

# The State of Giving in 2021

## Insights and Opportunities for this Giving Season

October 19, 2021



Steve Latham  
Founder & Chairman



Woodrow Rosenbaum  
Chief Data Officer

# Welcome!



# The State of Giving



Woodrow Rosenbaum  
Chief Data Officer

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# LOOKING BACK AT 2020:

Lessons learned and  
looking forward in  
2021

DonateStock – October 2021

**GIVING**  
TUESDAY





GIVINGTUESDAY  
IS A GLOBAL  
GENEROSITY  
MOVEMENT,



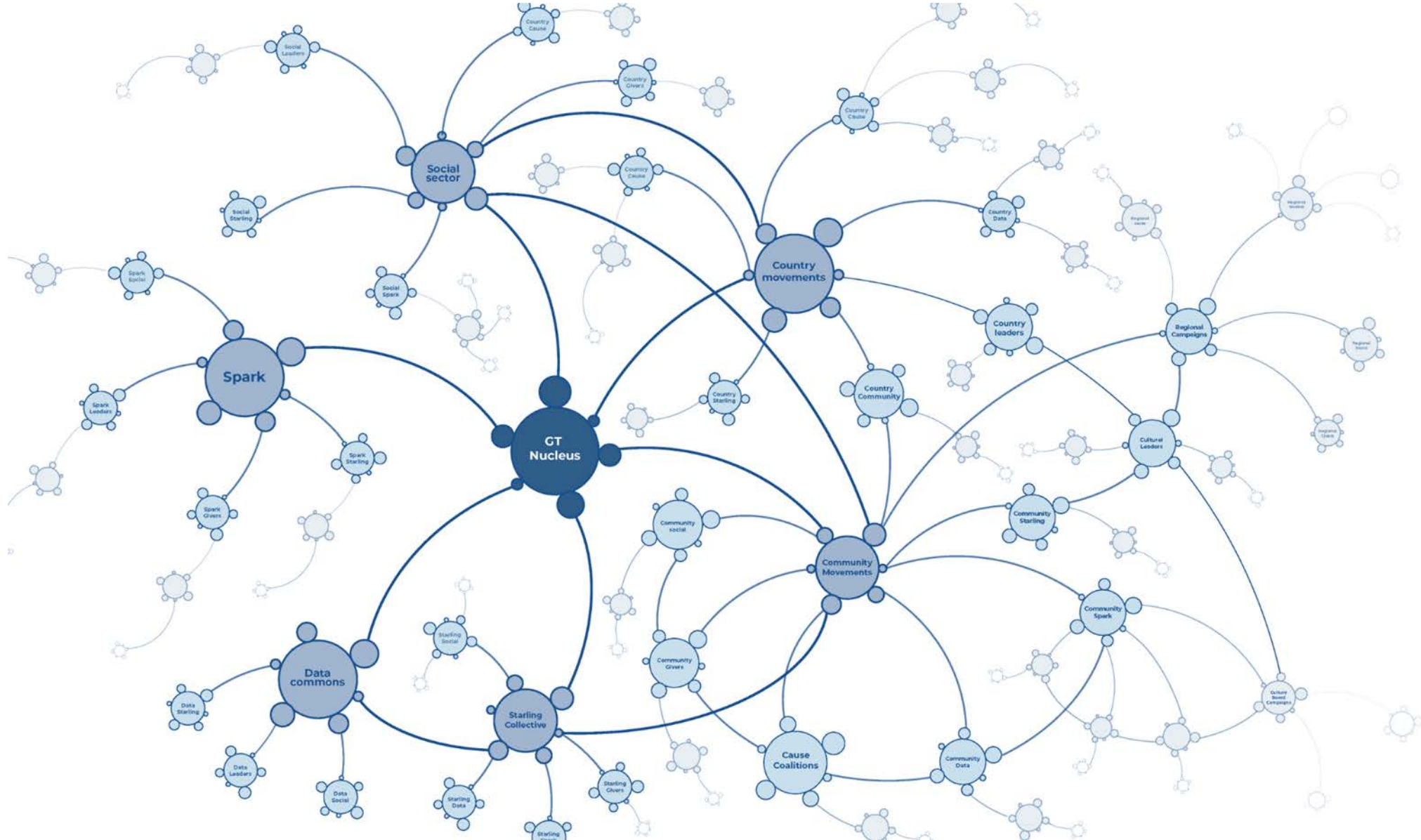
TO TRANSFORM  
THEIR  
COMMUNITIES  
AND THEIR  
WORLD.



UNLEASHING  
THE POWER  
OF PEOPLE AND  
ORGANIZATIONS,



# Our Distributed Network



# Giving In 2020:

What We've Learned About Giving In Times of Crisis



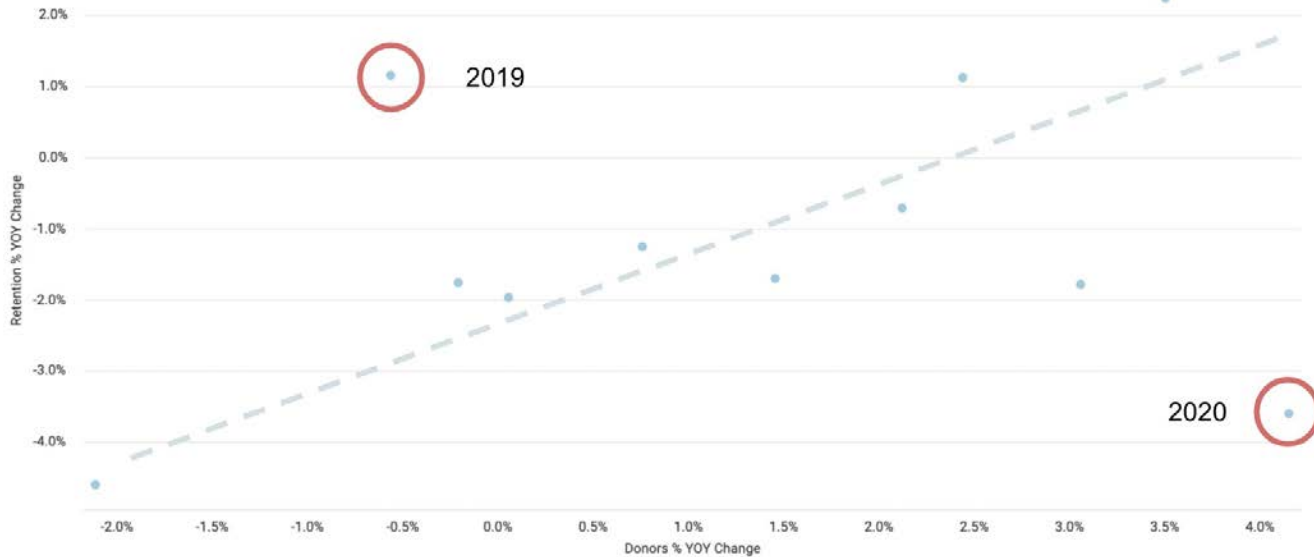
# DONOR MOBILITY WAS UNPRECEDENTED

- Acquisition was up
- Retention was down
- Recapture was up
- Multi-year trends reversed





# 2020 was notable for donor mobility



Donors shifted donations to causes. For the first time, total # of donors grew, but donor retention to an organization dropped.

