THE GIVING ENVIRONMENT

Giving During Times of Uncertainty

DATA ON U.S. HOUSEHOLD GIVING IN 2020

OCTOBER 2024

LILLY FAMILY SCHOOL OF PHILANTHROPY
INDIANA UNIVERSITY

ACKNOWLEDGMENTS

Indiana University Lilly Family School of Philanthropy

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INTRODUCTION

The charitable giving landscape has witnessed dramatic shifts over the past few years. One of the preeminent forces for change was the COVID-19 pandemic. The pandemic and its aftermath have uprooted everyday norms and altered nearly every aspect of our lives, including philanthropic motivations and behaviors. During the pandemic, charitable giving crossed the half-trillion-dollar mark, reaching nearly $553 billion in 2021[1] (Giving USA, 2024; Pruitt, 2020).

Periods of population health and economic crises have effects on giving behaviors, even among those who frequently give. The COVID-19 pandemic presents an opportunity to examine how American households responded to a significant global crisis. Thus far, few studies have investigated how American households adapted during the pandemic time period, making this topic particularly novel and important. Our research strives to address this gap by expanding knowledge of how the pandemic disrupted and reshaped giving behavior—both giving rates and amounts given—of American households. Additionally, we explore how socio-demographic characteristics, such as age and education, influenced giving patterns during this time of widespread upheaval.

To gain deeper insights into these giving trends, we analyzed the philanthropic landscape in the periods immediately before the pandemic and during it, with a specific focus on giving rates and amounts. We utilize longitudinal data from the Philanthropy Panel Study (PPS), a generosity module within the University of Michigan's Panel Study of Income Dynamics (PSID). The dataset, spanning 2010-2020, allows us to characterize giving changes in the first year (2020) of the COVID-19 pandemic in the United States.

Prior to the pandemic, in 2018, the share of American households participating in charitable giving dropped below 50 percent for the first time since the PPS began tracking, decreasing from 66.2 percent in 2000 to 49.6 percent (Indiana University Lilly Family School of Philanthropy, 2021a). The decline in the giving participation rate occurred across nearly all socio-demographic groups, including race, age, income, and education level. The changes in the giving landscape prior to the pandemic were attributed to shifts in income, wealth, and homeownership, as well as factors such as interpersonal trust, and religious participation, which have been shown to influence giving behavior (Indiana University Lilly Family School of Philanthropy, 2021a).

Following the onset of the pandemic in 2020, overall giving rates further declined, with only 46.9 percent of American households participating in charitable giving. Our analysis indicates that this reduced giving rate was lower than what might have been expected in the absence of the disruptive impact of the pandemic. In other words, the pandemic likely accelerated the existing downward trajectory in charitable giving rates. However, it is also important to recognize that the data reveal a "dollars up, donors down" scenario, where these declining giving rates coincided with modest rises in overall amounts donated by those who were still able to give in 2020. Before the pandemic, average giving amounts were largely stable with some modest growth among donor households.

The data also revealed compelling insights into secular giving and giving to religious

[1] This figure incorporates an adjustment of more than $4 billion for COVID-19 relief and racial justice donations, surpassing typical allocations for these causes.

congregations. During the pandemic, the giving rates of secular charitable giving experienced a sharper decline than giving rates to religious congregations, dropping by 16.5 percentage points from pre-pandemic levels, compared to a more modest 7 percentage point decline in religious giving rates over the same period. This finding is particularly important because it suggests a greater resilience of religious giving during a public health crisis.

The impact of the pandemic varied considerably across the fifty U.S. states, with declines in giving rates ranging from 3 to 73 percentage points. Our analysis suggests that the giving rate is weakly associated with adverse community-level COVID-19 morbidity/mortality and pandemic-induced economic loss. Otherwise, pandemic giving rate declines occurred across nearly all socio-demographic groups, including race, age, income, education level, and individual-level experiences of pandemic morbidity and job loss.

In addition to quantifying the overall giving rate and average giving amount changes among those who gave, the analysis strives to disentangle which pandemic factors, beyond traditional determinants of giving, may have been key drivers of changes in giving behavior. To achieve this, we integrate the PPS data with other comprehensive public and proprietary datasets. These additional sources provide information on broader pandemic morbidity and mortality, pandemic shutdowns, and pandemic-induced job loss in the respondent's community. Our framework utilizes linear regression-based prediction modeling. This approach sheds light on whether and how pandemic factors—such as social distancing mandates, unprecedented economic loss, and COVID-19-related morbidity and mortality—may have impacted giving behaviors beyond factors traditionally associated with giving, including age, gender of household head, income, race/ethnicity, and religiosity.

