

LAKE INSTITUTE ON FAITH & GIVING

2019 NAD Planned Giving &
Trust Services Conference

Faith and Giving:

**In the Midst of Changing Paradigms,
How Do We Focus on Faith in our Planned Giving**

DAVID P. KING



Lake Institute on Faith & Giving IU Lilly Family School of Philanthropy



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

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3 Core Areas

1. Research and Scholarship

2. Education and Training

3. Thought Leadership and Public Understanding

EDUCATION AND TRAINING

- **Executive Certificate in Religious Fundraising (ECRF)** is a four day intensive course with a practical application project that provides the research, tools and customized training to meet the growing needs of leaders in religious communities and fundraisers of faith-based organizations.

- **Cultivating Generous Congregations (CGC)** is a seminar designed for congregational teams that examine key concepts to shape a comprehensive development strategy by exploring significant and necessary steps to creating lasting cultural change within a congregation.



KEY TAKEAWAYS

- Provide an overview for trends in religious philanthropy
- Placing these trends in the context of donors.
- Reflecting on what that might mean for us as leaders.



What We Know About Faith & Philanthropy



NSCEP
NATIONAL STUDY OF
CONGREGATIONS' ECONOMIC PRACTICES

TRENDS IN RELIGIOUS GIVING



Overall Giving
up 0.7%
1.7% decline
adjusted for
inflation
\$427.71 billion



Religion giving
down 1.5%
3.9% decline
adjusted for
inflation
\$124.52 billion

Data from Giving USA 2019

TRENDS IN RELIGIOUS GIVING



Individual giving
down 1.1%
3.4% decline
adjusted for
inflation
\$292.09 billion



Giving by
Foundations



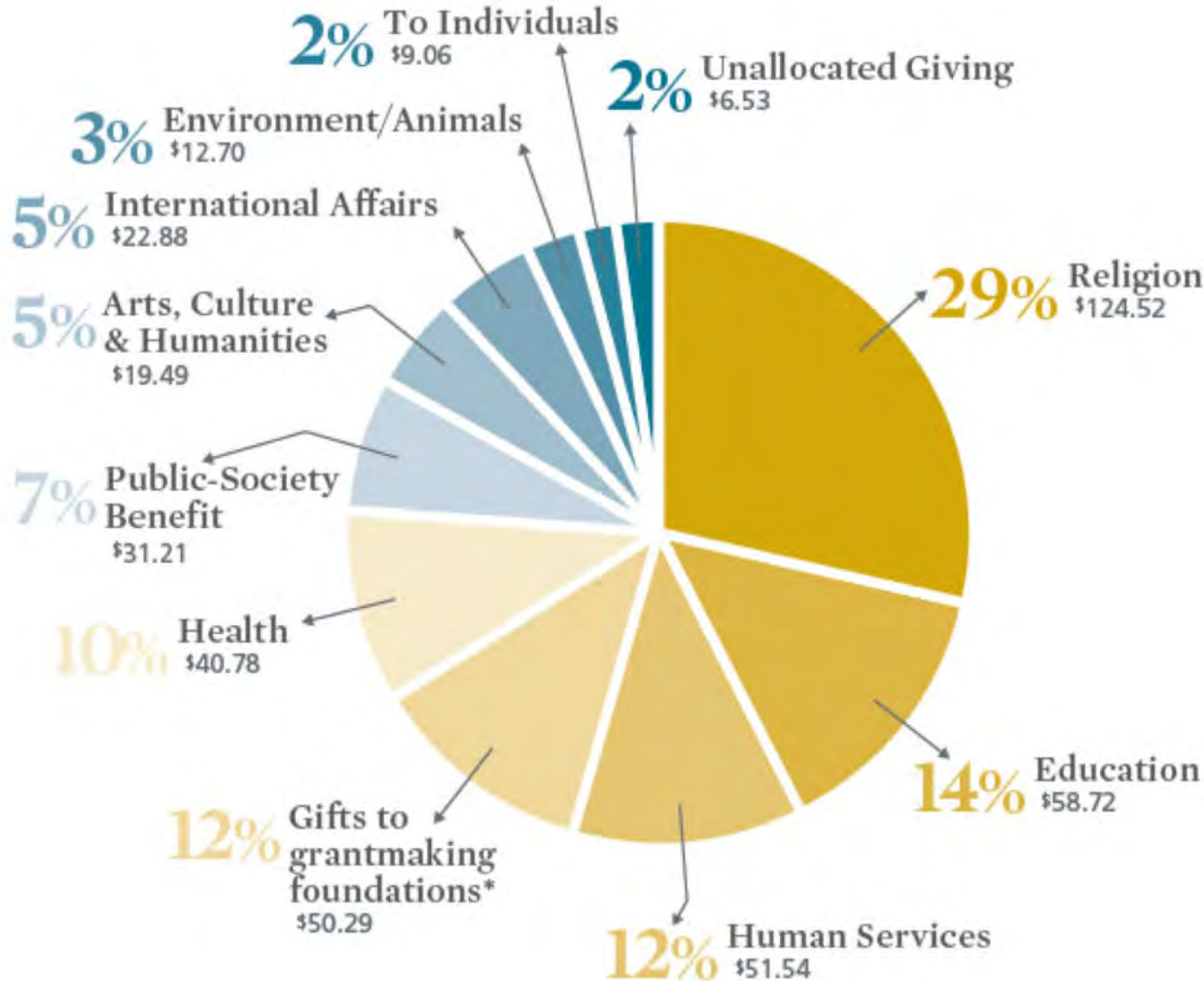
Giving by
Bequest



Giving by
Corporations

Data from Giving USA 2019

TRENDS IN RELIGIOUS GIVING

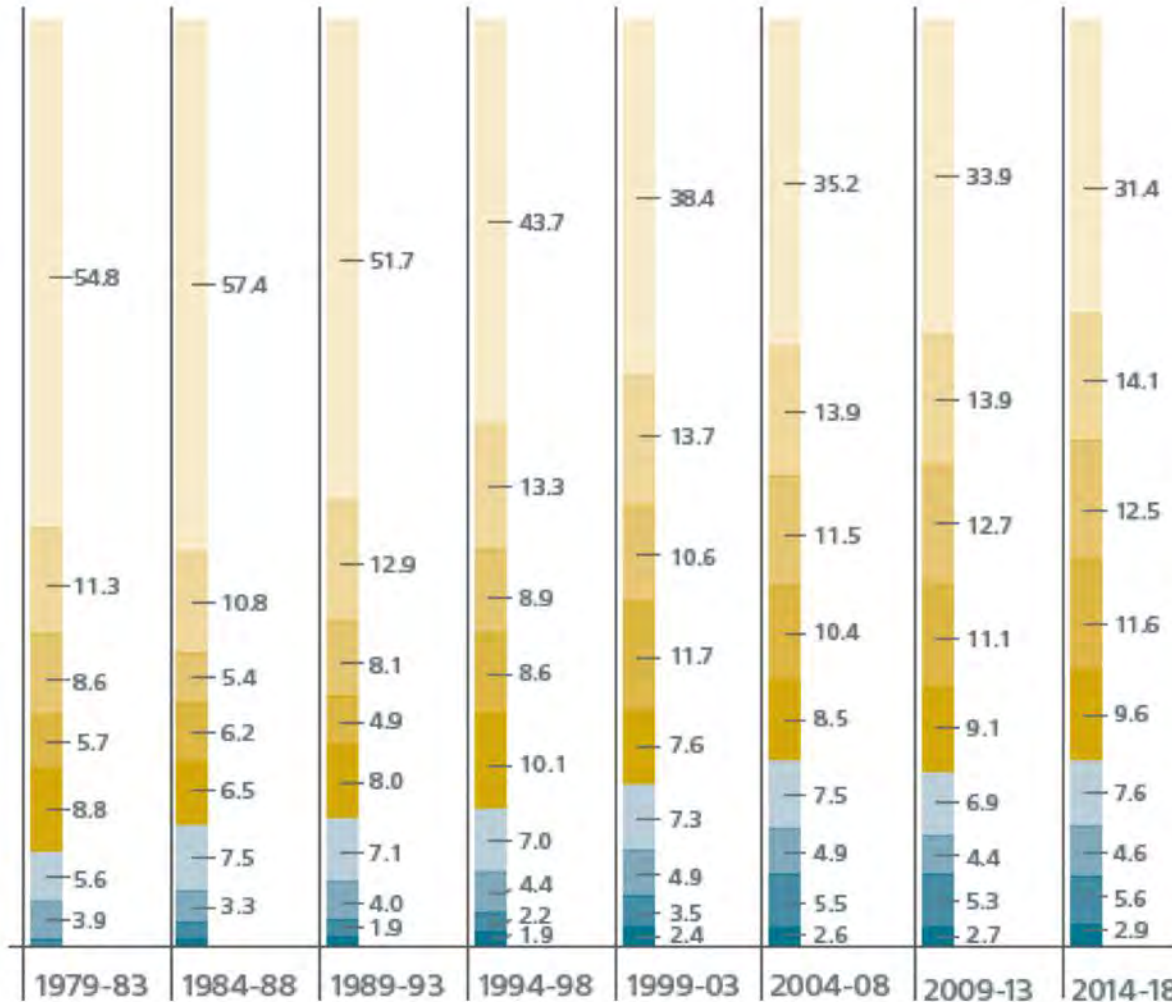


2018
Contributions:
\$427.71 billion
by type of
recipient
organization

Data from Giving USA 2019

TRENDS IN RELIGIOUS GIVING

- Religion
- Education
- Human Services