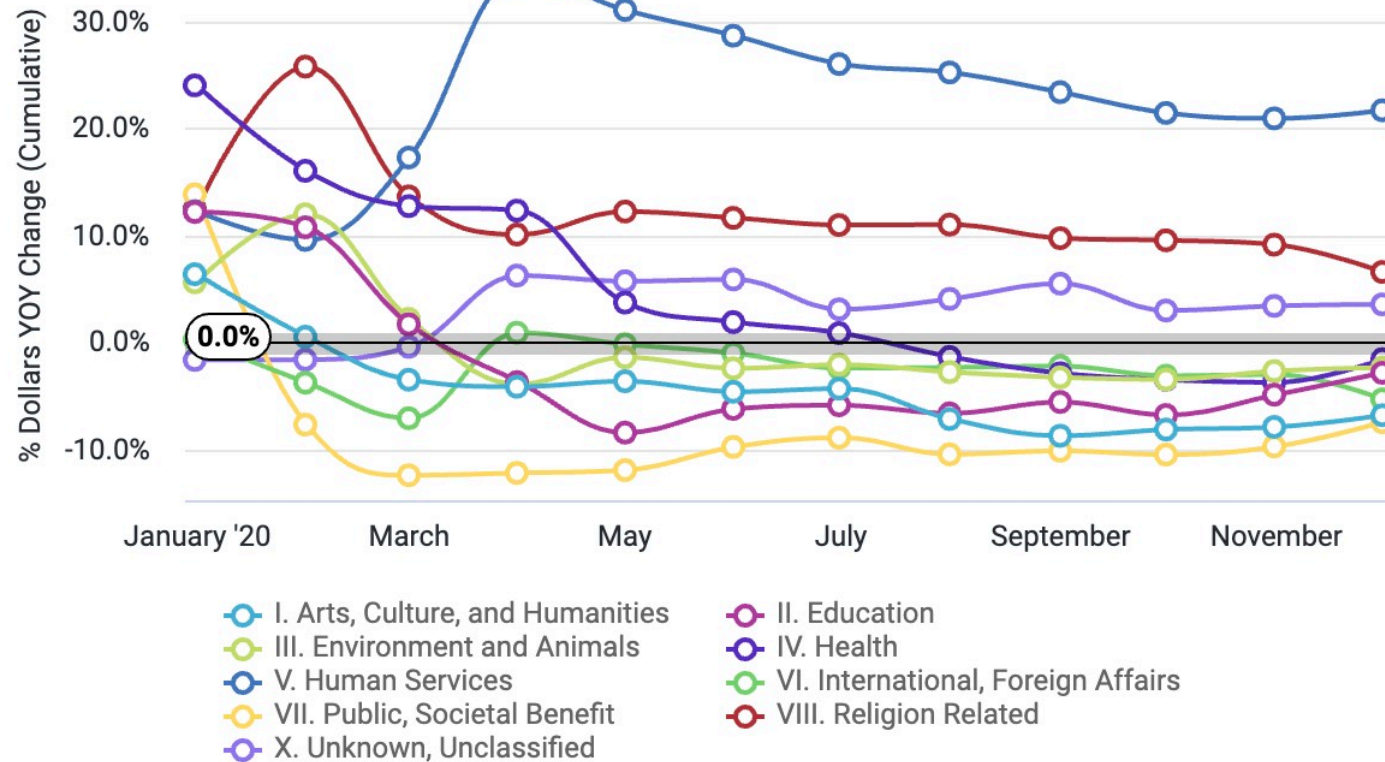
# MARKET VOLATILITY

- Overall sector results differed from that of typical organizations
- Ability to pivot
- Disruption of some business models, but not others



# Not all causes showed growth

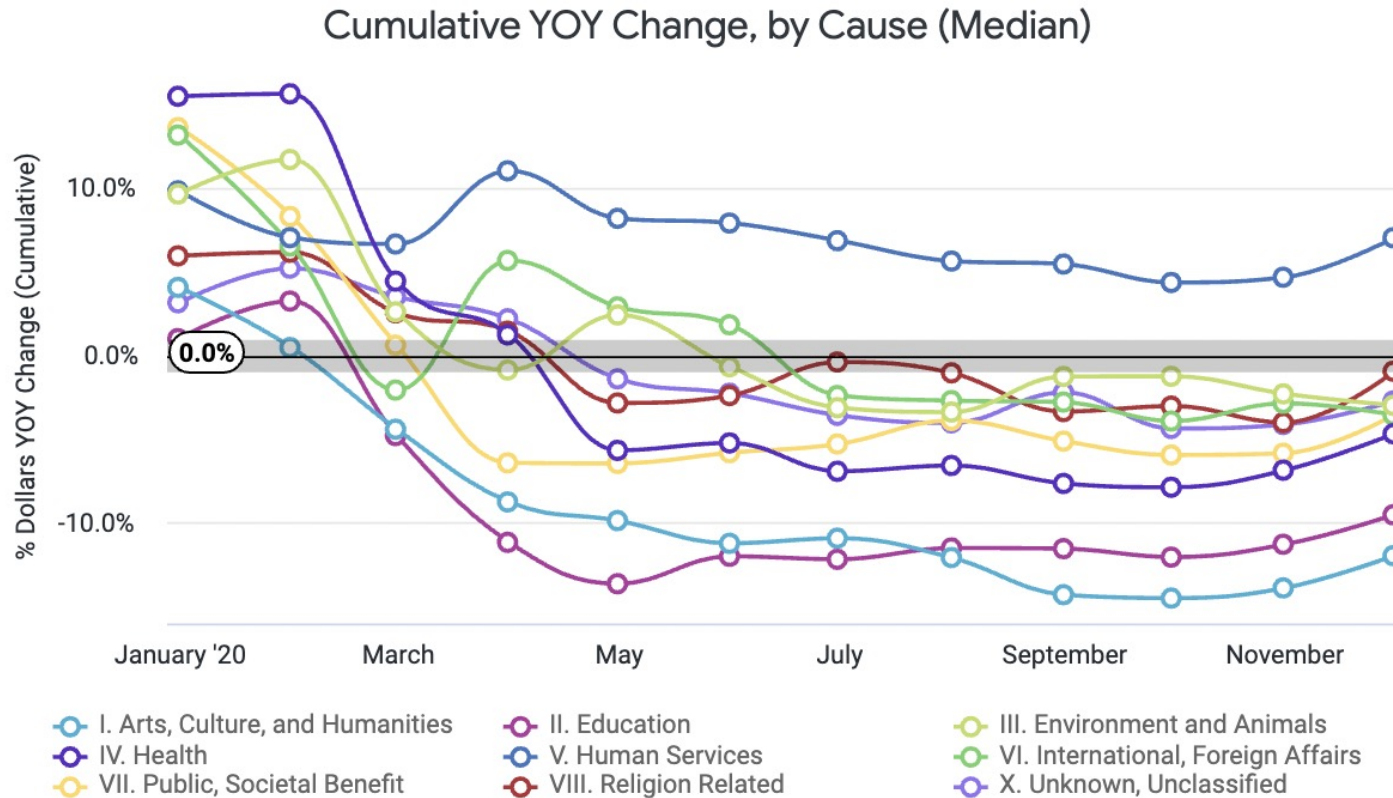
Cumulative YOY Change, by Cause (Mean)



Human Services “won”, while other causes lost.



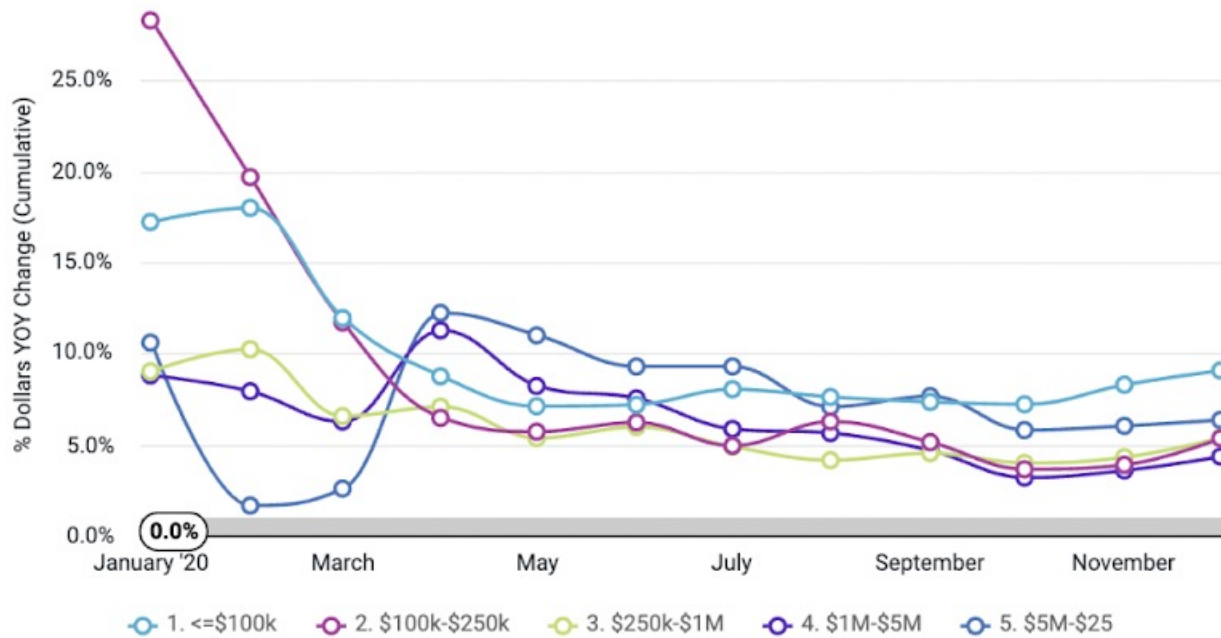
# Substantial volatility within the trends