WE ADDRESS SEVERAL OVERARCHING QUESTIONS IN OUR ANALYSIS:

1. How did giving rates and average giving amounts evolve by income, age, gender, and race? Which United States regions saw increases or decreases?
2. How did giving rates and average giving amounts to religious congregations and secular organizations evolve during the pandemic?
3. What was the role of individual- and state-level pandemic experiences in driving pandemic giving rates and average giving amounts?
4. During the pandemic, did giving rates and average giving amounts change more among those who frequently gave to charity prior to the pandemic, or predominantly among those who gave relatively infrequently?

KEY FINDINGS

The key findings below are aimed at addressing the critical questions that guided our research. While this section provides an overview of insights garnered from the analysis, the full report provides a more thorough and nuanced understanding of the data.

1. The first year of the pandemic (2020) is associated with significant overall reductions in giving rates. Giving rates declined from 50.9% in 2018 to 46.9% in 2020, following the onset of the pandemic.[2]
2. In contrast to declining giving rates, we observed a positive shift in the average giving amount. Specifically, there was a significant increase in the average giving amount from donor households, rising from $2,792 in pre-pandemic years to $3,116 in 2020, an 11.6% increase. This growth is mainly driven by a surge in the giving amount to secular causes, while the average giving amount to religious congregations remained stable. The average amount given to secular causes rose from $1,327 in pre-pandemic years to $1,909 in 2020, representing a 44% increase.[3]
3. Before the COVID-19 pandemic, giving rates were already experiencing a downward trend. The pandemic accelerated the decline in the giving rate. In contrast, average giving amounts increased during the pandemic beyond what would be expected in a scenario without COVID-19.
4. Individual-level pandemic experiences, such as job loss or a COVID-19 diagnosis, may have a smaller impact on giving rates than community contextual pandemic factors. This finding is indicative of greater pandemic giving rate changes in response to pandemic-induced uncertainty at the community level. Declines in the giving rates were concentrated among those who resided in communities (proxied by state of residence) that experienced more severe negative health and economic consequences of the pandemic. The length of state mandated pandemic shutdowns appears not to have impacted giving, except for giving to religious congregations. The giving rate and amount given to religious congregations increased according to the duration of the mandated shutdowns during the pandemic.
5. We find larger declines in secular giving rates compared to rates of giving to religious congregations during the first year of the pandemic. This greater persistence in religious giving participation during a global crisis is noteworthy.
6. Our findings align with anecdotal reports of increased generosity during the pandemic, with recipients of federal income transfers (stimulus checks) donating greater amounts than would have been predicted without the pandemic.
7. Giving rates during the pandemic declined more significantly among individuals who were frequent donors before the pandemic compared to those who gave less often.

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[2] In the 2019 PPS cross-sectional sample, the overall household giving rate was 49.6% in 2018. In this study, the sample includes people who were present in both the 2020 pandemic wave and at least one pre-pandemic wave of the PPS; therefore, the overall household giving rate was slightly different at 50.9%.
[3] Both numbers are average donation amounts of donors only.

BACKGROUND

There was widespread interest in understanding changes in charitable giving patterns before the COVID-19 pandemic started. The decline in charitable giving before the pandemic can be attributed to a confluence of economic, social, and technological forces. Factors such as wealth concentration, mounting student debt, and shrinking disposable incomes following the 2007-2009 recession impacted household giving behaviors (Dorothy A. Johnson Center, 2022). Moreover, the dynamics of 21st century life, marked by demographic shifts, dwindling ties to traditional religious congregations, declining levels of social trust, and increased use of technology, have further shaped the trajectory of giving patterns (Dorothy A. Johnson Center, 2022; Indiana University Lilly Family School of Philanthropy, 2019). Lastly, the emergence of alternative forms of philanthropy, such as crowdfunding and ethical consumption, had already begun influencing the charitable landscape even before the onset of the pandemic (Dorothy A. Johnson Center, 2022).

The COVID-19 pandemic has been compared to a large-scale catastrophe such as a war or revolution (Macmillan, 2020), uprooting everyday norms, shattering economies, and impacting people worldwide at an unprecedented level. Unlike more localized disasters like Hurricanes Katrina and Harvey, the pandemic’s global reach, longevity, and simultaneous impact on both public health and the economy set it apart.

The pandemic claimed the lives of more than 1.1 million Americans (Statista, 2023). During the early months of the pandemic, public health experts identified large gatherings, crowded workplaces, schools, and public places as contributing factors to the spread of COVID-19 (Schuchat, 2020). A series of lockdowns and mitigation protocols ensued and disrupted daily routines. The U.S. economy experienced shocks and extreme fluctuations, resulting in a GDP decline, widespread furloughs of workers, heightened food insecurity, and the decline of small business revenue (Bauer et al., 2020).

In addition, COVID-19 exposed existing disparities and exacerbated underlying social problems (Bernholz, 2021). Critical conversations have called into question the intertwined role of philanthropy, business, and government, including how inequities from one sector spill over into another. Criticisms include the disproportionate ways in which marginalized communities were impacted by the pandemic, resulting in at least one study on the impact of the pandemic on immigrant communities (Clark et al., 2020).