- Foundations
- Health
- Public-society benefit
- Arts, Culture, & Humanities
- International Affairs
- Environment & Animals



Giving by type of recipient as a % of the total in five-year spans, 1979-2018*

Data from Giving USA 2019

Trends in American Religious Life


NSCEP
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RELIGIOUS TRENDS IN THE U.S.

“Rise of the Nones”

Christians Decline as Share of U.S. Population; Other Faiths and the Unaffiliated Are Growing

Christians Decline as Share of U.S. Population; Other Faiths and the Unaffiliated Are Growing

Non-Christian faiths	4.7	5.9	+1.2
Jewish	1.7	1.9	-
Muslim	0.4	0.9	+0.5
Buddhist	0.7	0.7	-
Hindu	0.4	0.7	+0.3
Other world religions**	<0.3	0.3	-
Other faiths**	1.2	1.5	+0.3
Unaffiliated	16.1	22.8	+6.7
Atheist	1.6	3.1	+1.5
Agnostic	2.4	4.0	+1.6
Nothing in particular	12.1	15.8	+3.7
Don't know/refused	0.8	0.6	-0.2
	100.0	100.0	

Pew Research Center.
 “America’s Changing Religious Landscape.”
 May 2015

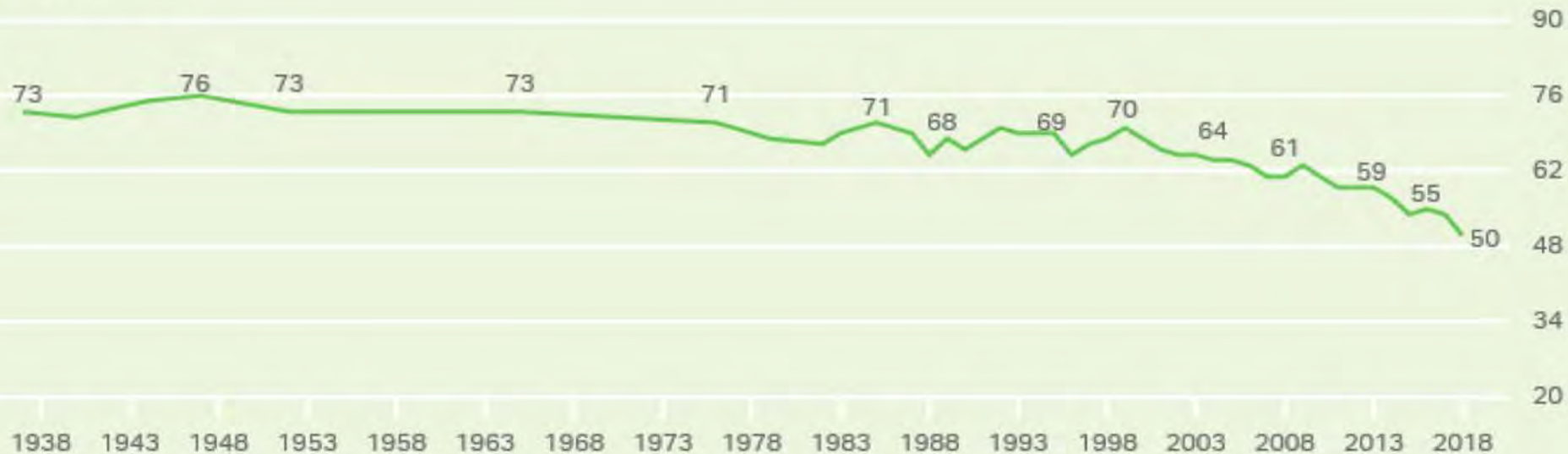
RELIGIOUS TRENDS IN THE U.S.

