Voluntary Support of Education

Key findings from data collected for the 2018–19 academic fiscal year for U.S. higher education institutions
Introduction
Charitable giving to U.S. higher education institutions rose 6.1%, reaching a historical high.
Foundations supplied largest share of giving, followed by alumni.
Personal giving declined; gifts from organizations increased.
Private doctoral and public baccalaureate institutions posted the largest gains.
Capital purpose giving rose more than twice as much as giving for current operations.
Seven institutions reported donors who gave $100 million or more.
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**Introduction**

This is the second year that the Voluntary Support of Education survey—the longest-running and most-comprehensive survey of charitable giving to U.S. higher education institutions—has been under the auspices of CASE.

CASE acquired the VSE as part of the establishment of AmAtlas™, a global resource for education advancement-related metrics, benchmarks, and analytics. Prior to the acquisition, CASE was a long-time sponsor of the survey, and CASE’s Reporting Standards and Management Guidelines historically provided the definitions for the instrument.

The brief that follows outlines basic findings from the 2019 survey, which covers the fiscal year that, for most institutions, began on July 1, 2018, and ended on June 30, 2019. Some institutions report on different fiscal years. In 2019, 913 institutions provided data to the survey. Of those, 871 replied in 2018 as well, and that cohort is called the core group. Analysis uses both groups. The national estimates are derived by accounting for non-respondents and by observing patterns in the core group.

Data from this survey—and the previous 20 years—are available in Data Miner, which is a CASE member benefit and available to others by subscription. For more information, visit case.org/resources/amatlas-data-miner.

This brief is the first in a series CASE expects to publish throughout the year. Last year, CASE published several briefs that were then compiled into a compendium, AmAtlas™ Support of Education, which also incorporated articles CASE had published on data and analytics, as well as approximately 30 new charts and graphs highlighting data from the fundraising survey. The compendium is available in the CASE store.

**CHARITABLE GIVING TO U.S. HIGHER EDUCATION INSTITUTIONS ROSE 6.1%, REACHING A HISTORICAL HIGH**

According to the VSE survey, voluntary support of higher education institutions reached $49.60 billion in 2019, a 6.1% increase over 2018 and the highest level ever reported. This is the 10th consecutive year of growth in giving, though the rate of growth slowed and was unevenly distributed by purpose and type of institution. (See Figure 1.)

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**Figure 1: Estimated Voluntary Support of Higher Education by Source and Purpose, 2018 and 2019**

*(Dollars in Millions)*

<table>
<thead>
<tr>
<th>Source</th>
<th>2018 Amount Raised</th>
<th>Percentage of Total</th>
<th>2019 Amount Raised</th>
<th>Percentage of Total</th>
<th>Percentage Change 2018 to 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Voluntary Support</strong></td>
<td>$46,730</td>
<td>100.0</td>
<td>$49,600</td>
<td>100.0</td>
<td>6.1%</td>
</tr>
<tr>
<td><strong>Source</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni</td>
<td>$12,154</td>
<td>26.0</td>
<td>$11,200</td>
<td>22.6</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Nonalumni Individuals</td>
<td>8,567</td>
<td>18.3</td>
<td>8,300</td>
<td>16.7</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Corporations</td>
<td>6,732</td>
<td>14.4</td>
<td>6,800</td>
<td>13.7</td>
<td>1.0%</td>
</tr>
<tr>
<td>Foundations</td>
<td>14,010</td>
<td>30.0</td>
<td>17,000</td>
<td>34.3</td>
<td>21.3%</td>
</tr>
<tr>
<td>Other Organizations</td>
<td>5,266</td>
<td>11.3</td>
<td>6,300</td>
<td>12.7</td>
<td>19.6%</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Operations</td>
<td>$27,400</td>
<td>58.6</td>
<td>$28,500</td>
<td>57.5</td>
<td>4.0%</td>
</tr>
<tr>
<td>Capital Purposes</td>
<td>19,330</td>
<td>41.4</td>
<td>21,100</td>
<td>42.5</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

Percentage Change 2018 to 2019:

- Current $:
  - Alumni: -7.9%
  - Nonalumni Individuals: -3.1%
  - Corporations: 1.0%
  - Foundations: 21.3%
  - Other Organizations: 19.6%

- Adj. for Inflation:
  - Alumni: -10.1%
  - Nonalumni Individuals: -5.5%
  - Corporations: -1.4%
  - Foundations: 18.4%
  - Other Organizations: 16.7%

Due to rounding, dollar totals in tables and figures may not add up and percentages may not equal 100.
Johns Hopkins University reported a single gift of $1.2 billion from Michael Bloomberg via his foundation. That represented most of his $1.8 billion contribution, the remainder of which came from other Bloomberg entities, also in 2019. The gift went to Johns Hopkins’s endowment in support of undergraduate financial aid.

The donation is four times the amount of the next largest foundation grant reported on the survey. Without it, foundation giving would have increased only 12.3%, and total support would have increased only 3.4%, reaching $48.33 billion. At that level, giving would have barely kept pace with inflation.