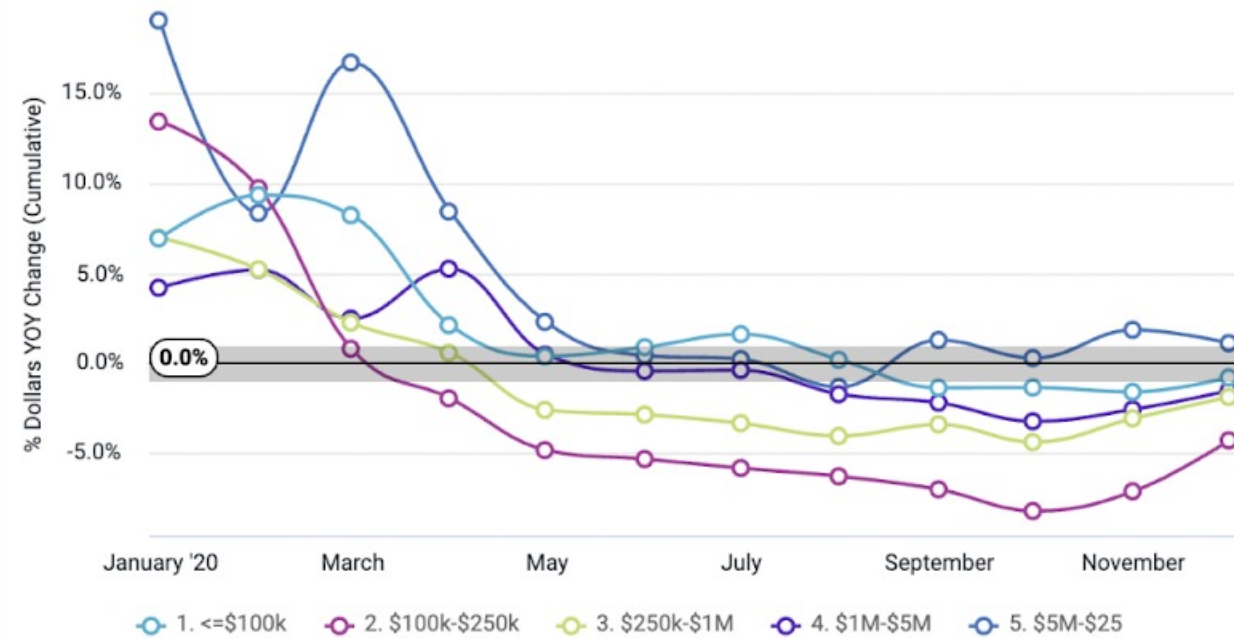
The typical (median) experience was different.

# Similar disparities by organization size

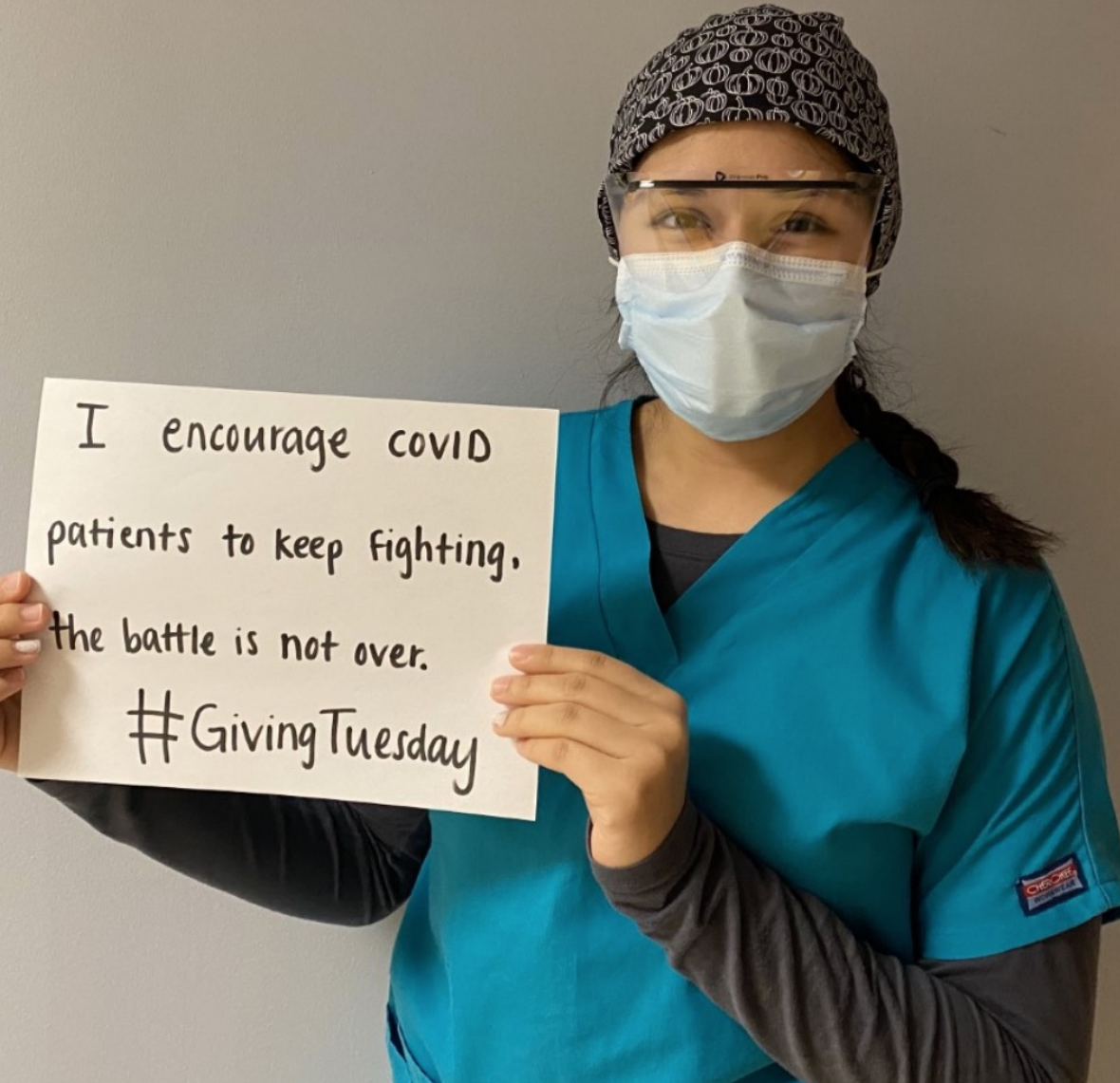
Cumulative YOY Change, by Organization Size (Mean)



Cumulative YOY Change, by Organization Size (Median)



# WINNERS & LOSERS IN LINE WITH SOCIETAL CHALLENGES



- Total giving was up
- Health & Human services showed most growth
- Arts & Culture showed clear decline



# Key factors for resiliency

- Capacity to pivot
- Diverse funding sources, including small donors
- Willingness to be active

How can we best support and strengthen the sector to withstand current and future crises?



