
2. Move to enterprise digital
3. Zoom
4. Investments in video production

When you try to work from



HOME

Campaigns



Lengthened timelines

Differing impact of COVID based on campaign stage

Reimagining launch events

Creative discovery – zoom, cottage forums

Racial Reckoning

DEI in the workplace

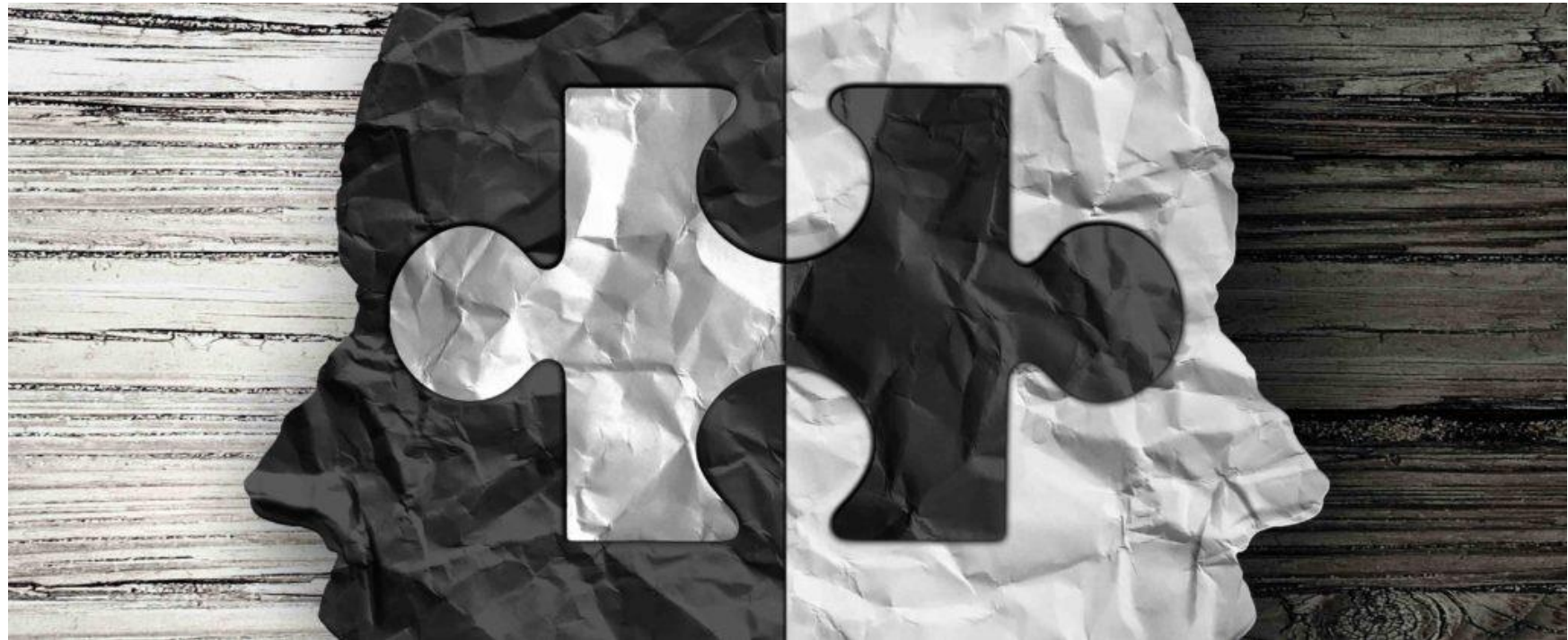
Wide racial gap in fundraising leadership

Racial distribution in donor community

Formal vs. informal philanthropy bias

Bias in gift designation

How philanthropy can help solve the problem



Informal Philanthropy



How We Give Now: **Conversations Across the United States**

—
Research Conducted for The Generosity Commission

Lucy Bernholz, Ph.D.
Brigitte Pawlik-Fry

2020

Is there bias in the philanthropy narrative?

GoFundMe

Supporting local restaurants

Giving to friends and family

Taking people into your home

Differences among population segments

Economy – Market Growth, Production Declines

Record Highs Set in 2020

The Dow ended the year at a record high of 30,606.48. On Nov. 24, 2020, it broke 30,000 and closed at 30,046.24. Its record before that was achieved in 2000, when it finished the day at 29,950.44. It also started 2020 on a high note, as the Dow set a record high of 28,868.80 on Jan. 2, 2020. It set another record later. It then set a milestone on January 15 when it rose above 29,000.