An expansion in generosity, including online giving, accompanied a year of unprecedented events and challenges. A study of donors and crowdfunding that was conducted early in the pandemic indicated donors were more likely to make an online gift if they believed in the mission or their ability to make a difference (Indiana University Lilly Family School of Philanthropy, 2021b).

Informal acts of generosity were also widespread. Masks were sewn and gifted to healthcare workers (Enrich et al., 2020), carryout orders supported local restaurants, and socially distanced applause and car horns celebrated healthcare workers during shift changes (Hardcastle, 2020). While the breadth of this type of giving and generosity of spirit during a crisis has been impossible to capture in its entirety, research organizations, including the Institute for Social Policy and Understanding (ISPU), have developed living projects to collectively document stories of informal giving during COVID-19 (ISPU, n.d.).

METHODS

INDIVIDUAL-LEVEL GIVING DATA

The primary data used for the study come from the Indiana University Lilly Family School of Philanthropy's Philanthropy Panel Study (PPS), a module of the University of Michigan's Panel Study of Income Dynamics (PSID). PSID was launched in 1968 and is the longest-running longitudinal survey among US households. It offers a nationally representative sample for the US general population, initially including more than 18,000 individuals and 5,000 households. PSID data are publicly available to all researchers.

The PPS module of the PSID dates back to 2000. The study follows the same households over time, which allows researchers to examine changes in giving behavior within individuals, households, and families. Therefore, young adults who had newly started their own families are included in the PPS study, and, in addition, the study allows for families to be linked across generations. The PPS also records information about donors' racial and ethnic backgrounds. Participants answer biennial surveys during odd years about giving behaviors from the previous even year. For example, the 2003 wave of PPS focused on charitable giving in 2002. In each wave, the PPS asks respondents various questions regarding charitable giving. Questions include whether they donated to charitable and nonprofit organizations in the previous year, how much they donated, and to which causes they donated. Donations include money, assets, property, or other goods; political contributions are excluded. Charitable organizations include both religious congregations and secular organizations. Religious congregations include places of worship and other organizations that are specifically focused on religious or spiritual development. In this report, giving to religious congregations is referred to as religious giving. In contrast, the primary mission of secular organizations is to help communities and people in need, provide healthcare, education, youth services, arts and culture, improve communities, provide international aid, and preserve the environment. While religious congregations may also provide these resources, their primary mission is a religious one. The data also provide multiple measures of the respondents' demographic and socioeconomic information, including gender (limited to binary male/female), age, marital status, number of children, race/ethnicity (Asian, Black, Hispanic, Native American, White, and other), education (less than high school, high school, some college, college and postgraduate), religious affiliation (Catholic, Protestant, Jewish, or No religion), employment status and duration of unemployment if unemployed, real family income and wealth (including/excluding home), indicator for residence in a metropolitan area, and giving history (overall giving rates, average giving amount, and share and amount of religious and secular giving). The data include family survey weights to ensure state and national representativeness by adjusting for sample demographic characteristics.

The 2021 wave of the PPS (released in 2023 due to COVID-19 pandemic-related delays) was fielded after the onset of the COVID-19 pandemic, primarily during 2021 (with less than 1% surveyed in 2022). Several additional questions were added to the 2021 survey instrument to assess PPS respondents' pandemic experiences, including:

1. Did (you/he/she) (or anyone in the family living there) have any financial difficulties due to the COVID-19 pandemic?
2. Were (you/he/she) (or anyone in the family living there) laid off or furloughed because of the pandemic?
3. Because of the pandemic, did (you/he/she) (or someone in the family living there) lose any earnings?
4. During the pandemic, did (you/he/she) (or someone in the family living there) only work from home?
5. Was the reference Person/Spouse/Partner diagnosed with COVID-19?
6. Were you or your Person/Spouse/Partner admitted to a hospital because of COVID-19?
7. Did you or your Person/Spouse/Partner have symptoms or exposure (for example, to a family member with COVID-19) that led (you/him/her) to believe (you he/she) had COVID-19?
8. Did you or your Person/Spouse/Partner have any COVID-19 symptoms?
9. Overall, when these symptoms were at their worst, how bad or bothersome were they? Would you say they were mild, moderate, severe, or very severe?
10. Have you or your Person/Spouse/Partner had a vaccine for COVID-19?

This study utilizes longitudinal individual-level data from the PPS, including the detailed pandemic experience questions listed above in the 2021 wave of this study. We included individuals who were present in both the 2020 pandemic wave and at least one pre-pandemic wave of the PPS sample. Charitable giving rates and average giving amounts between 2010 and 2020 were analyzed, focusing on the change in overall giving rates and amounts before and after the onset of the COVID-19 pandemic. The changes in religious and secular giving from 2010 to 2020 were also explored, focusing particularly on whether and how individual and community pandemic experiences—such as pandemic-induced unprecedented job loss and COVID-19 related morbidity—may have impacted individual giving behaviors.

