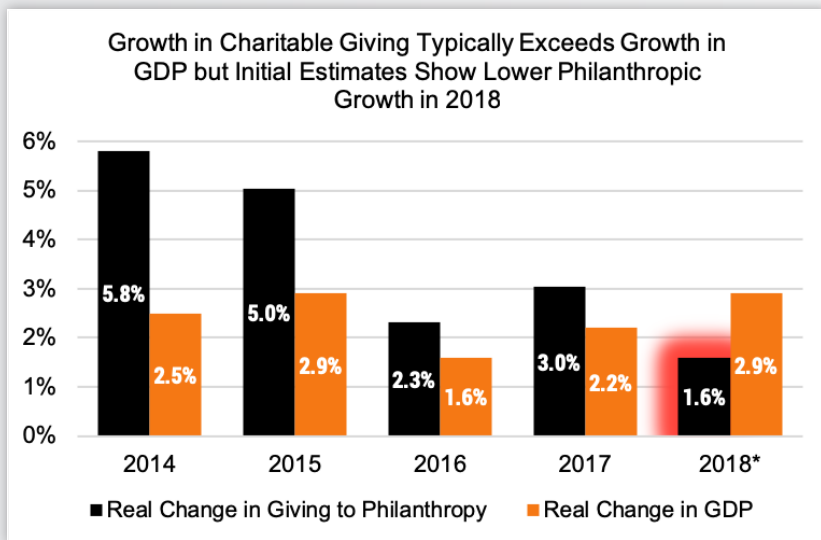


PRELIMINARY 2018 CHARITABLE SECTOR GIVING RESULTS

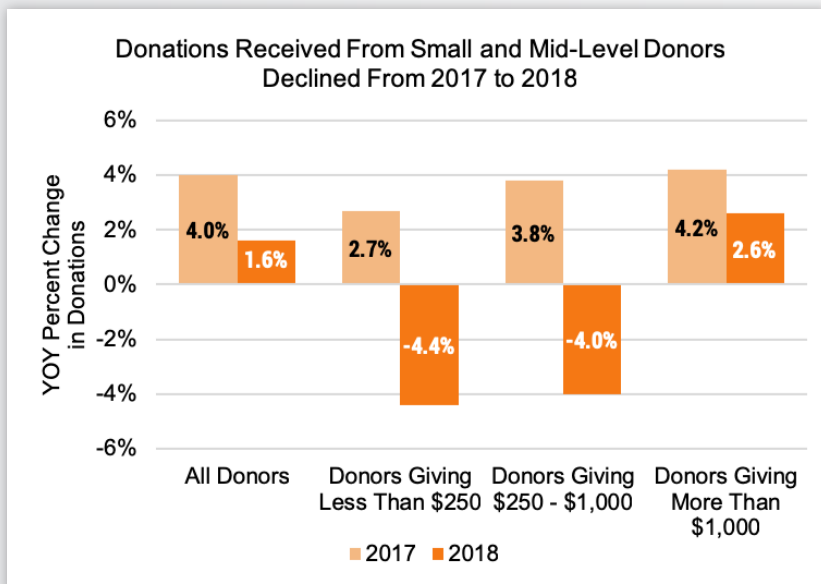
EARLY ESTIMATES OF 2018 CHARITABLE GIVING ARE BELOW EXPECTATIONS



- Historically, charitable giving growth has matched or exceeded GDP growth
- Real growth in giving exceeded growth in GDP from 2014–2017
- By contrast, in 2018, charitable giving grew by only half of GDP growth

*2018 growth in charitable giving estimate is from the 2018 Q4 Fundraising Effectiveness Project report
 Source: 2014-2017 charitable giving from *Giving USA 2018*
 GDP growth from U.S. Bureau of Economic Analysis