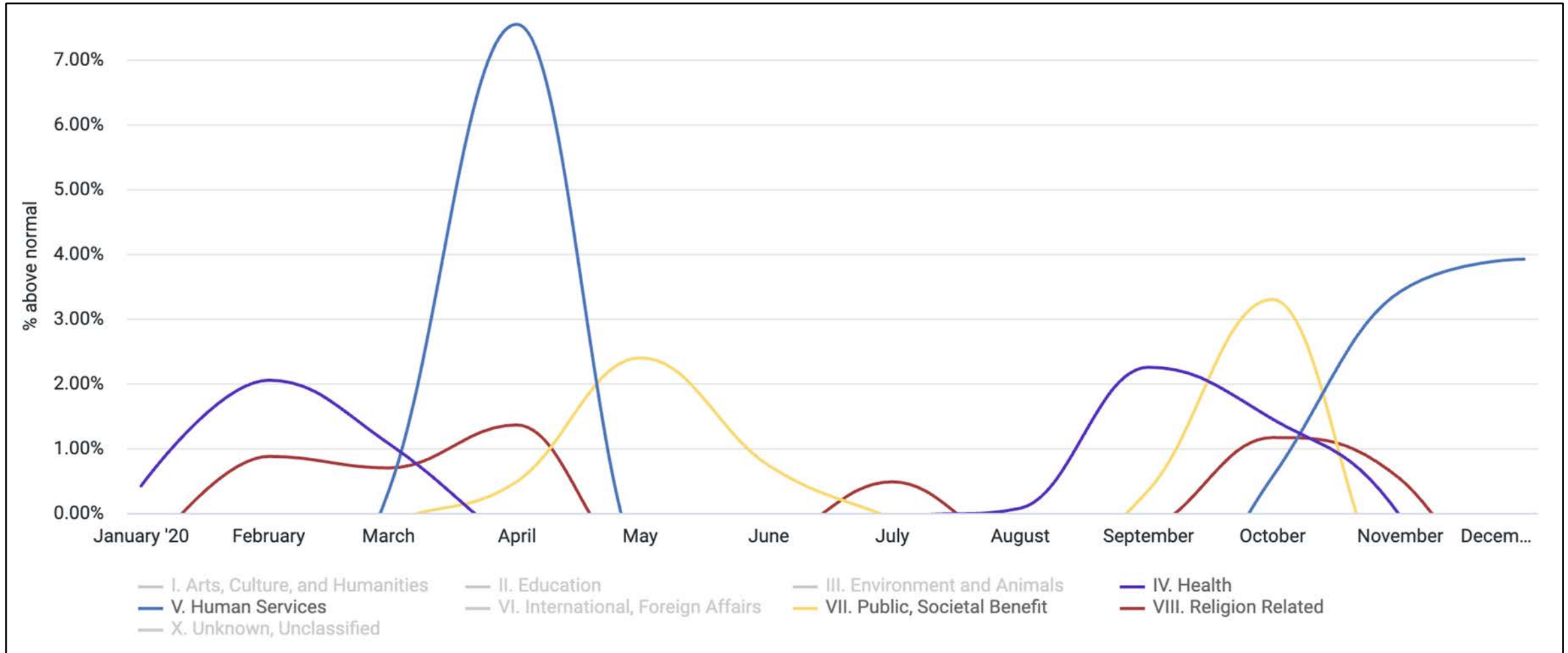




# GIVING MOMENTS DRIVE PARTICIPATION

- Motivated givers want to respond to need
- Giving moments drive acquisition

# Giving moments followed cause-specific timing





# Giving moments are clear across causes.



What does this mean for  
2021?



# ENGAGING DONORS IN 2021

- Create and share giving moments
- Don't retreat from engaging givers, especially in tough times
- Increase focus on recaptured and mid-size donors



# Quarterly Fundraising Report™

Year-to-Date Nonprofit Sector Trends

JAN 1, 2021 - MAR 31, 2021



DONORS

10%

(+/- 2%)

YOY change



DOLLARS

6%

(+/- 2%)

YOY change



RETENTION

1.0%

(+/- 0.5%)

YOY change

## Key Insights

- 2020 donor growth continues, with the highest Q1 donor growth ever seen in our data.
- Retained donors fueled this growth, including a 13.6% increase in new donor retention.
- We estimate YOY dollar growth to be 6%, when all Q1 data are in\*
- Our new data splits are key to interpreting this report – read more in our blog!



# Retention Rate: Donor Type

Year-to-Date Nonprofit Sector Trends

JAN 1, 2021 - MAR 31, 2021



## NEW DONOR RETENTION RATE

13.6%

YOY Change

8.1%

retained YTD



## REPEAT DONOR RETENTION RATE

2.5%

YOY Change

24.2%

retained YTD



## RECAPTURE RATE

-12.3%

YOY Change

1.2%

retained YTD

## Key Insights

- In 2020, 'new' donors spiked due to new and shifted giving to COVID-related causes.
- In Q1 2021, we saw a spike in retention of these 2020 new donors (+13.6%).
- This was a surprise for this traditionally challenging segment.
- The drop in recaptured donor rate is expected after historic recapture last year.

**NEW DONORS** - never gave to this organization before (in this dataset).

**REPEAT DONORS** - donors who gave last year to the organization, and were not new last year.

**RECAPTURED DONORS** - donors who did not give last year to the organization, but had given in the past

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# THANK YOU

For more information, please contact:

[info@givingtuesday.org](mailto:info@givingtuesday.org)





# Unlocking Stock Gifting in 2021



Steve Latham  
Founder & Chairman

# About Us

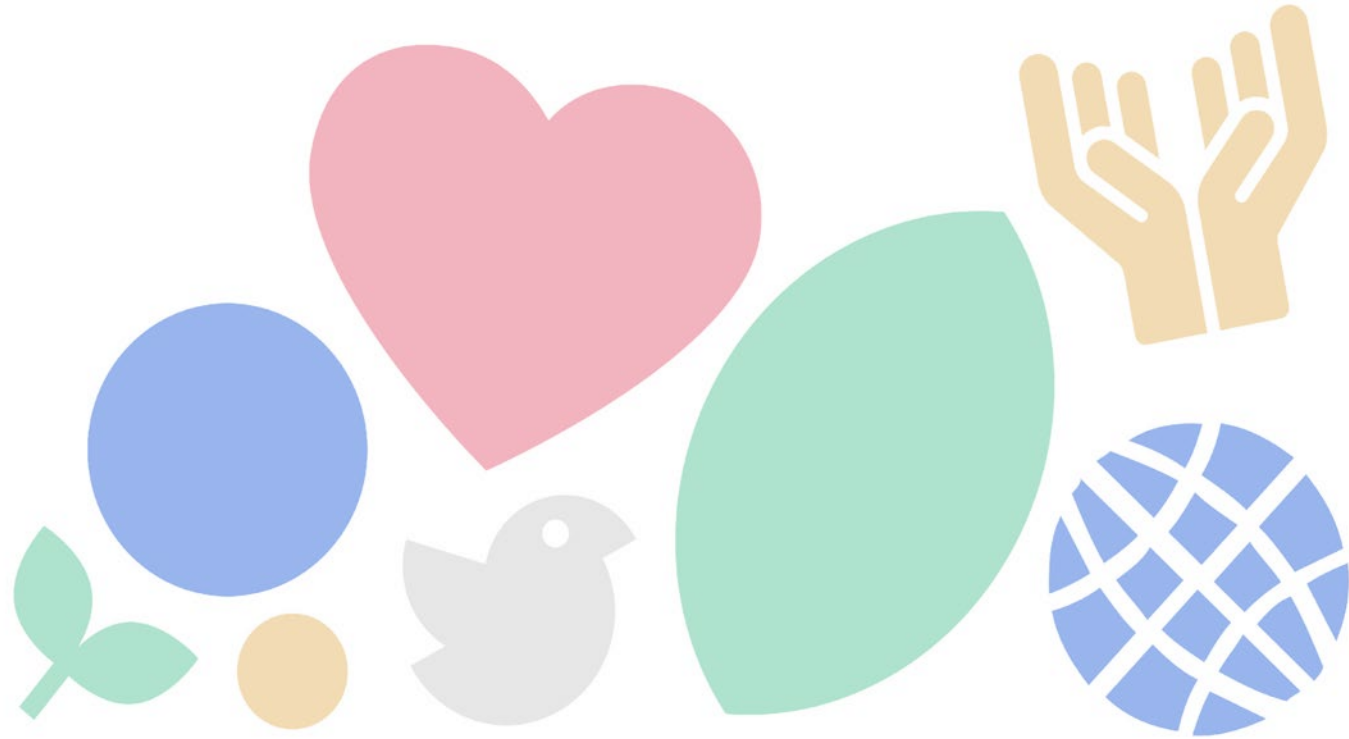
We seek to **transform charitable giving** by making stock gifting accessible and easy for all donors and nonprofits.

By doing so, we'll **unlock billions** in funding, **helping thousands** of organizations **impact millions** of lives.