“Decline in Church Membership”

Church Membership Among U.S. Adults Has Declined, Especially in the Past 20 Years

Do you happen to be a member of a church, synagogue or mosque?

■ % Yes, member



Based on annual aggregated data, usually based on two surveys

GALLUP

CHARITABLE GIVING TRENDS

“Decline in Number of Giving Households”

How many Americans make charitable donations

The share of Americans who give money to charity fell from about 68.5 percent in 2002 to 55.5 percent in 2014, the most recent year for which data is available.

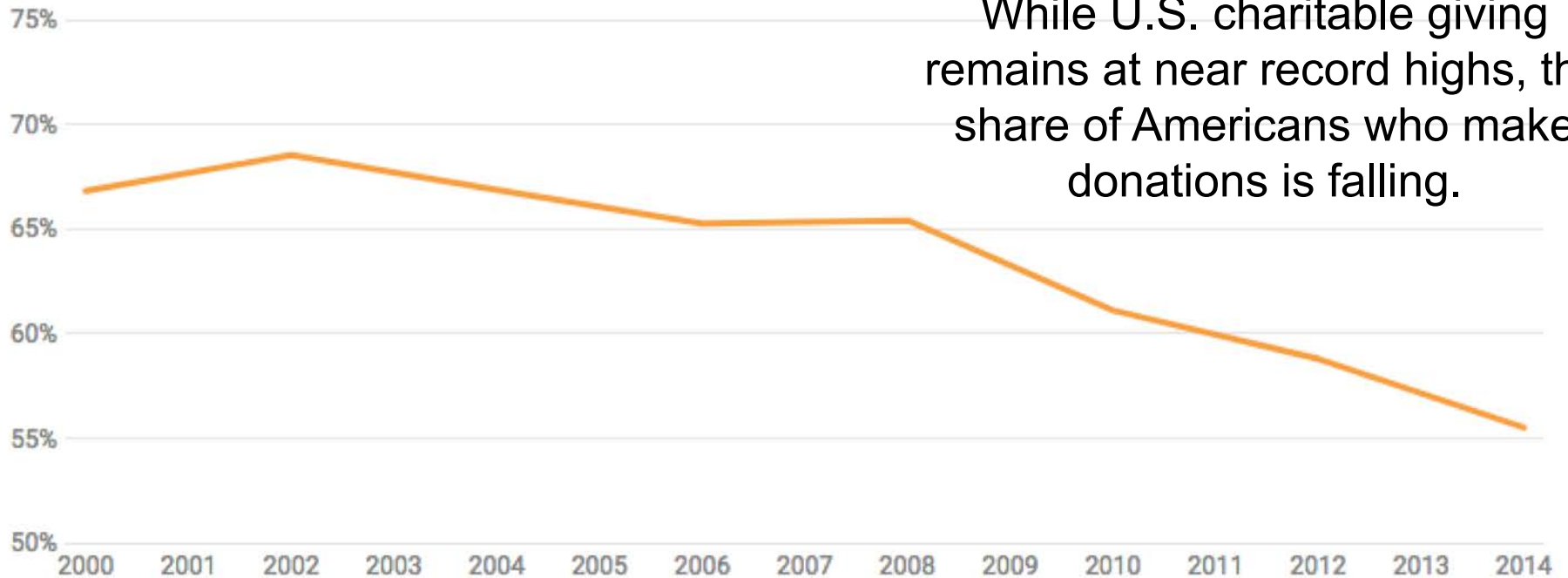


Chart: The Conversation, CC-BY-ND • Source: [University of Michigan/IUPUI Lilly School of Philanthropy Panel Study](#) • [Get the data](#)

STUDYING CONGREGATIONAL FINANCES



350,000 congregations in the U.S.