OTHER DATA SOURCES

The individual-level PPS data were linked to several other state-level data that serve as proxy measures of community COVID-19 experience intensity:

(1) Community COVID-19 incidence: captured using state COVID-19 mortality rates from the CDC *(COVID data tracker)*
(2) Pandemic shutdown duration: Calculated in days using state shutdown policy dates from the COVID-19 US state policy database (CUSP). Shutdowns were particularly prevalent during the early pandemic days where they served as the primary non-pharmaceutical intervention to limit the transmission of the SARS-CoV-2 virus. While these policies have been shown to be effective in reducing pandemic-induced morbidity and mortality, they were also associated with significant economic and societal hardships due to their impact on unemployment and social isolation (Gupta et al., 2020)
(3) State pandemic unemployment rate from the Bureau of Labor Statistics (BLS). These data are publicly available and have been extensively used in the literature to study the effect of the pandemic and response policies on viral transmission, economic loss, social isolation, and related harms (Gupta et al., 2021; Nguyen et al., 2021; Gupta et al., 2022).

PART 1: PANDEMIC GIVING TRENDS

Several key takeaways emerge from the descriptive comparisons of pre-pandemic and pandemic waves of the PPS data. First, giving rates were already declining prior to the onset of the COVID-19 pandemic (in 2010–2018). The giving rates further declined during the pandemic, with relatively greater declines in secular giving rates compared to religious giving participation rates. Second, it does not appear that overall giving rate declines were significantly associated with adverse individual-level pandemic experiences, including COVID-19-related infections or pandemic-induced economic loss. Lastly, compared to pre-pandemic donors, pandemic donors tended to be older and more highly educated, while showing no discernable differences in gender, race/ethnicity, and income distributions.

1. Overall Participation Rates and Amounts

During the first year of the pandemic, there was a statistically significant decline in giving rates. Giving rates decreased from an average of 59.2% (between 2010 to 2018) to 46.9% in 2020 (see Figure 1). However, giving amounts among donor households—defined as those who made a donation of at least $25—were relatively stable from 2010 to 2018, averaging $2,792. During the first year of the pandemic, this average giving amount among donor households increased 11.6%, rising to $3,116 in 2020 (Figure 2).

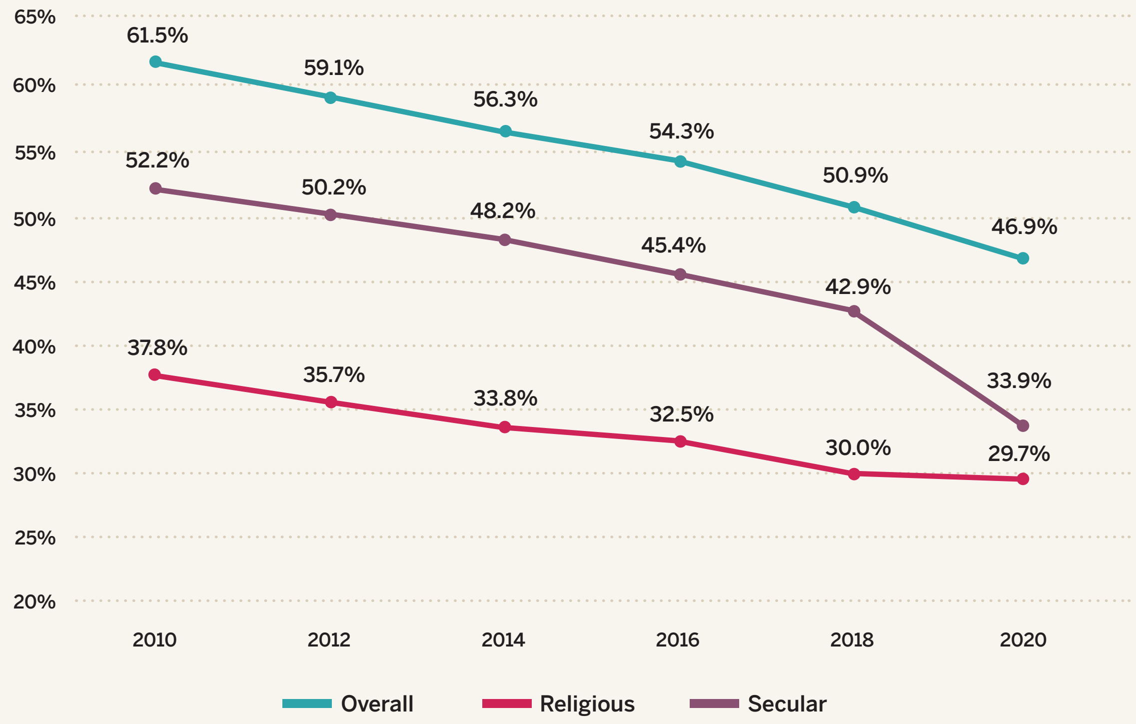
2. Secular and Religious Giving

The patterns of pandemic giving rate and giving amount changes are somewhat more mixed when stratified by secular versus religious giving. The religious giving rate during the pandemic decreased only 6.9 percentage points—from a pre-pandemic giving rate of 36.7% on average to 29.7% during the pandemic. However, the average giving amount from donor households to religious organizations experienced little change.