TOTAL GIVING DECLINED AMONG THOSE MAKING GIFTS OF LESS THAN \$1,000

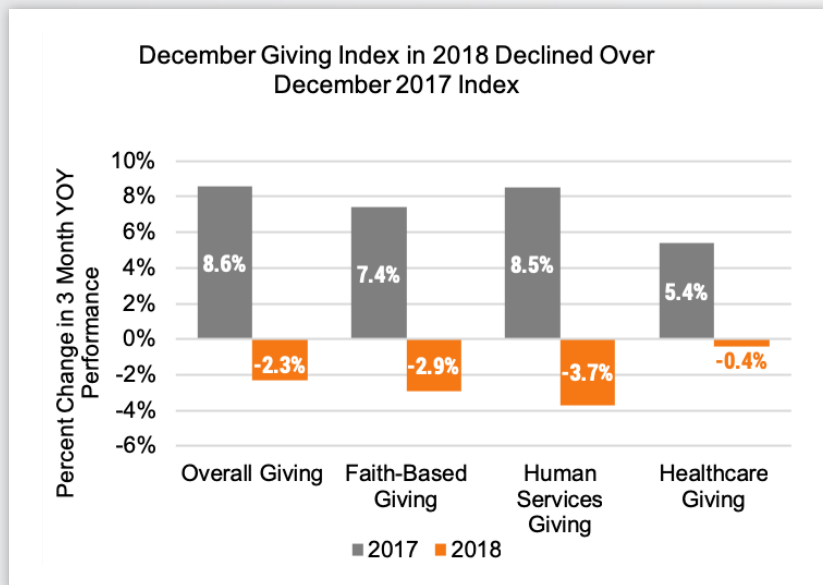


- Compared to 2017, charitable giving in 2018 declined 4.4% among those giving up to \$250
- Donors giving \$250–\$1,000 gave 4.0% less in 2018 than 2017
- Total giving grew at a slower rate for larger donors (to 2.6% in 2018 from 4.2% in 2017)
- A modest increase in larger donations from those who are likely to itemize offset declines from average donors (gifts up to \$1000)

Source: 2017 and 2018 Q4 Fundraising Effectiveness Project reports

PRELIMINARY 2018 CHARITABLE SECTOR GIVING RESULTS

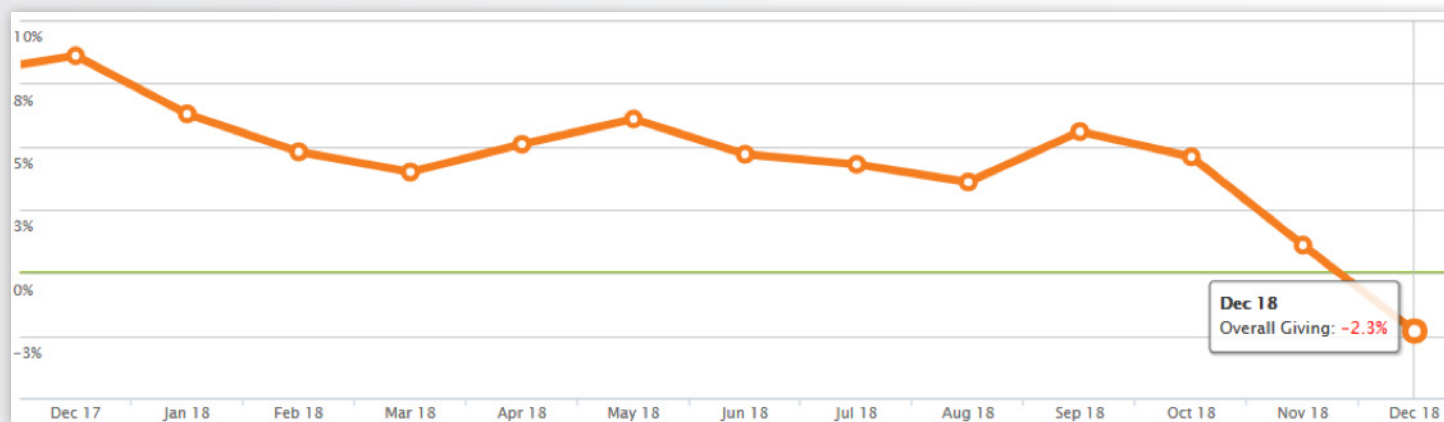
YEAR-END GIVING TO FAITH-BASED, HUMAN SERVICES, AND HEALTHCARE ORGANIZATIONS DECLINED IN 2018