29% of all charitable giving goes to congregations

\$125 billion is donated to congregations each year

STUDYING CONGREGATIONAL FINANCES

- Don't have to register with the IRS
- Don't have to file annual tax returns
- Don't have to disclose sources of contributions
- Don't have to disclose expenditures

Little is known about the finances and economic practices of congregations



The Need for a New National Study

NSCEP 
NATIONAL STUDY OF
CONGREGATIONS' ECONOMIC PRACTICES

STUDYING CONGREGATIONAL FINANCES

- No in-depth representative survey in the last 30 years
- Existing studies may not either encompass broad cross-section of congregations or do not ask in-depth financial questions

SURVEYING CONGREGATIONS IN THE U.S.

Description of Sample:

- 1,233 congregations
- Response Rate: 40%
- All 50 States
- Membership: 10 to 12,000
- Staff 0 to 65 full-time ministry staff
- Founding dates 1681 to 2017
- 108 Denominational groups

ANALYTICAL FOCUS

RECEIVE: Who gives to congregations, when, and how?

MANAGE: How do congregations teach about money and finances, and how do they steward the gifts they receive?

SPEND: How do congregations spend their financial resources to serve their members, community and beyond?

NSCEP

Current Steps

- Clean, analyze, and present the survey data
- Executive Report Sept. 2019

Interviews

- 100+ interviews with key informants

Site Visits

- 10-15 Congregations
- Ethnographic observations, interviews, focus groups

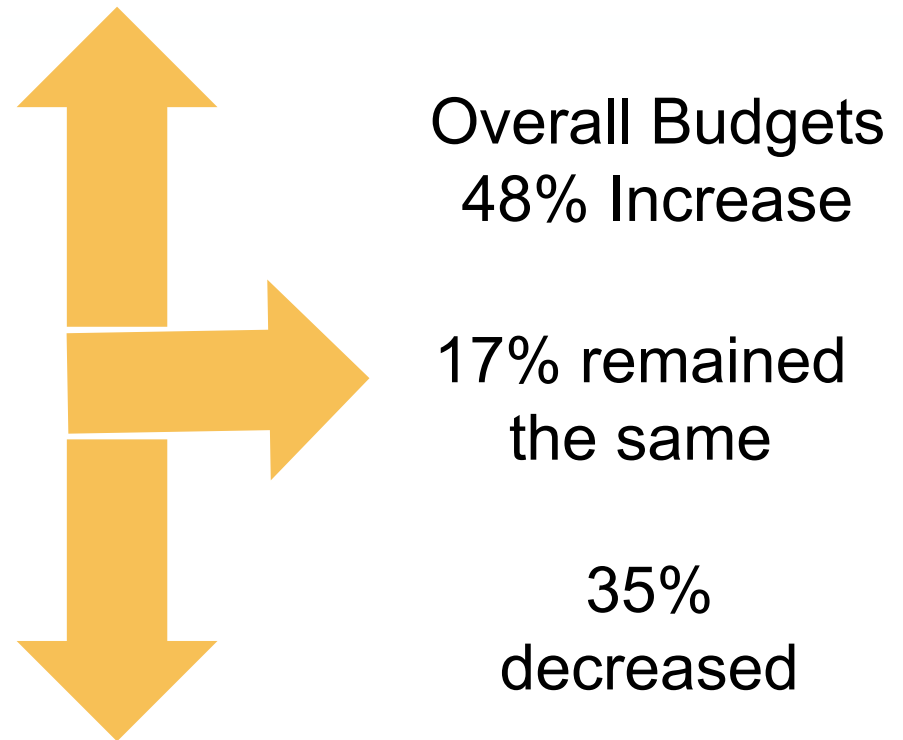
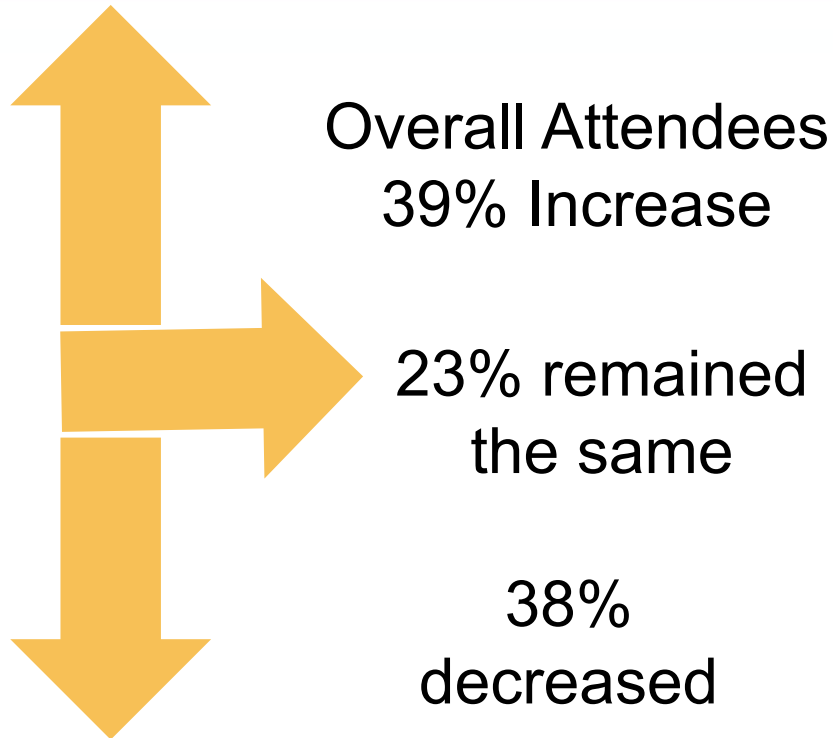