The secular giving rate declined significantly more during the pandemic, dropping from a pre-pandemic average of 50.4% to 33.9%, a decrease of 16.5 percentage points. In contrast, the average amount given to secular organizations from donor households increased dramatically, from a pre-pandemic average of $1,327 to $1,908, representing a 44% increase.

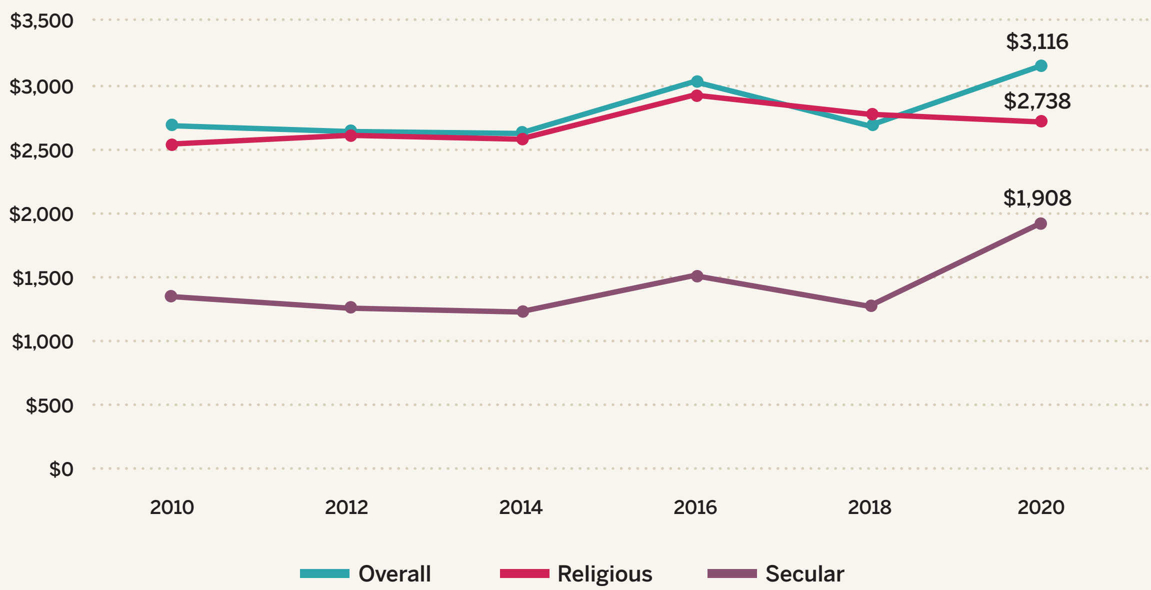
Overall, the average giving amount given to religious organizations remained nearly 1.44 times that of the average amounts given to secular organizations. When considered in combination with a steeper decline in rates of secular giving during the pandemic, the resilience of religious giving likely grew stronger during the pandemic.