- Historically, December is the largest giving month, but not so in 2018
- In 2018, December giving declined 2.3% compared to December 2017
- There was substantial growth in December 2017 compared to December 2016
- 2018 declines were wide-spread across sectors, including giving to faith-based causes, human services, healthcare, public and society benefit, and education

Source: Blackbaud Index
 Data is a 3-month rolling average of YOY performance, i.e. total giving in October, November, and December for 2018 is compared to the same time period in 2017

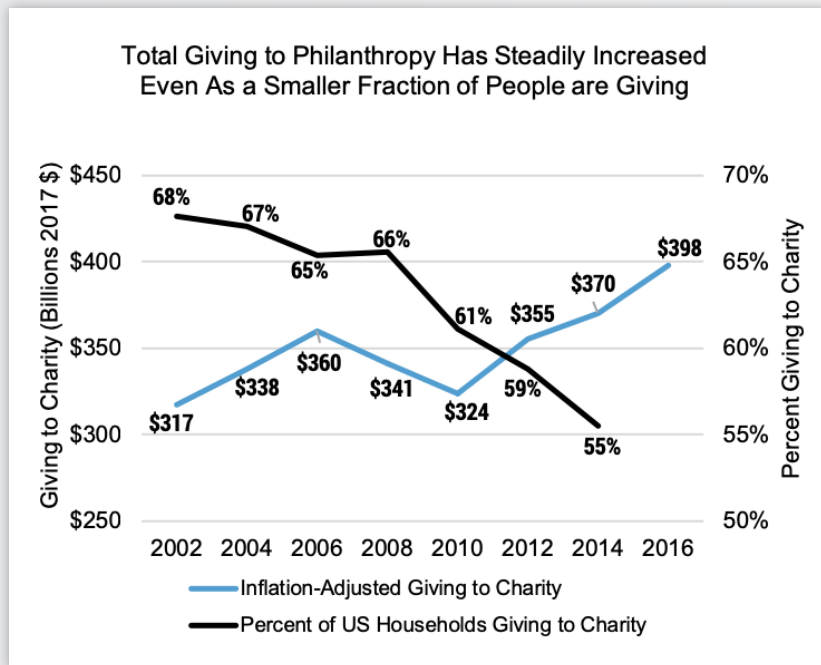
THE BLACKBAUD INDEX



Source: Blackbaud Index
 Data is a 3-month rolling average of YOY performance, i.e. for December 2018, total giving in October, November and December for 2018 is compared to the same time period in 2017