**FOUNDATIONS SUPPLIED LARGEST SHARE OF GIVING, FOLLOWED BY ALUMNI**

Together, foundations and alumni supplied more than half the funds raised by U.S. colleges and universities in 2019. This would have been the case even without the large foundation gift to Johns Hopkins University.

Foundation support surpassed alumni support as a source in 2007 and has continued to surpass alumni support ever since. Note that 47.2% of foundation gifts reported on the 2019 survey are from family foundations and represent the charitable intentions of alumni and other individuals. The foundation gift to Johns Hopkins University is an example of this, as it is from Michael Bloomberg, an alumnus of Johns Hopkins, via his foundation.

Alumni support represented 22.6% of total support in 2019; in 2018, it commanded 26% of the total. Therefore, the 2019 amount is a decline in the percentage of total support. Gifts from foundations provided 34.3% of the 2019 total and were 30% of support in 2018. (See Figures 1 and 2.)

**PERSONAL GIVING DECLINED; GIFTS FROM ORGANIZATIONS INCREASED**

Gifts from alumni and nonalumni individuals declined in 2019—by 7.9% and 3.1%, respectively. In contrast, giving from corporations, foundations, and other organizations increased—by 1%, 21.3%, and 19.6%, respectively. (See Figure 1.)

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Several theories may explain why personal giving declined and organizations gave more in 2019. The economic and tax climates for giving for organizations were better than those for individuals. This is in part because organizations make giving decisions further in advance than do individuals—often in different economic circumstances.

For this reason, the stock market affects contributions from individuals differently than from organizations. In fiscal 2019, specifically, organizations were not making giving decisions when the stock market sharply declined in December 2018, as shown in Figure 3a. Individuals, especially those who make gifts of stock at the end of the calendar year, would be expected to cut back on contributions given the prevailing stock market levels. Indeed, among 426 institutions reporting on gifts of stock, the number of such gifts declined 15.2%, and the value of those gifts dropped 7.2% between 2018 and 2019.

As shown in Figure 3b, the market recovered by the end of the fiscal year, but personal giving decisions are more likely to be made at the end of the calendar year end than at the end of the academic fiscal year. Given that organizational giving decisions are often made a year ahead, the pattern might be reversed next year, with individual giving growing and organization giving tapering off.

Another aspect of the giving climate is that certain households may have pushed several years of contributions into 2017 when the Tax Cuts and Jobs Act was passed in December of that year, after which point they could no longer itemize their tax returns. That surge in gifts was counted in the 2018 fiscal year. Many of these households adopted a bundling system for making gifts. In some years, they would contribute multiple years of intended support, and thereby itemize their tax returns. In the next few years, they would not make charitable contributions. So, these newly non-itemizing households gave relatively more in fiscal 2018 than they did in 2019. Indeed, they might have contributed multiple times what they typically would to enable them to itemize that year. In 2018, alumni giving rose 6.9% and nonalumni individual giving grew 9%. For some households, 2019 is the first year they did not make contributions, planning to resume with another bundled gift at some future date.

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Another tax strategy would be to periodically contribute to a donor-advised fund in sufficient bulk to itemize the household’s tax return, and then use the DAF to make charitable contributions going forward in non-itemizing years. In 2018, contributions from DAFs, as reported by 404 institutions on the VSE survey, increased 65.8%. In 2019, 389 institutions responded to the questions about DAFs, and they reported a 17.4% decline in the value of such gifts. The number of those contributions increased 33.9%.

DAFs are coded as “Other Organizations” on the VSE survey. Gifts from such organizations increased 19.6%. Other types of organizations that could have contributed to the significant growth in giving from this category include health-related nonprofits funding research or universities funneling research grants to other institutions in collaboration with them.

**PRIVATE DOCTORAL AND PUBLIC BACCALAUREATE INSTITUTIONS POSTED THE LARGEST GAINS**

The 2019 results were unevenly distributed among types of institutions. Giving to public baccalaureate institutions rose 29.5%, well ahead of the average growth rate. (See Figure 4.) In the group of 44 public baccalaureate institutions that responded to the survey in two consecutive years—called the core group—39.7% of the total was raised by two institutions. They are the United States Military Academy and the United States Air Force Academy. Though it did not report in 2018, and is not included in Figure 4, the United States

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Naval Academy raised more than any other public baccalaureate institution in 2019. Private research/doctoral institutions also fared better than average. They raised 14.9% more in 2019 than the previous year. Without Johns Hopkins University, the group still fared well, raising 6.3% more. Public research/doctoral institutions also raised more in 2019 than in 2018, though the 3.5% increase barely outpaced inflation. Giving to public master’s institutions remained flat. (See Figure 4.)

All other types of institutions reported declining support in the aggregate. Disaggregated, however, more of the core group of institutions reported gains (461) than the number that showed losses (411).

