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FIRST-EVER STUDY OF INDIVIDUAL GIVING IN ILLINOIS RELEASED

A new study shows that in 2005, 77 percent of Illinois households donated to charities, giving an estimated \$9.3 billion total. Approximately five hundred nonprofit leaders and fundraising professionals gathered in downtown Chicago last week for the release of *Individual Giving in Illinois: Implications for the Nonprofit Community*, the first-ever study of individual philanthropy in Illinois. This landmark study is a joint publication of the Donors Forum of Chicago and the Giving USA Foundation, with sponsorship from Campbell & Company.

Researchers at the Center on Philanthropy at Indiana University conducted the study using the same methodology as the Center's widely-referenced *Giving USA* publication. The Center's previous research shows that individual giving is the engine of the philanthropic sector, with over 80 percent of all national philanthropy coming from individual gifts and bequests. Comparing Illinois giving with national philanthropic patterns, this study will be valuable to all organizations hoping to raise money in the state and seeking to better understand donor motivations and demographics.

The study analyzed household giving alongside a variety of demographic factors including income, type and location of home community, marital status and religious affiliation. At the release event, Campbell & Company Chair and CEO Edith Falk mediated a lively panel discussion of the study's key findings.

UNDERSTANDING ILLINOIS

Total Illinois giving in 2005 is estimated at \$6.74 billion excluding disaster relief, which was unusually high in 2005, and giving from households earning over \$200,000, which are exceptionally difficult to sample in a study. With these factored in, total giving is estimated at \$9.3 billion. This figure represents 4.5 percent of total US giving for 2005, consistent with Illinois residents' share of the national income and population.

More, smaller gifts: Illinois households gave at a higher rate (77 percent) than households do nationally (67 percent), but the average total gift amount per donor household was lower in Illinois (\$1,425) than the national average (\$2,031). This finding suggests that many of the additional households giving in Illinois are of low income and thus low giving. At the release event, panelist Prudence R. Beidler, chairman of the Chicago Community Trust and a longtime board member for many Chicago organizations, suggested that "these findings show a greater awareness across the state of the urgent need for philanthropy, even among those with the least to give." Ms. Falk noted that by building relationships with their smaller donors, "organizations can build a pipeline for larger gifts later on, because people's capacities change, and they give to a large extent based on how involved they feel with the organization."

Focus on necessities: Compared with the nation as a whole, Illinois households give with greater frequency to helping people meet their basic needs (39 to 29 percent) and to health (36 to 21 percent), education (22 to 15 percent) and youth and family services (20 to 11 percent). Panelist Bob Howard, president and CEO of Boys & Girls Clubs of Chicago, noted, "These causes are

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visible and compelling to the great many donors who live or work in Chicago,” which may explain their increased support.

Modest geographic divide: Within Illinois, households from different community types gave in broadly similar ways, after accounting for differences in income and other factors. Notable differences emerged among households earning less than \$50,000, with Chicago suburban households giving the most frequently and rural residents the least.

DONOR MOTIVATIONS

Giving in Illinois was also the first Center on Philanthropy study to assess donor motivations, which provide valuable information to fundraisers. The study asked donors to rate various statements regarding why they give, what would motivate them to give more, and what has caused them to stop giving to particular organizations in the past.

Findings on donor motivations revealed common clusters of factors suggesting three broad donor types in the state:

Information seekers: Some respondents wanted more information on nonprofit organizations and advising on philanthropic decisions. Panelist Pamela Lucina, regional wealth advisor for JPMorgan, noted that in her work with high-net-worth clients, she finds many “information seekers” who respond very well to succinct, compelling philanthropic appeals.

Impact seekers: Other study participants wanted greater assurance that their gifts would have maximum impact and would give more if organizations spent less on administrative costs.

Financially constrained: A third category of respondents felt constrained by existing commitments and debt, and would give more if they felt more secure.

These are only a few highlights from the full report, which is available for purchase on the Donors Forum website (www.donorsforum.org). Together, the findings of *Giving in Illinois* provide valuable insight to nonprofit organizations and professional fundraisers in the state and across the country.