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AUTHOR

Ann E. Kaplan, Senior Director, Voluntary Support of Education Survey, CASE

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FOR MORE INFORMATION, CONTACT:

Ann E. Kaplan
Senior Director, Voluntary Support of Education Survey
CASE
akaplan@case.org
+1-917-979-4827



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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 AMAtlasSM, 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, 872 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, *AMAtlasSM 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

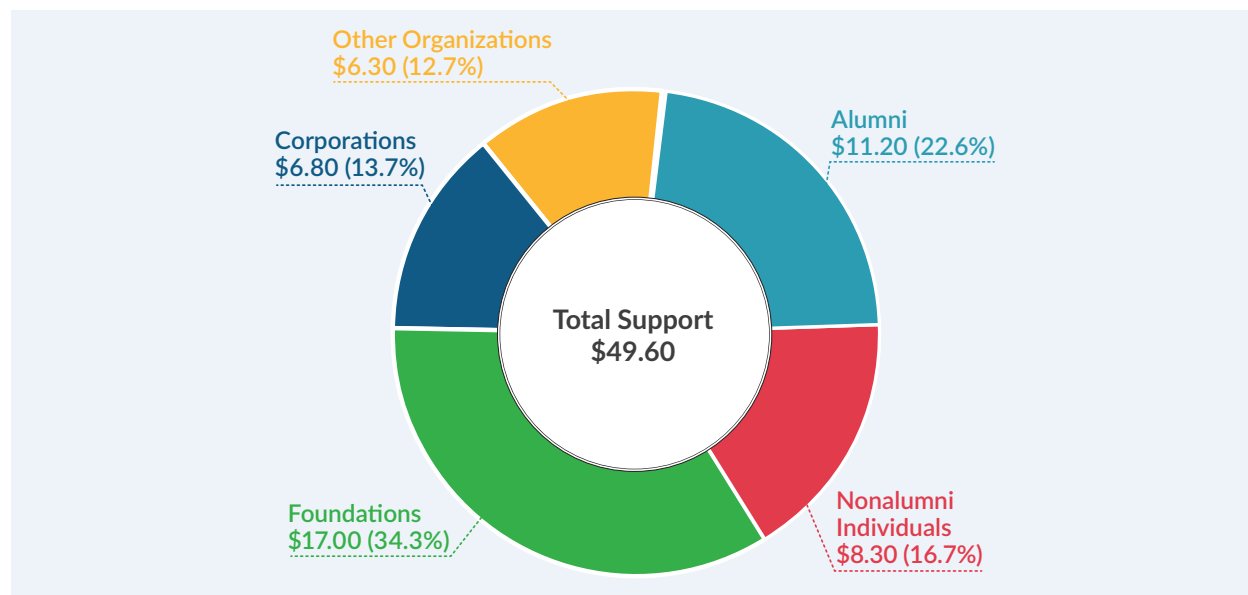
According to the VSE survey, voluntary support of higher education institutions reached \$49.60 billion in 2019, a 6.1% increase over 2018 and the highest level ever reported. This is the 10th consecutive year of growth in giving, though the rate of growth slowed and was unevenly distributed by purpose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

Figure 1: Estimated Voluntary Support of Higher Education by Source and Purpose, 2018 and 2019
(Dollars in Millions)

	2018		2019		Percentage Change 2018 to 2019	
	Amount Raised	Percentage of Total	Amount Raised	Percentage of Total	Current \$	Adj. for Inflation
Total Voluntary Support	\$46,730	100.0	\$49,600	100.0	6.1	3.6
Source						
Alumni	\$12,154	26.0	\$11,200	22.6	-7.9	-10.1
Nonalumni Individuals	8,567	18.3	8,300	16.7	-3.1	-5.5
Corporations	6,732	14.4	6,800	13.7	1.0	-1.4
Foundations	14,010	30.0	17,000	34.3	21.3	18.4
Other Organizations	5,266	11.3	6,300	12.7	19.6	16.7
Purpose						
Current Operations	\$27,400	58.6	\$28,500	57.5	4.0	1.5
Capital Purposes	19,330	41.4	21,100	42.5	9.2	6.5

Due to rounding, dollar totals in tables and figures may not add up and percentages may not equal 100.

Figure 2: Voluntary Support of Higher Education by Source, 2019
(Dollars in Billions)



Johns Hopkins University reported a single gift of \$1.2 billion from Michael Bloomberg via his foundation.¹ 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.)