# What we'll cover today

- Challenges facing Nonprofits
- Opportunities to safeguard and accelerate fundraising
- Best practices
- How to get started





# The Problem: Fundraising has been disrupted



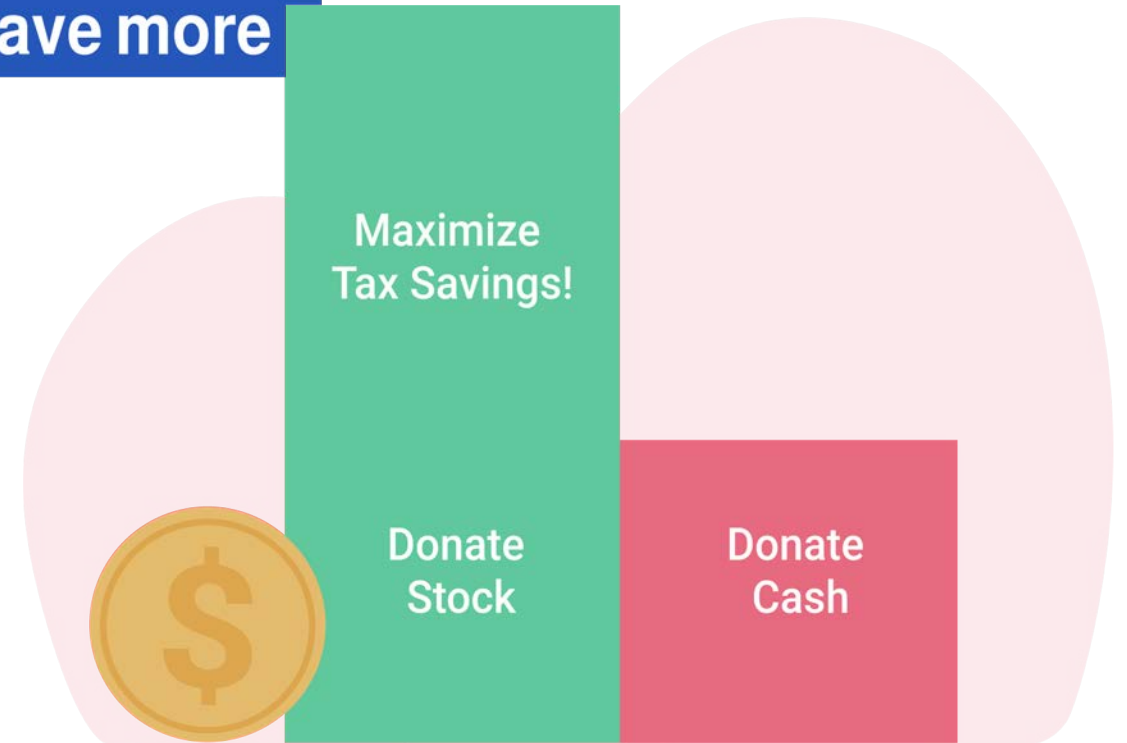
- Ave. cash gifts decreased 15% during the Pandemic
  - Fundraisers may not return to prior levels
- \*per Giving Tuesday 2020 study, cash gifts were down 15% on average

**Nonprofits need new ways to grow Individual Giving**

# The Solution: Stock gifts offer huge advantages

- Donors avoid capital gains tax and deduct 100% of the value
- NPOs receive pre-tax gifts

Give smart,  
save more



# The Challenge: Stock gifting is rarely utilized



## Very small % of investors donate stock\*

- Few nonprofits have brokerage accounts
- Fewer nonprofits solicit stock donations
- Very few donors understand the tax advantages
- Donation process is complicated and time-consuming

\*Estimating that 1.2 million people donate stock. 80% comes through Donor Advised Funds.



# The Prize: \$100 billion in untapped funding

60+ million investors

x

Ave. Donation: \$1,600

=

\$100 Billion

Pre-tax stock gifts represent:

- **Larger gifts** (vs. cash) for nonprofits
- Unparalleled **tax advantages** for donors
- **Huge potential** to grow the individual giving market

**With markets near all-time highs, now is the time to unlock stock gifting**

# Stock gifting is poised to growth rapidly!

- Healthy stock market
- Charitable giving by Boomers
- Higher tax rates on capital gains
- Influx of young socially responsible investors



# Keys to unlocking the stock gifting market

1. Simplify the process for Donors
2. Enable every Nonprofit to receive stock
3. Streamline the process for Nonprofits
4. Educate Donors





# Step 1: Make it easy for Donors

Make it easy, fast and safe



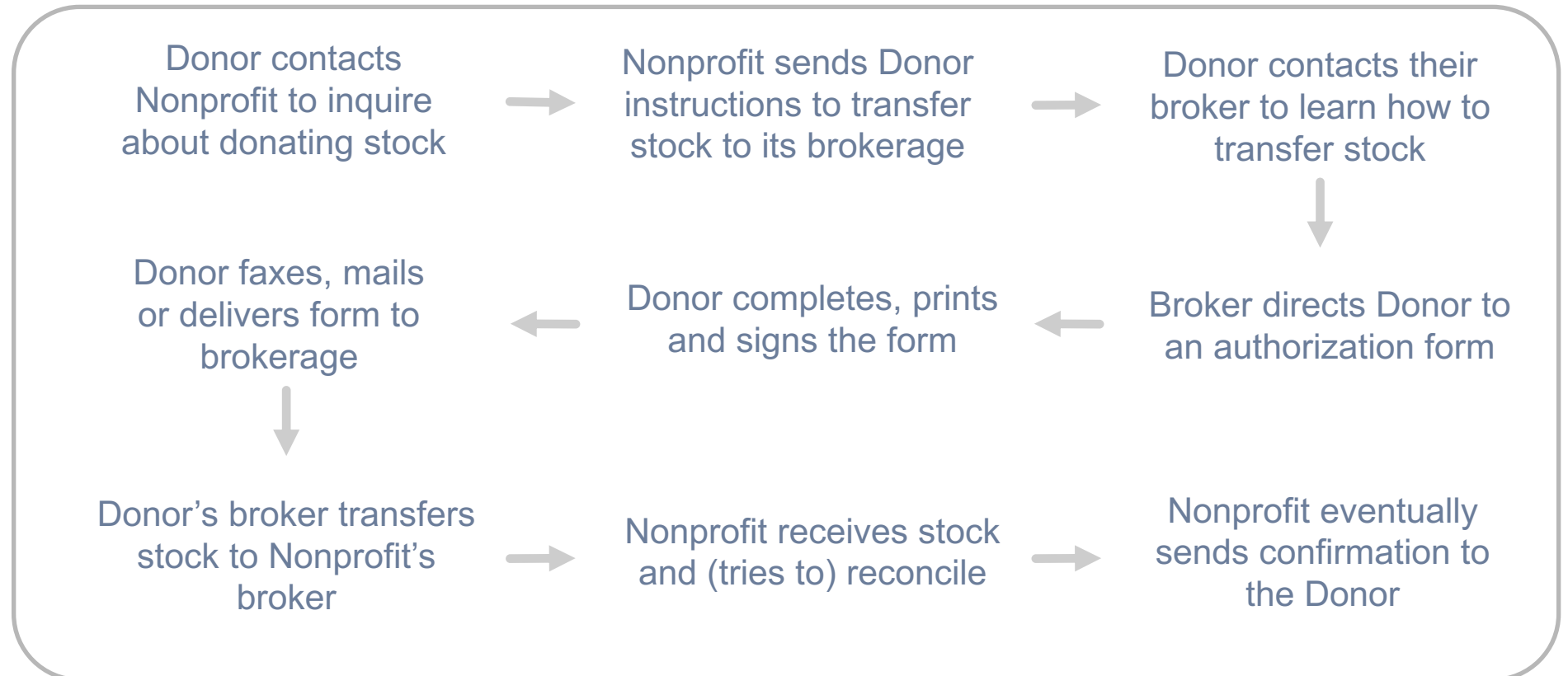
# The Old and painful way of donating stock