Dow Jones Industrial Average 2020

The Dow Jones Industrial Average set a new closing record on Nov. 24, 2020, when it broke 30,000 and closed at 30,046.24. Its previous record close was on Nov. 16, 2020.



Why are we in a recession if the stock market is recovering?

Published Thu, Jun 11 2020 11:58 AM EDT • Updated Thu, Jun 11 2020 5:16 PM EDT



Megan Leonhardt
@MEGAN_LEONHARDT

SHARE [f](#) [t](#) [in](#) [✉](#)

The CARES Act Sent You a \$1,200 Check but Gave Millionaires and Billionaires Far More

The stimulus checks were meant to get average Americans through the lockdown, but those \$1,200 payouts were small change compared with the billions in tax breaks the CARES Act handed out to the country's wealthiest.

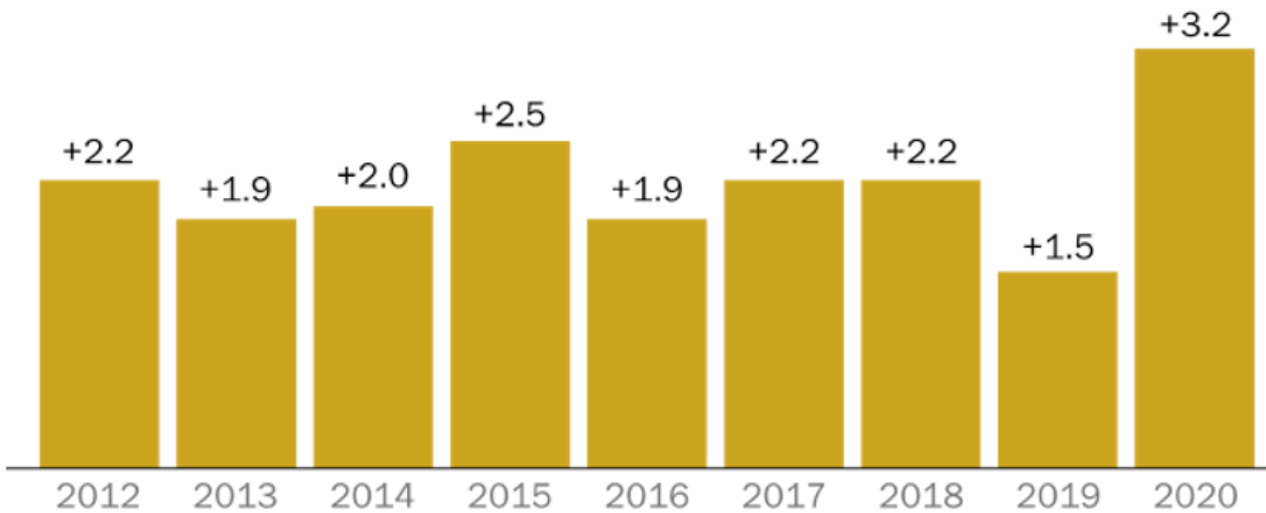
Challenging the notions of restrictions and the power balance in philanthropy

**trust-based
philanthropy
project**

**Mackenzie (Bezos) Scott
Announces She's Donated \$4.1
Billion To 384 Groups In
Recent Months**

The number of retired Baby Boomers rose more from 2019 to 2020 than in prior years

Annual increase in the retired U.S. Baby Boomer population (in millions)



Note: “Retired” refers to those not in the labor force due to retirement. Baby Boomers are those born between 1946 and 1964. Each year’s retired Boomer population is based on the average of the July, August and September estimate.

Source: Pew Research Center analysis of July, August and September Current Population Survey monthly files (IPUMS)

Is the fundraising talent gap closing?

Leadership transition

Sector redistribution

Outsourcing requests increased in 2020

Donor Advised Funds

DAFs becoming more common

Criticism continues

Half My DAF movement



Fidelity Charitable Ends DAF Account Minimums



By **Bernice Napach** | September 30, 2020 at 03:11 PM

The change makes donor-advised fund accounts more accessible to the average household.