**CAPITAL PURPOSE GIVING ROSE MORE THAN TWICE AS MUCH AS GIVING FOR CURRENT OPERATIONS**

In 2019 gifts for capital purposes increased more than twice as much as those for current operations. For the third consecutive year, contributions for capital purposes increased more than those for current operations. Over four decades, capital purpose giving rose more than current operations giving 60% of the time—24 of the 40 years.

Capital purpose gifts are for endowments, property, buildings, equipment, and loan funds. They also include newly established deferred gifts, such as charitable remainder trusts and charitable gift annuities. The largest monetary increase in such contributions in 2019 was for restricted endowments, which rose 15.4%. Contributions to restricted endowments also represent the largest percentage of capital purpose gifts—29.4% of the total. (See Figure 5.)

Gifts to loan funds increased more than 300%, but these contributions are less than 1% of total support. In 2018, only two institutions reported receiving $1 million or more to their loan funds. In 2019, seven did, and this was sufficient to produce

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the increase. Unrestricted gifts to endowment declined 16.9%. (See Figure 5.) However, such contributions rose 48.4% in 2018⁵, and the 2019 decline likely represents a return to the norm.

Gifts for capital purposes are larger than those for current operations, and they fund different programs. Though there is sometimes a lack of understanding among the public about the role endowments play in financing education, they are extremely important to universities’ daily operations. In fact, in 2019, the lion’s share of these—37%—funded student financial aid. The gift to Johns Hopkins affected this percentage, but the percentage was even higher—38%—in 2018. Indeed, the prominence of student aid in restricted endowments is historically consistent. The next largest shares funded basic teaching by funding academic divisions and faculty and staff compensation.

Rather than being a hoarding mechanism, endowments cover many of the basic costs of institutional operations, and they ensure that such operations are funded in the future. Gifts for current operations, while sometimes considered underfunded, support research above any other function. Student financial aid only receives 9.8% of such gifts.

It is logical that the funds are distributed in this way. Scholarships are perpetual annual needs, whereas research projects have limited life spans. In a way, the current operations of institutions are supported just as much by endowments as by outright gifts for current use.

The distribution of gifts into these categories varies by type of donor. Current operations gifts from alumni, for example, fund student financial aid, academic divisions, and athletics in greater proportions than the overall percentages.⁶

SEVEN INSTITUTIONS REPORTED DONORS WHO GAVE $100 MILLION OR MORE

Seven institutions reported eight single donors who each gave $100 million or more. Gifts from these donors totaled $2.21 billion, which is 4.5% of the amount raised by all institutions. In 2018, seven institutions reported seven $100 million+ donors.⁷

ENDNOTES

2.  Stock values were downloaded on January 5, 2020, from: https://www.marketwatch.com/investing/index/nyal/historical and https://finance.yahoo.com/
4.  Note that the U.S. Military Academy reports on a calendar year. For the current survey, it reported on data for its fiscal year ending 12/31/18.
Methodology

The 2019 survey collected data on charitable gifts and grants raised from private sources for the fiscal year beginning July 1, 2018, and ending June 30, 2019 (with a few institutions reporting on different fiscal calendars). Participation varied considerably by type of institution. The number of U.S. higher education participants in 2019 was 913. They represent about a third of colleges and universities in the U.S. but raised 88.3% of total voluntary support of U.S. higher education institutions in the 2018–2019 academic fiscal year.

Note there are key differences between the amounts reported as national estimates and those that summarize survey responses, from which the national estimates are derived. By developing national estimates each year, CASE can correct for annual differences in participation.

CASE approaches the estimation process in two ways. First, CASE considers the percentage change in support by source group and by major purpose category among institutions that participate for two consecutive years—the core group of institutions. Since the core group’s gift income typically represents more than 90% of all reported gift income, the group’s data provide a robust set of benchmarks on year-to-year changes, which can be applied to the previous year’s national estimates. However, because the core-group results may be more positive than those we would get were the survey to achieve full participation, CASE adjusts the degree of change in the national estimates downward as appropriate by comparison with the core group.

Second, CASE looks at participation by Carnegie classification, which groups higher education institutions into basic types. The average total support per type of nonparticipating institution varies from 15% to 30% of what was reported on average by participating institutions. Nonparticipants tend to be smaller, and there is a tendency not to participate after a weak year. In addition, the response rate varies by Carnegie classification. Participation is highest among research/doctoral institutions and lowest among associate’s (two-year) institutions. CASE derives estimates of support among nonparticipants by Carnegie classification. The sum of these estimates and the survey results are generally close to the national estimates arrived at by the first method described. If not, CASE reviews and adjusts factors and weights until there is reasonable consistency across the entire model.
The Council for Advancement and Support of Education is a professional association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing, and allied areas. CASE helps its members build stronger relationships with their alumni and donors, raise funds for campus projects, produce recruitment materials, market their institutions to prospective students, diversify the profession, and foster public support of education.

AMAtlas™ is a global resource for educational advancement-related metrics, benchmarks, and analytics, providing a comprehensive, data-rich resource for schools, universities, and colleges.

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