Complicated

Time-consuming

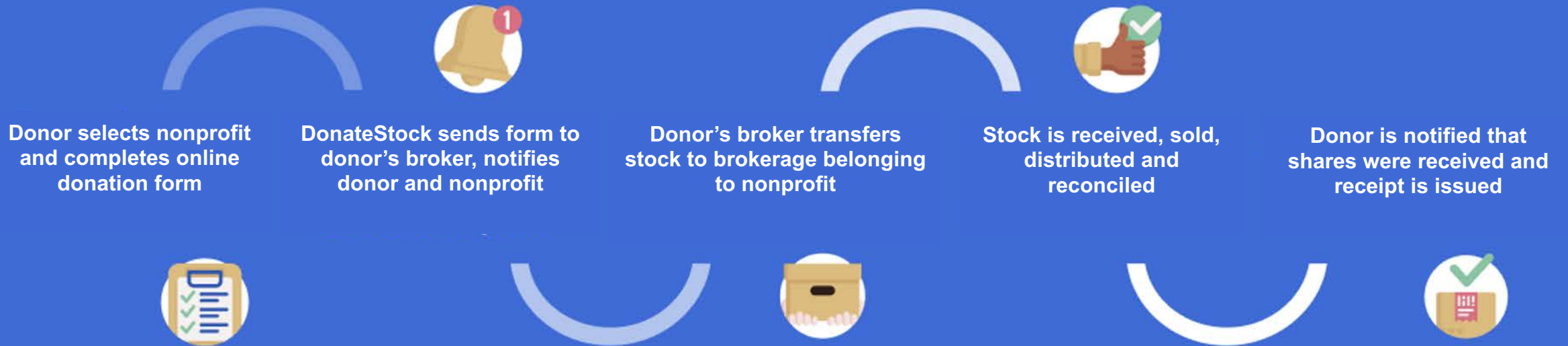
Opaque

Prohibitive



\*for the 99% of investors who do not have Donor Advised Funds

# Donors can now give stock in minutes





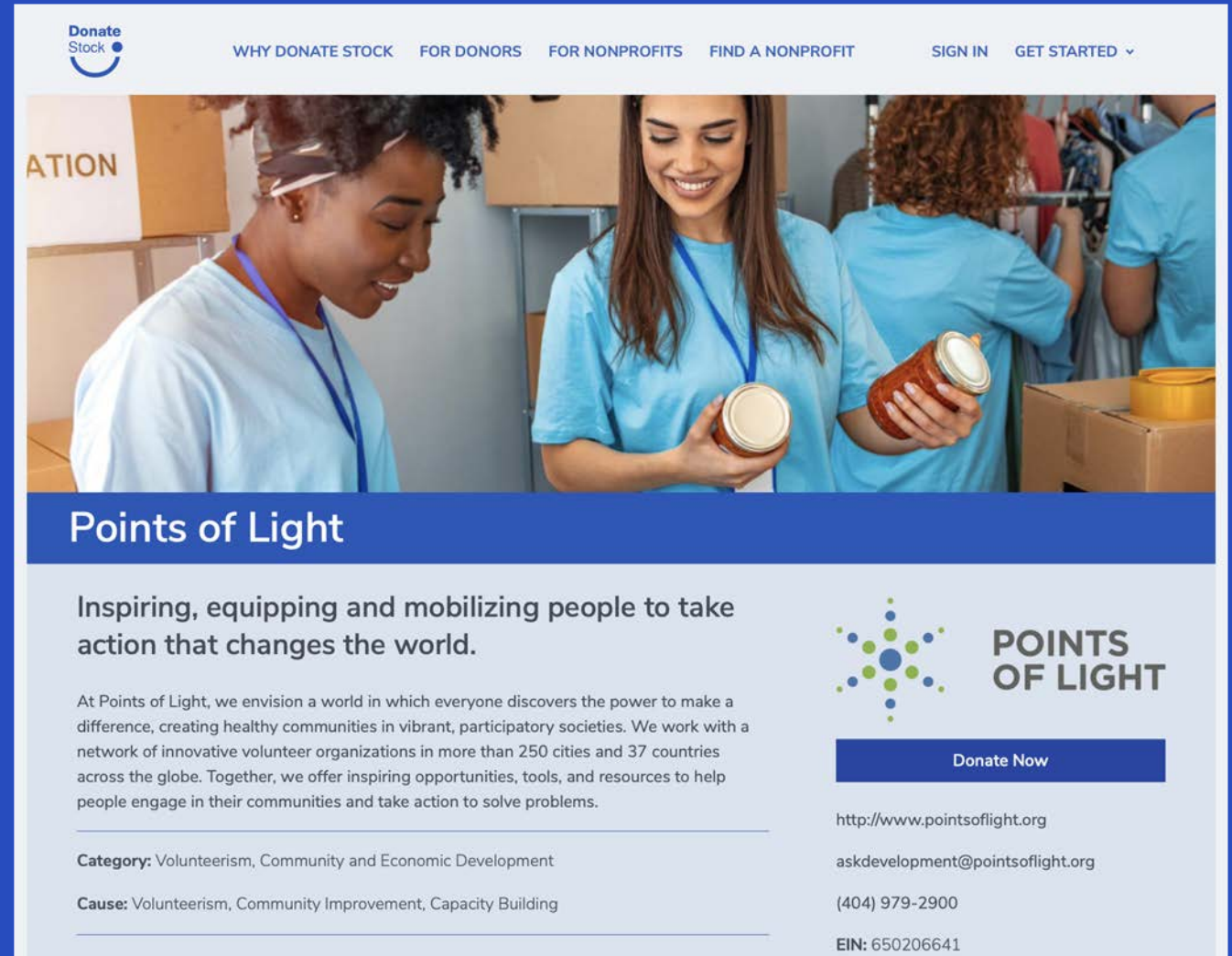
# Example: Points of Light Page

Branded donation page

Content provided by Charity Navigator via 990 forms

Clear call to action (Donate Now)

<https://donatestock.com/pol>



The screenshot shows the 'Points of Light' donation page on the 'Donate Stock' website. The page features a header with the 'Donate Stock' logo and navigation links: 'WHY DONATE STOCK', 'FOR DONORS', 'FOR NONPROFITS', 'FIND A NONPROFIT', 'SIGN IN', and 'GET STARTED'. Below the header is a large image of three women in light blue shirts, smiling and holding jars of jam. The main heading is 'Points of Light', followed by the tagline 'Inspiring, equipping and mobilizing people to take action that changes the world.' A paragraph of text describes the organization's mission. To the right is the 'POINTS OF LIGHT' logo and a 'Donate Now' button. Below the button are contact details: 'http://www.pointsoflight.org', 'askdevelopment@pointsoflight.org', '(404) 979-2900', and 'EIN: 650206641'. At the bottom, there are two lines of text: 'Category: Volunteerism, Community and Economic Development' and 'Cause: Volunteerism, Community Improvement, Capacity Building'.

# Donation Process: overview and broker selection

## Make a donation to Points of Light

- 1 Donation process overview
- 2 Brokerage information
- 3 Donation details
- 4 Review & Confirm donation

**Donate stock in minutes by following the steps below!**  
There is no cost to donate stock.

**Step 1:** Open a new browser window, log into your brokerage account, and view the *Cost Basis* of the securities you plan to donate.

**Step 2:** Input your brokerage information in our secure form

**Step 3:** Provide details for the shares you wish to donate

**Step 4:** Review, sign and submit your donation

**Once submitted, we'll:**

- Send the transfer request to your brokerage for processing
- Send you a confirmation email
- Notify the receiving nonprofit that the transaction is underway

Your broker will transfer the securities to the receiving nonprofit's brokerage account (it may take several business days).

When the nonprofit confirms the shares have been received, we will notify you via email.

Skip this overview for future donations.

[Got it, continue](#)

## Make a donation to Points of Light

- 1 Donation process overview
- 2 Brokerage information
- 3 Donation details
- 4 Review & Confirm donation

### Your Brokerage Info

Choose Brokerage Account

Add a new brokerage account...

Brokerage

- select a brokerage -

Brokerage Name

Point of Contact at brokerage (optional)  
Contact Name

Brokerage Website

Contact Phone

Contact Email

Account Number

Your Address (on file with brokerage)  
Street

Name(s) / Account Title(s)

City

State

Zip

[Add another account name](#)

Your phone (on file)

Your email (on file)

save this brokerage account info for future donations

[← Previous](#) [Next →](#)

<https://donatestock.com/group/62/donate/instructions>

# Donation Process: select securities and execute

## Make a donation to Points of Light

1  
Donation process overview

2  
Brokerage information

3  
Donation details

4  
Review & Confirm donation

### Securities to be donated

Name of Stock	Ticker / Symbol	# of shares to donate	Price paid per share*	Purchase Date	Current price per share	Approximate Donation Value**
amazon	amzn	1	\$ 500	2018-09-01	\$ 3176.01	\$ 3176.01

[Add another row](#)

\* The amount you paid per share or the Cost Basis. Pro tip: view Cost Basis for securities in your brokerage account and select the Lot with the lowest cost for the maximum tax benefit.

\*\*The actual value of the donation will be determined when the shares are received by the nonprofit organization.

← Previous
Next →

## Make a donation to Points of Light

1  
Donation process overview

2  
Brokerage information

3  
Donation details

4  
Review & Confirm donation

### Brokerage Information

#### Your Brokerage Info

Brokerage: Charles Schwab | 6415

Account Number: 17096415

#### Nonprofit Brokerage Info

Receiving Brokerage: Synovus Trust Co

Receiving Brokerage DTC Number: 5409

Receiving Account Name: 69G080042 POINTS OF LIGHT FDN - GIFT CLEARING

Receiving Account Number: 74-2037-01-3

### Securities to be donated

Name of Stock	Ticker / Symbol	# of Shares to Donate	Price Paid per Share	Purchase Date	Current Price per Share	Approximate Donation Value
amazon	amzn	1	\$500	2018-09-01	\$3176.01	\$3176.01

### Signature \*

Please use mouse or trackpad to sign your name in the box above.