How will fundraising change in 2021?



Before I agree to 2021, I need to see some terms & conditions.

Returning to the office will be hard

Unlikely to be “back to normal” in 2021.
Unlikely to ever be like it was.
But people miss people.

Find the benefits:

- Extending the reach of fundraisers
- Rethinking costly office-space
- Stimulus for new tools and innovation

The office will fight to win you back

After a year of working from home, power dynamics have shifted. Companies will need to give employees a reason to return to the office. On offer? Spaces designed for what we’ve been missing all along: Human connection, and maybe a bit of rest and relaxation, too.



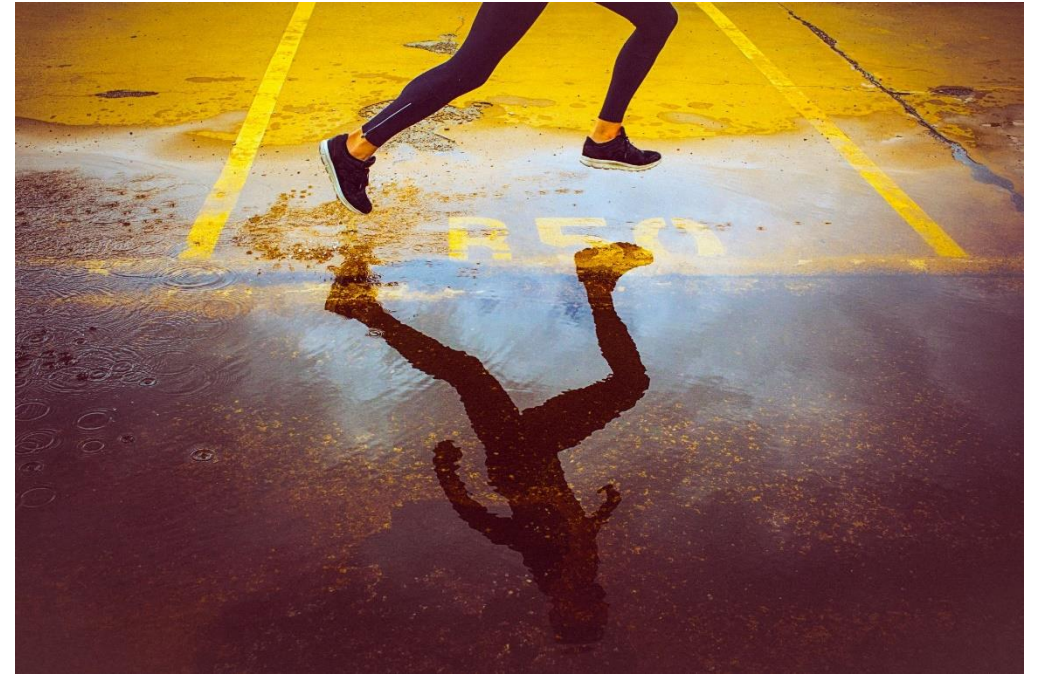
Donor distribution will shift



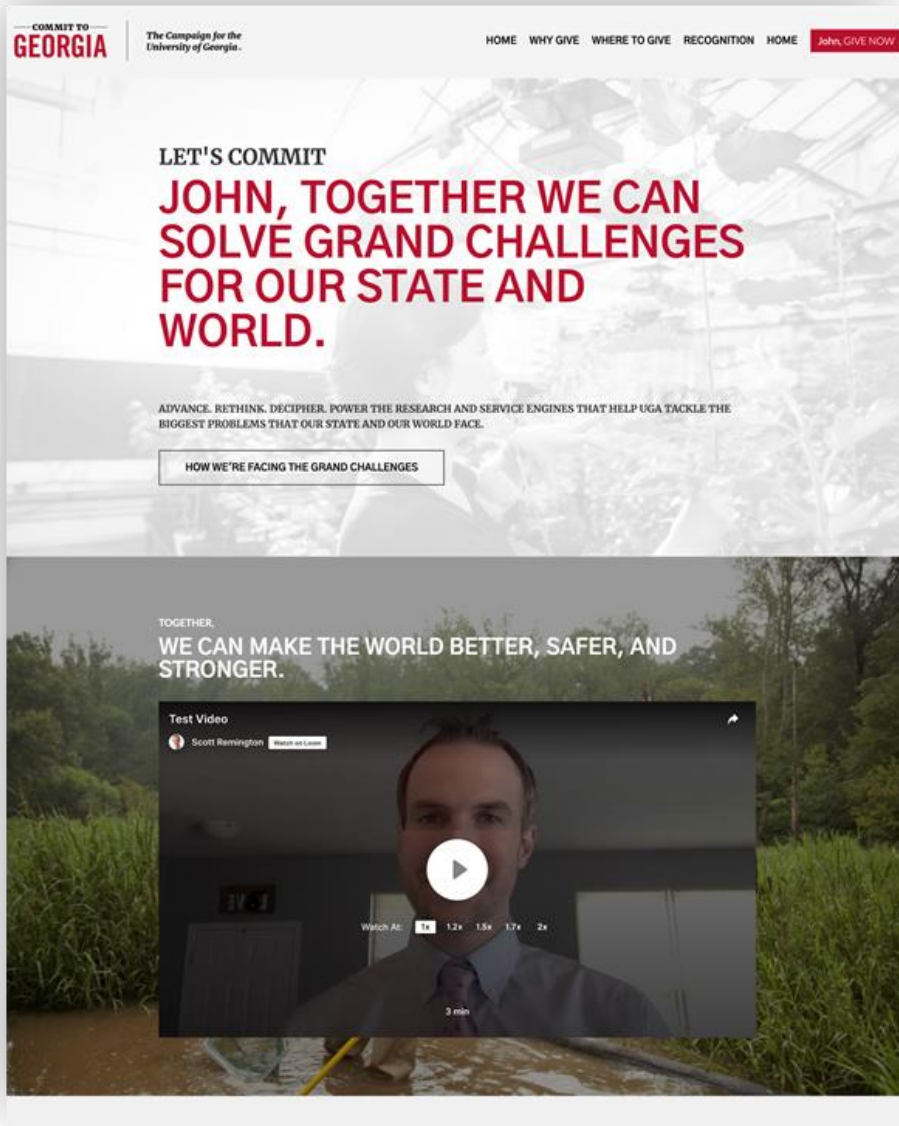
- The rich are likely to keep getting richer.
- “Double-dip” recession possible despite market growth.
- Lower income brackets likely further crunched by job market instability.
- Foundation distribution uncertain but lifted by the market.
- Corporate giving will be very sector-based.
- Multi-year pledging generally decreases in economic uncertainty.
- Planned giving can climb if the market favors investable assets.
- Organizations will be diversifying their prospecting and pipeline to be more inclusive of underrepresented groups.

Campaigns will increase

- During the great recession, many organizations waited to start campaigns.
- In the year following, there was a bump in campaign launches.
- Early indications suggest this is happening again.
- The campaign market may seem crowded to us, but this is less often the case for our constituents.