HISTORICAL TRENDS ACCELERATED

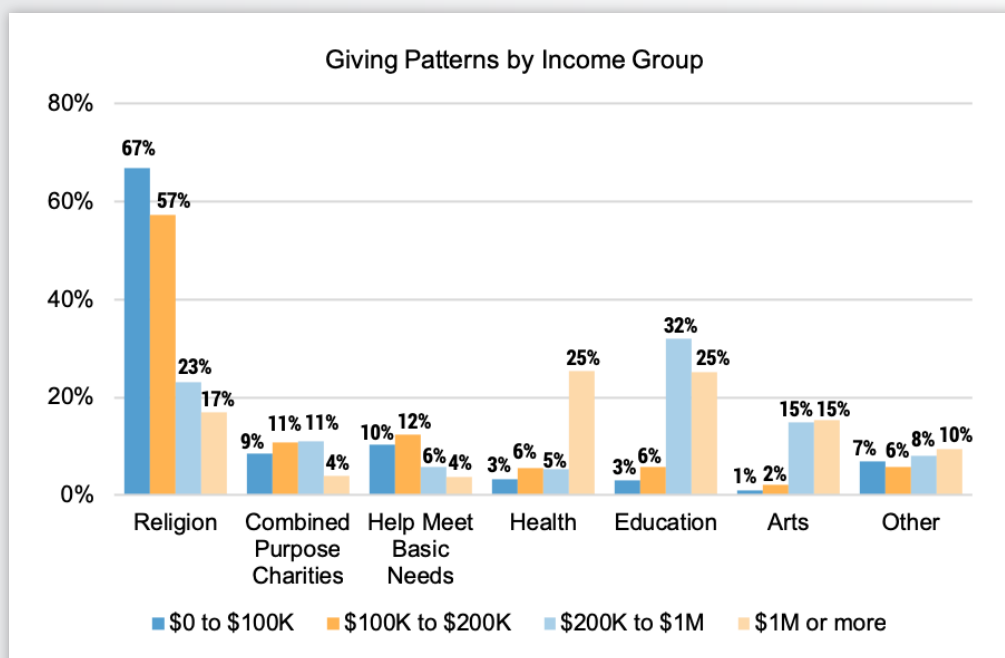
GIVING TO CHARITY HAS STEADILY INCREASED DESPITE SMALLER PERCENT OF AMERICANS GIVING



- Similar to GDP growth over time, charitable giving grows over time
- However, the percent of households giving to charity has steadily declined
- Giving is becoming concentrated among a smaller, wealthier fraction of the population that is making larger gifts to charity

Source: *Giving USA 2018*
Panel Study of Income Dynamics, 2000-2014

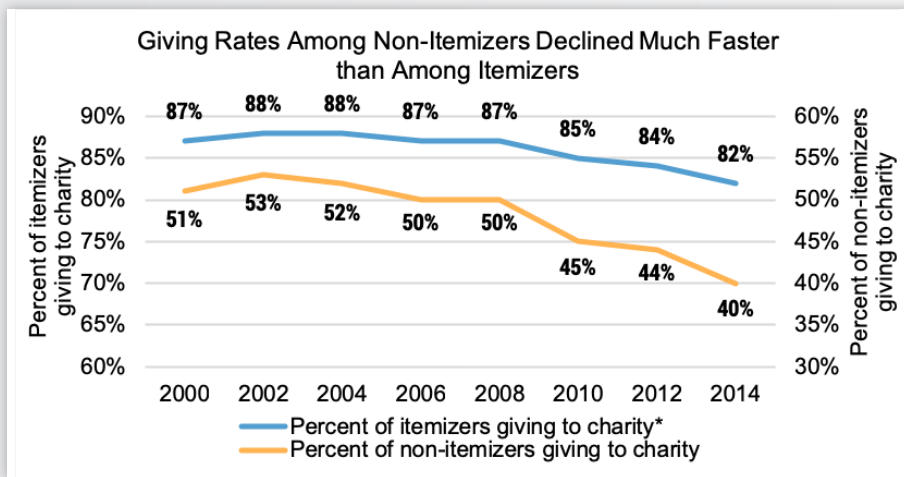
AMERICANS GIVE TO DIFFERENT CAUSES DEPENDING ON INCOME LEVEL



- Households earning up to \$100 K annually tend to give to traditional causes such as faith-based organizations, combined purpose charities, and basic needs