I have reviewed the details above and agree to the terms & conditions

Total Donation Amount\*

\$3,176.00

\*The actual value of the donation will be determined when the shares are received by the nonprofit organization.

← Previous
Confirm

## Step 2: Enable every Nonprofit to solicit stock

Only a small % of all nonprofits have a brokerage account(!)

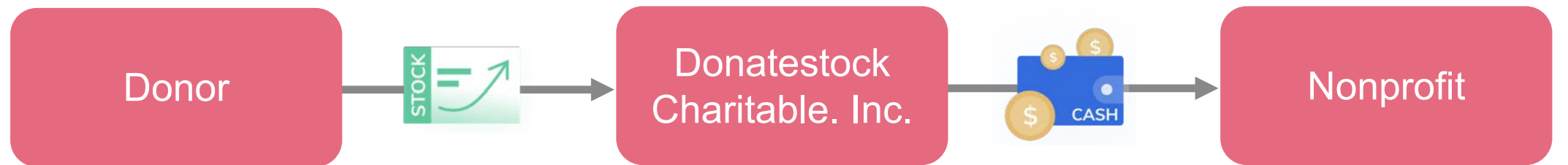




# Converting stock gifts to cash

No brokerage? No problem!

- We can convert stock to cash and send proceeds via Donatestock Charitable, Inc.
- 501(c)(3) serves as a clearinghouse to liquidate stock and disburse payments
- Saves the hassle and cost of reconciling stock gifts



1. Donor makes stock gift
2. Stock is transferred to our 501c3's brokerage

1. Shares are sold & reconciled
2. Fee is deducted and net proceeds are sent to NPO
3. We contact NPO to inform them and invite them to register

1. NPO receives payment along with info on donor and donation
2. Receipt is sent to donor

# Step 3: Streamline Process for Nonprofits

Notifications  
Reporting  
Reconciliations



# Tracking Made Easy via Nonprofit Dashboard

See status of donations and payments

The screenshot shows the 'Donate Stock' nonprofit dashboard. On the left is a navigation sidebar with options like 'Dashboard', 'View Nonprofit Page', 'Edit Nonprofit Page', 'Brokerage Info', 'Payment Info', 'Organization Contacts', 'Marketing Assets', 'Account Settings', and 'Sign Out'. The main area is titled 'Donations' and includes filters for 'All (8 donations)', 'Not Received (3)', 'Past Due (1)', 'Pending (2)', and 'Received (2)'. There are search and filter-by-date-range boxes with 'Apply' and 'Reset' buttons. A table displays donation details, and a modal is open for the donation with ID 172.

ID	Submitted	Approx. Value	Securities	Donor	Broker	Status	Action
175	2020-12-21	\$14.25	1xapa	Rocky Balboa	Steve's Superawesome Bank   2356	Not Received	...
181	2021-01-11	\$1,306.62	1xSHOP, 1xAAPL	Joseph Yusufov	Charles Schwab   1234	Not Received	...
229	2021-02-09	\$136.01	1xAAPL	Joseph Yusufov	BBVA   0987	Not Received	...
172	2020-12-21	\$1,250.20	10xAAPL	Leonard Nimoy	Charles Schwab   5678	Not Received	...
176	2020-12-22	\$3,202.84	1xAMZN	Rocky Balboa	Steve's Superawesome Bank   2	Not Received	...
189	2021-01-15	\$1,297.61	1xAAPL, 1xSHOP	Joseph Yusufov	Vanguard   1090	Pending	...
205	2021-01-18	\$2,123.77	1xAAPL, 1xSHOP, 1xTSLA	Joseph Yusufov	WellsTrade   0980	Received	...
246	2021-02-12	\$2,406.98	1xAAPL, 1xTSLA, 1xSHOP	Joseph Yusufov	Interactive Brokers   7878	Received	...

Showing 1 - 8 of 8 matching results

Donation received? Yes No

View status of each donation

Mark as "Received" for donor to be notified

# Outsourced Reconciling (Optional)



**Most can handle a few stock gifts**



**Few can handle dozens (or hundreds) of donations**

- ✓ Save countless hours and hassle
- ✓ Remove barrier to scaling stock donations

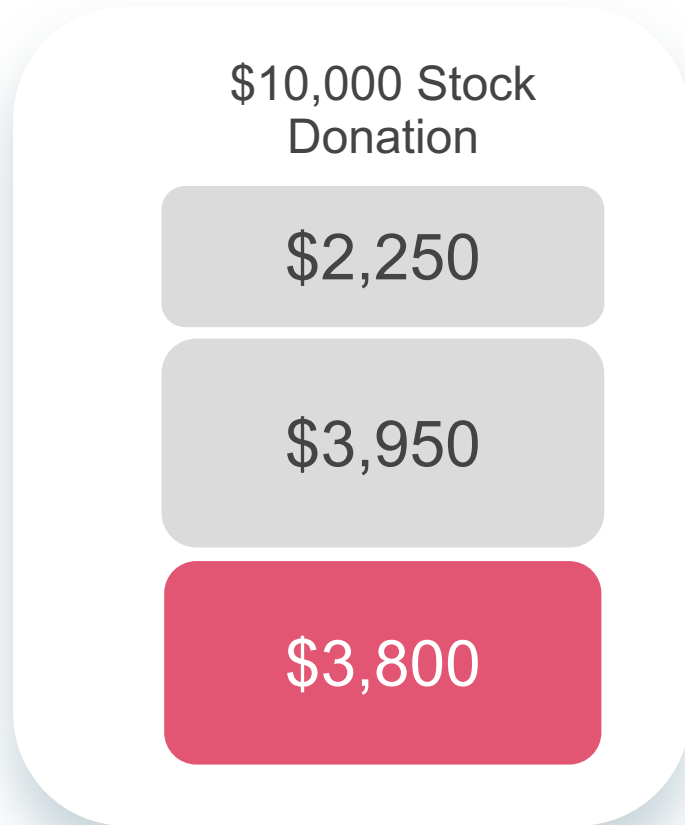


# Step 4: Educate Donors

- ✓ Advantages of donating stock
- ✓ Ease of donating stock



# Save 62% when donating stock



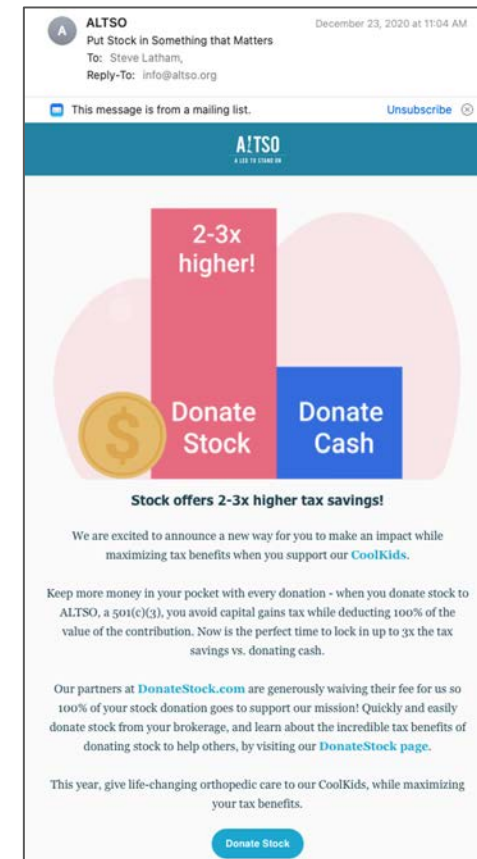
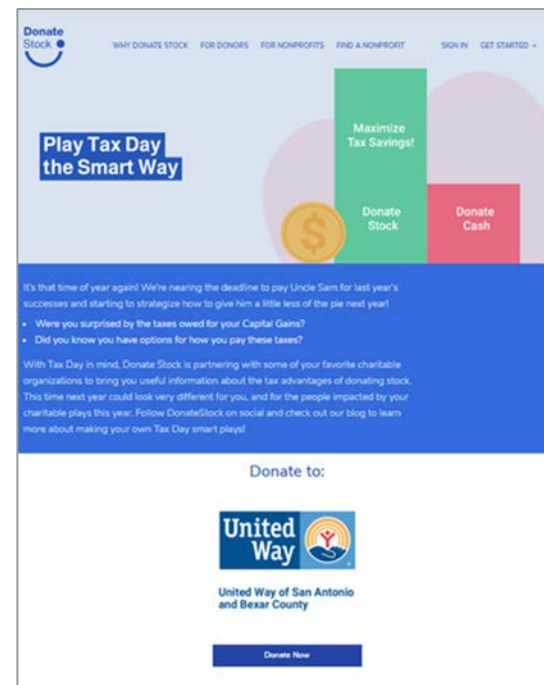
- .....● Proceeds to Nonprofit
- .....● Capital Gains Tax Savings to Donor
- .....● Charitable Deduction Tax Savings to Donor
- .....● Effective Cost to Donor