Base development will continue to evolve



From digital tools to enterprise digital.

Significant investments in software, new job functions, and structure design.

Likely continued retraction in phone.

Growth in mid-level, both multi-channel direct and relational fundraising.

Using authentic/real language.

The giving narrative will broaden

We will see an expanded set of activities more fully recognized as “philanthropy” in the cultural narrative.

- Informal giving – Family, local businesses
- Person-to-person – crowdfunding, direct
- Non-deductible giving – other things to emerge
- Perhaps even organizational sponsorship & corporate ventures



**PEOPLE USING
BUSINESS**
..... AS A
FORCE FOR GOOD

Talent pool will churn



- The rate of baby-boomer **retirement** will likely continue in our organizations.
- Retirements may provide a healthy volunteer / **board member pool**.
- Organizations **outsourcing** during COVID disruption, likely to continue to do so. Available positions will favor harder to outsource roles.
- As nonprofits recover and rebuild fundraising, we will likely see **talent pool strained** again—moving toward increased transiency and wage inflation.
- Significant strides in our organizational **DEI strategies** and policies will hopefully gain traction in implementation.

Jobs will change. New roles will emerge



- Digital development officers
- Change management leaders
- DEI related executives
- Chief strategy / data officers
- Project management / continuous process improvement roles
- Video coordinators
- Digital advertising directors
- Donor experience managers

What are your predictions?

Josh Birkholz



March 2021

© 2020 BWF®