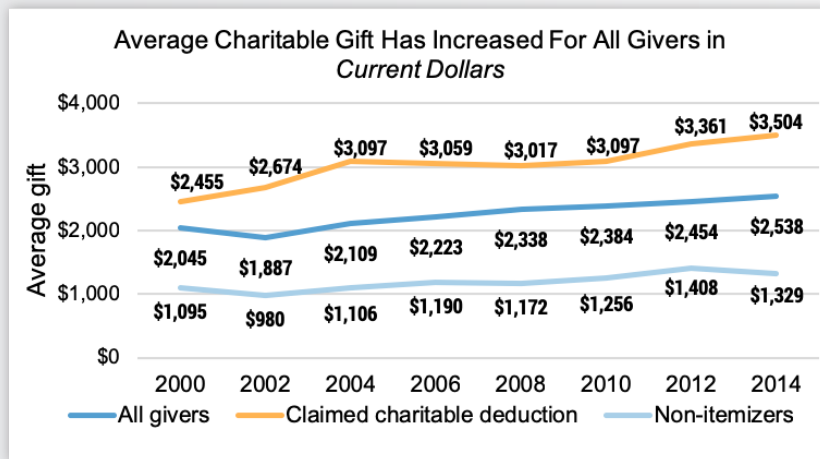
Source: Cordes, Joseph. "Effects of Limiting Charitable Deductions on Nonprofit Finances." 2013.
<https://www.urban.org/sites/default/files/cordes.pdf>

ITEMIZERS GIVE AT HIGHER RATES AND MAKE LARGER GIFTS THAN NON-ITEMIZERS



*Includes those who did not claim charitable deduction or did not know if they claimed deduction
 Source: United Way Research analysis of Panel Study of Income Dynamics Philanthropy Panel data.
 University of Michigan. <https://psidonline.isr.umich.edu/>

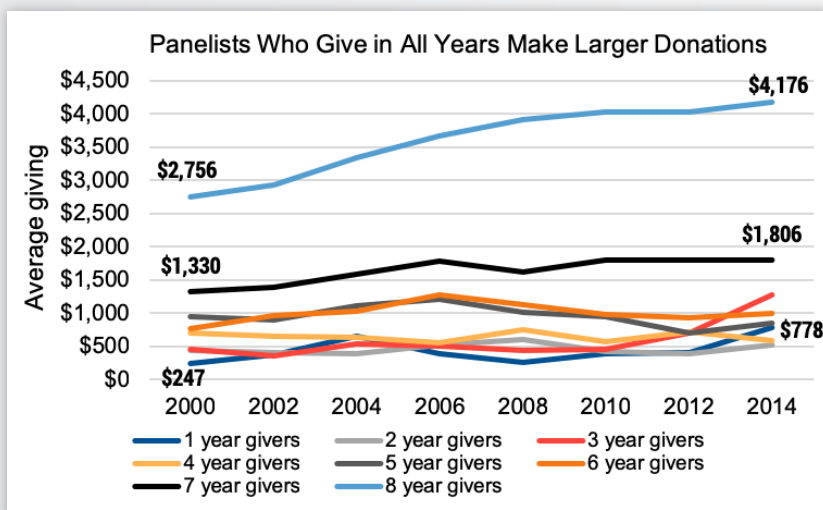
- Itemizers give at more than twice the rate of non-itemizers
- Giving rates have declined among both itemizers and non-itemizers, but have declined faster for non-itemizers
- The tax law changes have resulted in a substantial increase in the number of non-itemizers due to the increase in the standard deduction



Source: United Way Research analysis of Panel Study of Income Dynamics Philanthropy Panel data.
 University of Michigan. <https://psidonline.isr.umich.edu/>

- Donors who receive a charitable deduction make average donations 2.5 times larger than donors who do not receive a charitable deduction
- A universal charitable deduction would lower the cost of giving which will help reduce the gap in gift size with itemizers
- In current dollars, average gifts have increased for all donors, but in inflation-adjusted dollars, average gift size has only increased among itemizers

CONSISTENT GIVERS MAKE LARGER GIFTS



Source: United Way Research analysis of Panel Study of Income Dynamics Philanthropy Panel data.
 University of Michigan. <https://psidonline.isr.umich.edu/>

- Households that give to charity every year give much larger gifts than those who are less consistent
- These trends demonstrate that bundling gifts every other year will lead to reduced charitable giving