Changing Trends



NSCEP
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CHANGING TRENDS



FOCUSING ON THE MAKEUP OF RELIGIOUS GIVING



“Those who self-identify as religious give the majority of charitable donations in America.”
(Schnable, 2015)

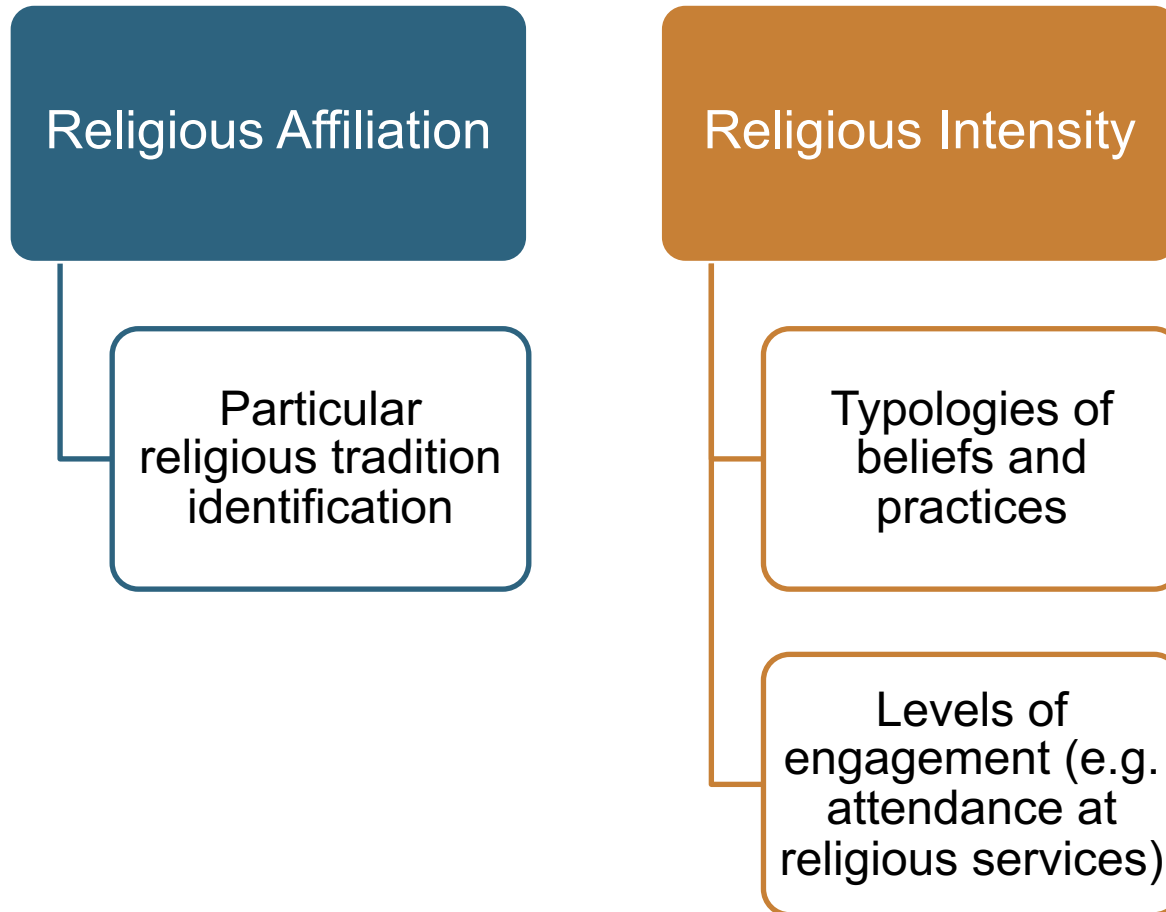
People of faith:

- Give more often
- Give larger amounts
- Volunteer more
- Give more to religious and secular causes

Socio-Demographic Factors

- **Older Age ↑ Giving**
Correlation Weakens at or after Age 65
- **Gender ??**
Debated by Scholars
- **Income & Wealth ↑ Giving**
Yet, as a share of income/wealth those with less give more
- **Education ↑ Giving**

How do we measure religiosity?



Affiliation

- Jewish Giving > Other Affiliations
 - But not as a share of income
 - Donations directed toward “non-religious” institutions
- Protestants Giving > Catholics
- Evangelical Giving > Mainline Protestants

Total Average Annual Giving

No Affiliation	Affiliation
\$695	\$1,590

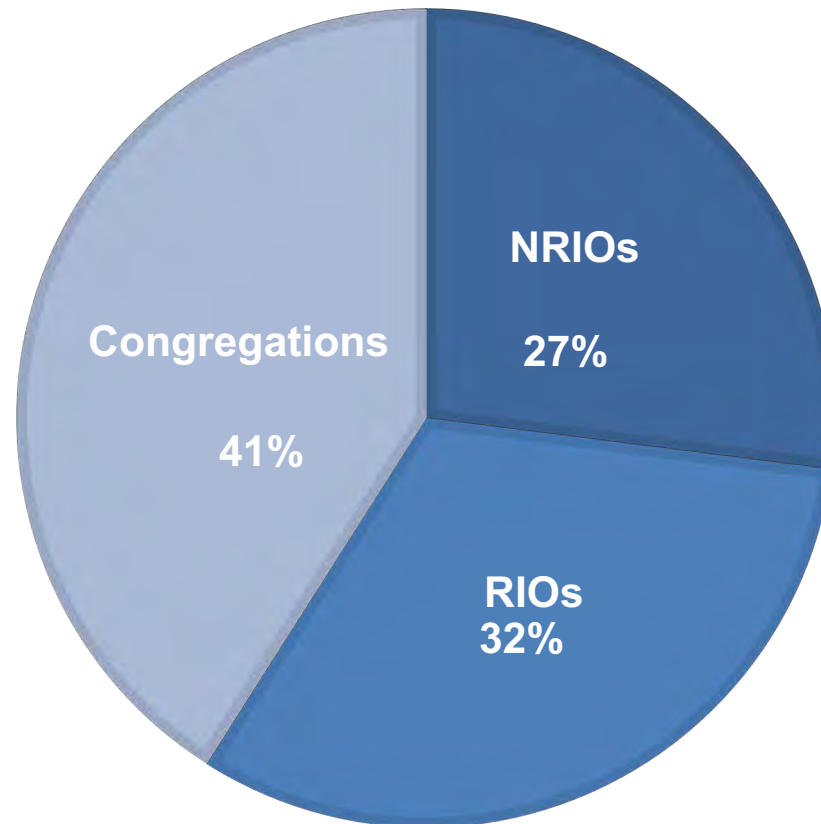
PHILANTHROPY PANEL STUDY

	Total Giving*	Giving to Religion*
Mean: All Recession years	-3.0%	-0.7%
Median: All Recession years	-1.7%	-0.9%

	Total Giving*	Giving to Religion*
Mean Great Recession years	-7.6%	-0.8%
Median: Great Recession years	-7.6%	-0.8%

The majority (73%) of Americans' charitable giving goes to organizations with religious ties: congregations as well as religiously identified organizations pursuing a variety of charitable purposes.

DISTRIBUTION OF GIVING TO CONGREGATIONS, RIOS, AND NRIOs



What is RELIGIOUS Giving?

Is it GIVING to
specific religious
organizations?

OR

GIVING
motivated by
religious values?