FIGURE 1: Giving Rates Over Time



Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

FIGURE 2: Average Giving Amounts of Donors Over Time

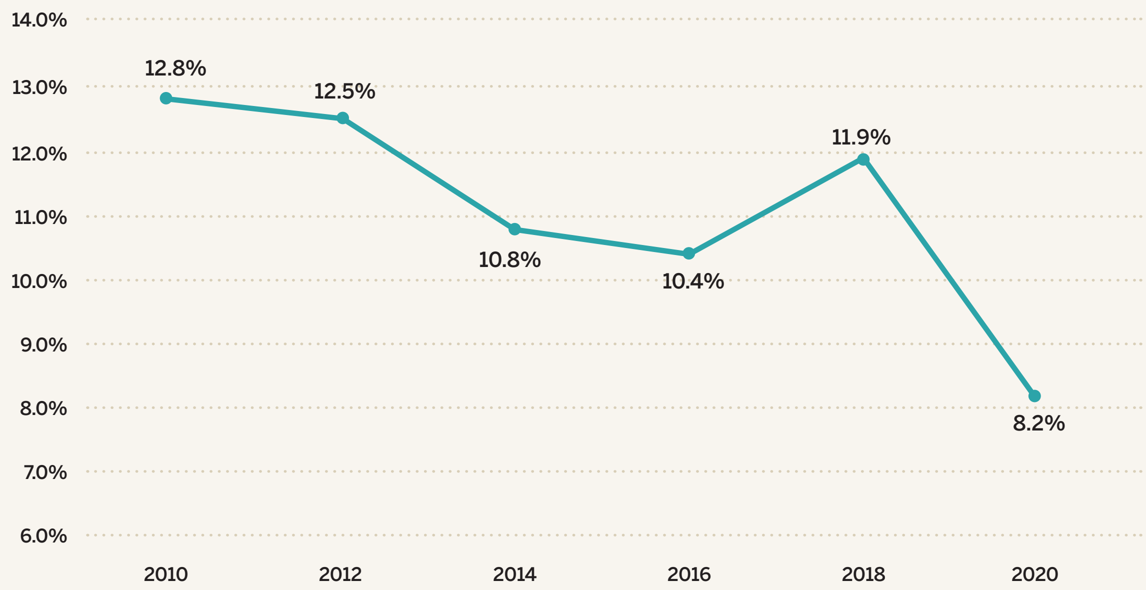


Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

3. Informal Giving

Private transfers, which involve direct individual giving to friends and extended family (e.g., adult children, parents, etc.) without involving a nonprofit intermediary, have been a longstanding component of generosity for many households. Such informal acts experienced a decline in giving rate from 11.9% in 2018 to 8.2% during the pandemic (Figure 3). However, it is important to note that private transfer giving rates have not witnessed any significant increases between 2008 and 2020 (Indiana University Lilly Family School of Philanthropy, 2023).

FIGURE 3: Informal Giving Rate Over Time



Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

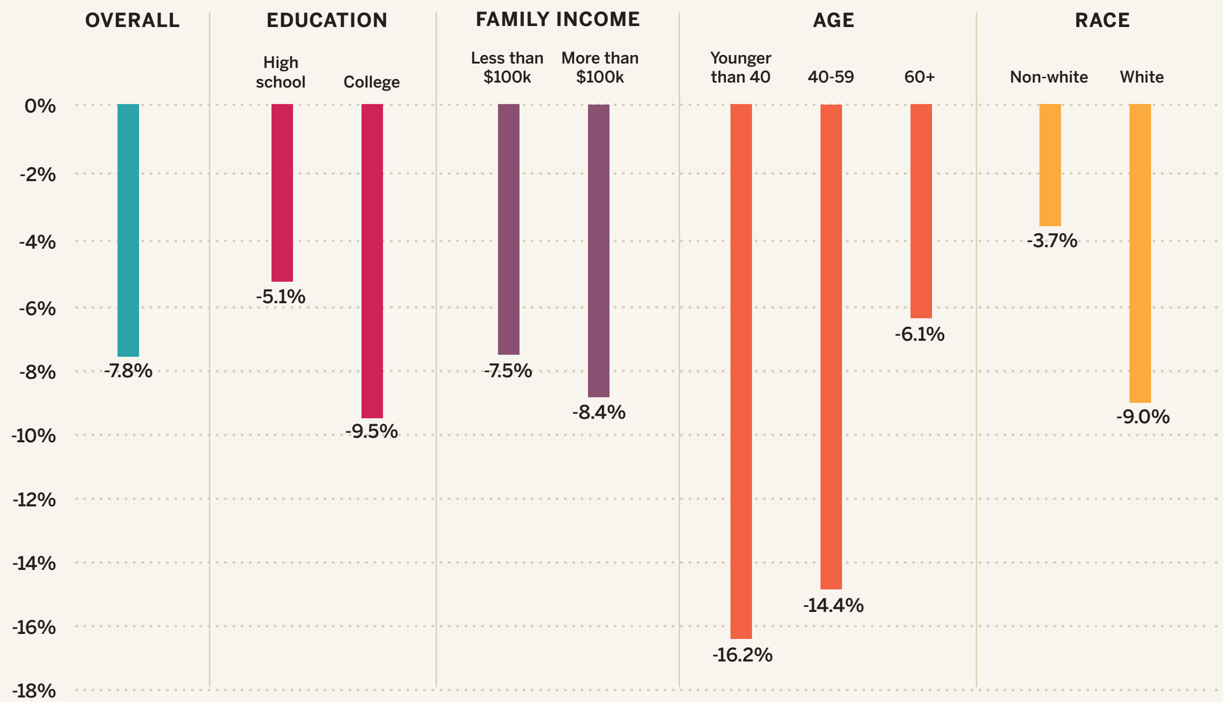
4. Demographic Trends

We further explore giving trends by the respondents' socioeconomic and demographic characteristics. Historically, women were considerably more likely to give than men, with 58% of women contributing compared to 42% of men, a pattern that persisted during the pandemic. The race/ethnicity distribution of donors also remained mostly stable during the pandemic. As shown in Figure 4, the giving rate among Communities of Color declined less than that of Whites, with decreases of 3.7% and 9%, respectively. Figure 4 also demonstrates a steeper decline in giving for households under age 40. Specifically, this group experienced a 16.2% decrease in giving rate, whereas those aged 60 and older only experienced a 6.1% decline.