**It's Fast  
It's Safe  
It's Free**

25% cost basis in stock  
39% personal tax rate  
30% capital gains tax rate

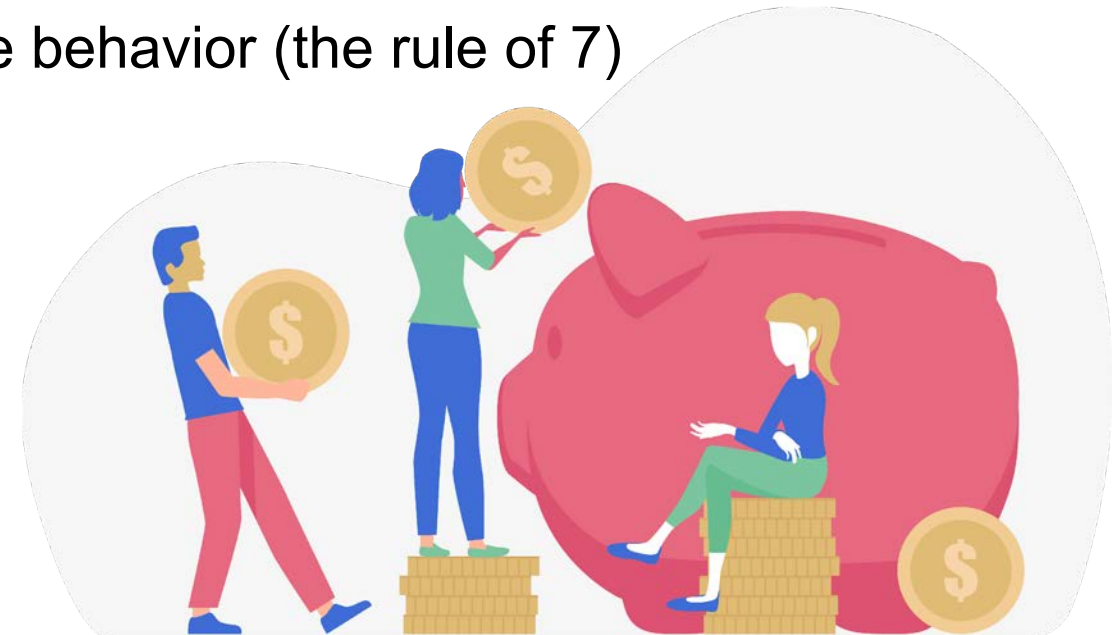
# Donor Education is Critical

- Very few donors are aware of the benefits of donating stock
- Changing behavior requires repetition
- Requires consistent messaging



# Best practices for maximizing stock donations


1. **Get Aligned:** educate your board and your team
2. **Enable your Org:** claim your free page on Donatestock.com
3. **Communicate:** incorporate “Donate stock” into web, email and social media
4. **Reiterate:** it takes time and repetition to change behavior (the rule of 7)





# How to launch your free page in 15 Minutes

1. Register online at [DonateStock.com](https://DonateStock.com)
2. Complete your organization profile
3. Execute terms of service
4. Start soliciting stock gifts



**Legacy Community Health**

**Driving healthy change in our communities**

Legacy Community Health is the largest nongovernmental community health organization in Texas, providing comprehensive primary and behavioral healthcare services to more than 185,000 patients each year at 36 clinic locations throughout the greater Houston and Beaumont areas.

Legacy offers adult primary care, pediatrics, dental care, vision services, behavioral health services, OB/GYN and maternity, vaccinations and immunizations, health promotion and community outreach, wellness and nutrition, and comprehensive HIV/AIDS care.

As a Federally Qualified Health Center, Legacy provides services to all patients regardless of their ability to pay. Most of Legacy's patients are at a significant economic disadvantage. In 2019, more than 30% of Legacy's patients had no health insurance or other form of coverage, 93% had an income at or below 200% of the federal poverty guidelines, and 69% were living in poverty.

Legacy's vision of connecting our communities to health every day in every way is evident in our programming and partnerships. Our School-Based Health Care Program provides affordable primary and behavioral health care services during school hours on the campuses of KIPP, YES Prep and Galena Park ISD. Students can easily access the pediatric health care

**LEGACY**  
COMMUNITY HEALTH

[Donate Now](#)

[Add to favorites](#)

<http://legacycommunityhealth.org>  
[giving@legacycommunityhealth.org](mailto:giving@legacycommunityhealth.org)  
(832)730-4433, option #2

EIN: 760009637

1415 CALIFORNIA ST  
HOUSTON, TX 77006-2602  
United States

[in](#) [yt](#) [ig](#) [tw](#)

# Spread the Word: Oct 26 Webinar for Donors

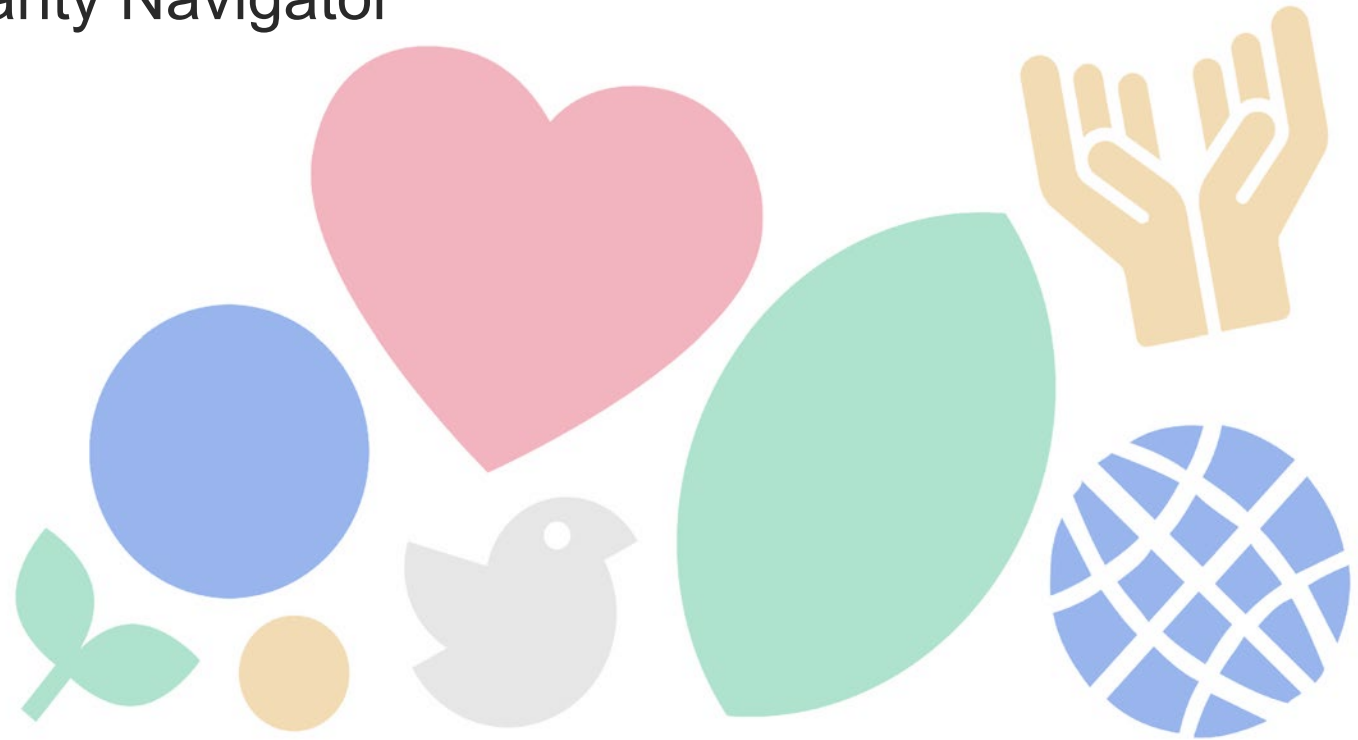
## **Giving Smarter in 2021: Making the Most of Charitable Giving**

Featuring Kevin Scally, CRO @ Charity Navigator

Tuesday October 26, 2021

1pm ET / 10am PT

**Help us educate your donors!**



# Thank You



Submit Questions via Zoom