55% of Americans say their
Giving is Motivated by
RELIGIOUS COMMITMENT!

- 1) Do you see these trends in your organization or your community?**
- 2) How might the shifts in the religious landscape affect your work?**



ENGAGING THE WORLD OF THE PROSPECTIVE DONOR



2007:

1. Give back to the community
2. Continue to support the same causes
3. Feel financially secure enough to give

2014/2016:

1. To make a difference with my gift
2. Personal satisfaction
3. Believe in the organization's mission
4. Continue to support the same causes
5. To give back to the community

Most Donors Have No Giving Strategy

- They simply muddle through!
- They follow their own rules of thumb!
- Their cultural values pre-designate their giving.

2016 High Net Worth Motivations:

- (75.8%) personal values
- (64.2%) Interest area
- (55.1%) Firsthand Experience with the organization

2016 High Net Worth Challenges:

- 67.3% - Identifying what I care about and deciding what to donate to
- 71.5% - Do not involve family in giving

Who are High Net Worth Donors Conversation Partners?

- Nonprofit Personnel **49.2%**
- Financial or Wealth Advisor **45.5%**
- Accountant **44.5%**
- Attorney **28.8%**

- 1. Demand for transparency & accountability**
- 2. Demand for data:** “Is the cause legitimate?”
- 3. Desire to make a difference:** “The joy of giving?”

- 1) What are the longings and desires in the hearts of your donors?**
- 2) What is the passion and/or pain that defines their philanthropy?**



Supply Side:

The Inclination Model

- Focus is on the individual and his/her passions
- Potential donor is guided through a process of discernment
- Goal: to inspire the donor's imagination
- Result: establishment of a relationship

Demand Side:

The Scolding Model

- Focus is on the case or need
- Presentation is intended to awaken a sense of obligation or duty
- Goal: guilt, via psychological or spiritual inducements, awakens donor
- Result: contribution is secured

THE TABOO OF MONEY TALK

“Taboo... is associated with something so sacred that to touch it or even talk about it is to expose oneself to considerable danger...”

Robert Wuthnow

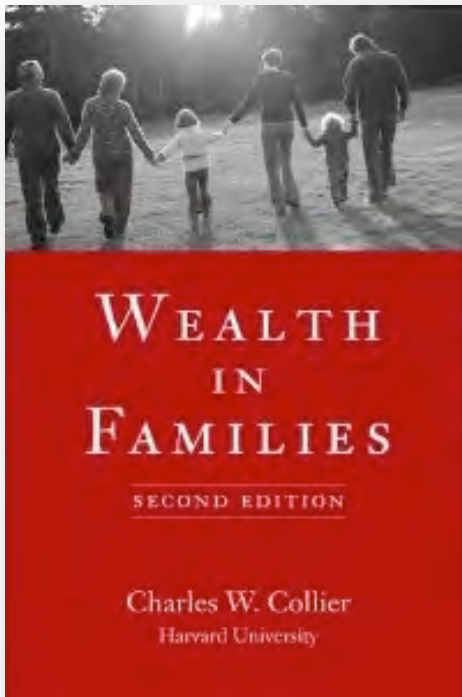


- **Engage donors in moral inquiry.**
- **Ask Questions:** What do you want to pass on to or preserve for the next generation? How do you want to be remembered?
- **Inquire as to the donor's aspirations,** their hopes for the future.
- **Invite them to imagine:** to imagine the difference they might make were they to fund their dreams.

“The wealthy are, in many cases, searching for a dimension beyond wealth. They are asking themselves penetrating questions about the purpose of wealth. How much is enough? Can I use my wealth to make a difference in society?”



Charles W. Collier



Charles W. Collier

1. What's important to you?
2. What do you and your family value?
3. How do you want to be remembered?

Your philanthropic story



1. What is your earliest family memory of giving and volunteering?
2. What are some of the practices of giving that you remember from your childhood? Did religion or a church or synagogue play a part in your family life?
3. Who have been some of your philanthropic heroes and role models in life?
4. To what people and places do you feel a sense of gratitude?
5. What are the one or two life experiences that have shaped who you are today?

Fundraising is . . .

...the gentle art of teaching
people the joy of giving.

- Hank Rosso

“To the transformational fundraiser, it is the donor’s story that guides the fundraiser’s understanding of – and relationship with – that person.”

Henry Freeman

A way of seeing the world



CONNECT!



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