Prior to the pandemic, the giving rate and average amount given increased with higher educational attainment. Among pre-pandemic donors, 5.4% of respondents had less than a high school education, 20.8% had a high school education, 25% had some college, 25.3% had a college degree, and 23.5% had a graduate education. This trend likely captures the impact of education on earnings, and, relatedly, on giving capacity. During the pandemic, the educational distribution of donors shifted toward higher education levels: 5.6% with less than a high school education, 20.5% with a high school education, 22.6% with some college, 25.7% with a college degree, and 25.6% with a graduate education. Nonetheless, it is noteworthy that high school-educated respondents had a smaller statistically-significant decline in giving rates compared to college-educated individuals, with decreases of 5.1 and 9.5 percent, respectively.

Consistent with the pre-pandemic period, the largest share (nearly 60%) of givers during the pandemic reported family incomes of less than $100,000.

FIGURE 4: Demographic Trends During the Pandemic (Giving Rate Percentage Declines)

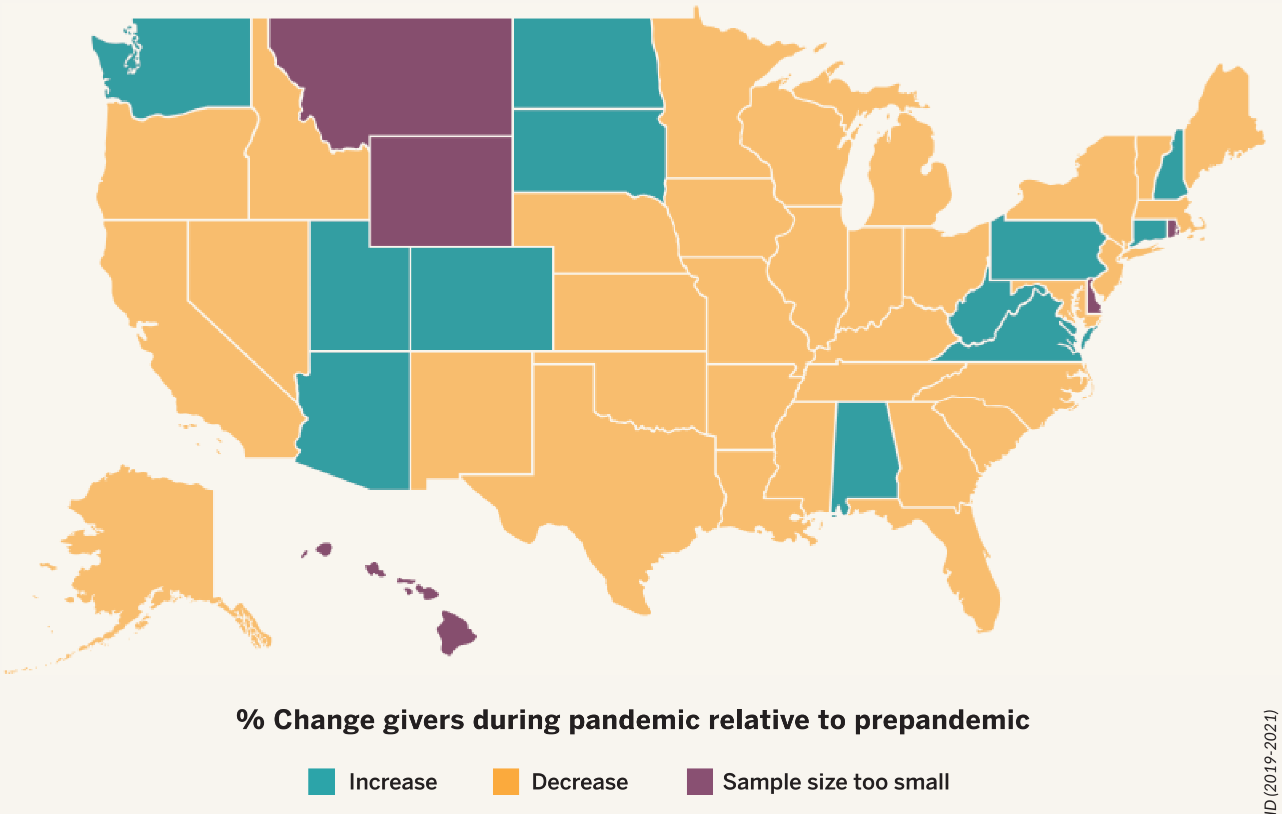


Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

5. Geographic Variability

Reflecting the geographical variability in pandemic experiences (CDC, 2020), we explored pandemic-associated reductions in giving rates across the fifty U.S. states and Washington, D.C. Figure 5 illustrates the change in charitable giving rates when comparing pre-pandemic levels to those observed during the pandemic. There is considerable variation in the pandemic giving rates, ranging from slight increases of 3-17% (North Dakota, Utah, Colorado, West Virginia, New Hampshire, and Connecticut) to severe declines of 10-73% (Idaho, Kansas, Oklahoma, and Minnesota).[4] Overall, the Northeast, Mountain, and West Coast states demonstrated greater resiliency in giving rates compared to their Southern and Midwestern counterparts.