Figure 3a: Value of Stock Indexes from Beginning of Fiscal Year to End of Calendar Year 2018

	<u>Dow Jones Industrial Average</u>	<u>NASDAQ Composite</u>	<u>New York Stock Exchange Composite</u>	<u>Standard & Poor's 500</u>
2-Jul-18	24,161.53	7,451.90	12,430.70	2,704.95
31-Dec-18	23,327.46	6,635.28	11,374.39	2,506.85
Percentage Change	-3.5%	-11.0%	-8.5%	-7.3%

Figure 3b: Value of Stock Indexes from Beginning to End of Fiscal Year 2019

	<u>Dow Jones Industrial Average</u>	<u>NASDAQ Composite</u>	<u>New York Stock Exchange Composite</u>	<u>Standard & Poor's 500</u>
2-Jul-18	24,161.53	7,451.90	12,430.70	2,704.95
28-Jun-19	26,599.96	8,006.24	13,049.72	2,941.76
Percentage Change	10.1%	7.4%	5.0%	8.8%

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.²

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.

Due to rounding, dollar totals in tables and figures may not add up and percentages may not equal 100.

Figure 4: Voluntary Support by Type of Institution, 2018 and 2019
(Dollars in Thousands)

Type of Institution	Number Reporting	2018		2019		% Change in Total Support
		Amount	Average per Institution	Amount	Average per Institution	
Multiple Campuses						
Public	17	\$4,204,127	\$247,302	\$4,098,076	\$241,063	-2.5
Research/Doctoral	263	25,981,343	98,788	28,578,205	108,662	10.0
Private	106	14,791,155	139,539	16,991,036	160,293	14.9
Public	157	11,190,188	71,275	11,587,169	73,804	3.5
Master's	243	1,926,636	7,929	1,909,401	7,858	-0.9
Private	116	1,056,569	9,108	1,036,711	8,937	-1.9
Public	127	870,067	6,851	872,690	6,872	0.3
Baccalaureate	212	3,079,530	14,526	2,970,956	14,014	-3.5
Private	168	2,912,705	17,338	2,754,955	16,399	-5.4
Public	44	166,825	3,791	216,001	4,909	29.5
Specialized	37	1,748,860	47,266	1,649,421	44,579	-5.7
Private	19	213,838	11,255	199,354	10,492	-6.8
Public	18	1,535,021	85,279	1,450,067	80,559	-5.5
Associate's	100	193,283	1,933	189,675	1,897	-1.9
Private	0					
Public	100	193,283	1,933	189,675	1,897	-1.9
Total All Institutions	872	\$37,133,780	\$42,585	\$39,395,735	\$45,179	6.1

These statistics reflect amounts reported by 872 institutions providing complete data both years.

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%.³ 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 Academy⁴ and the United States Air Force Academy. Though it did not report in 2018, and is not included in Figure 4, the United States

Figure 5: Voluntary Support by Purpose, 2018 and 2019
(Dollars in Thousands)

Purpose of Support	All Institutions Reporting							Core Group
	2018			2019				% Change in Total Support
	Amount	% of Total	Average per Institution	Amount	% of Total	Average per Institution	% Change in Average	
Current Operations								
Unrestricted	\$2,378,812	6.4	\$2,561	\$2,291,305	5.7	\$2,507	-2.1	-2.7
Restricted	18,900,152	50.8	20,345	20,218,442	50.5	22,121	8.7	4.1
Total	\$21,278,964	57.2	\$22,905	\$22,509,748	56.2	\$24,628	7.5	3.4
Capital Purposes								
Deferred Gifts	\$471,698	1.3	\$508	\$388,788	1.0	\$425	-16.2	-19.6
Property, Buildings, and Equipment	4,552,312	12.2	4,900	4,726,900	11.8	5,172	5.5	4.1
Endowment: Income Unrestricted	767,374	2.1	826	631,728	1.6	691	-16.3	-16.9
Endowment: Income Restricted	10,143,833	27.3	10,919	11,753,896	29.4	12,860	17.8	15.4
Loan Funds	6,746	0.0	7	29,135	0.1	32	339.0	319.3
Total	\$15,941,963	42.8	\$17,160	\$17,530,447	43.8	\$19,180	11.8	9.8
Total All Purposes	\$37,220,927	100.0	\$40,066	\$40,040,195	100.0	\$43,856	9.5	6.1
Number of Institutions Reporting			929			913		872

Data in this table only refer to those institutions that responded to the survey. National estimates on page 4 account for non-respondents and are higher.

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

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 out-right 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

1. <https://hub.jhu.edu/2018/11/18/michael-bloomberg-record-financial-aid-gift/>
2. Stock values were downloaded on January 5, 2020, from: <https://www.marketwatch.com/investing/index/nyahistorical> and <https://finance.yahoo.com/>
3. CASE, *Voluntary Support of Education: Key Findings from Data Collected for the 2017–18 Academic Fiscal Year for U.S. Higher Education*, February 2019, p. 5.
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.
5. CASE, *AMAtlasSM Support of Education, United States 2019: A Compendium of CASE Data, Charts, Trends, and Articles*, November 2019, p. 61
6. CASE, *Voluntary Support of Education: Trends in Alumni Giving*, April 2019, p. 5.
7. CASE, *Voluntary Support of Education: Key Findings from Data Collected for the 2017–18 Academic Fiscal Year for U.S. Higher Education*, *op. cit.*, p. 6.

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.

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