FIGURE 5: Geographic Increases and Declines in Giving Rates



Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

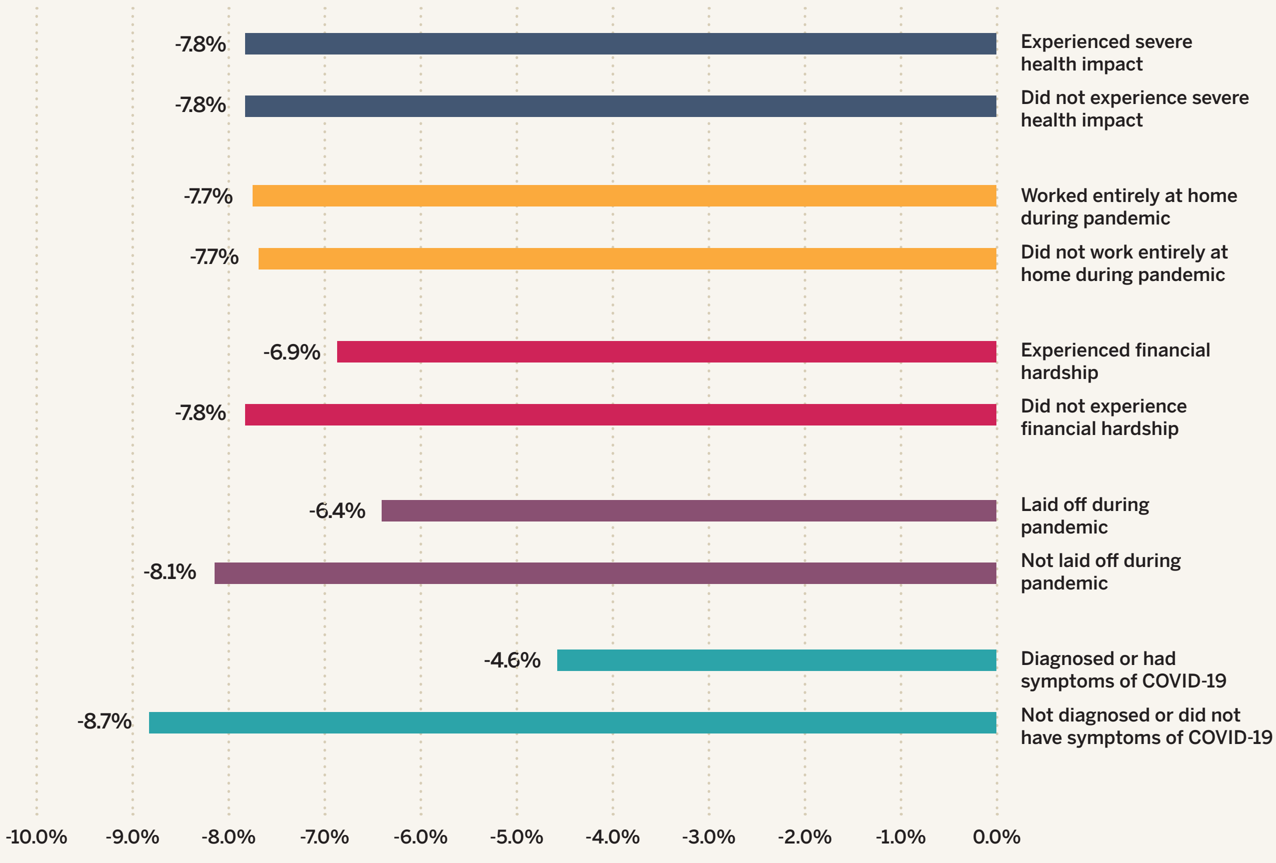
Source: PSID (2019-2021)

[4] Montana, Wyoming, Hawaii, Delaware, and Rhode Island are displayed in purple due to smaller sample sizes.

6. The Impact of Individual Pandemic Experiences on Giving Behaviors

Study respondents were presented with a series of supplementary questions specifically designed to capture their individual experiences during the pandemic. Leveraging these responses, we conducted an analysis to evaluate if changes in giving rates are associated with an individual's pandemic experiences, such as COVID-19 infection, the ability to work from home, or job loss. Our descriptive exploration suggests that there was a fairly uniform 7-8 percentage point decline in giving rates during the pandemic, but unexpectedly with somewhat smaller declines in giving rates among those experiencing financial hardship, unemployment, and COVID-19 symptoms during the pandemic (Figure 6).

FIGURE 6: Individual COVID-19 Experience Trends (Giving Rate Percentage Declines)



Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

PART 2: THE PANDEMIC'S IMPACT ON PRE-EXISTING TRENDS IN GIVING BEHAVIORS

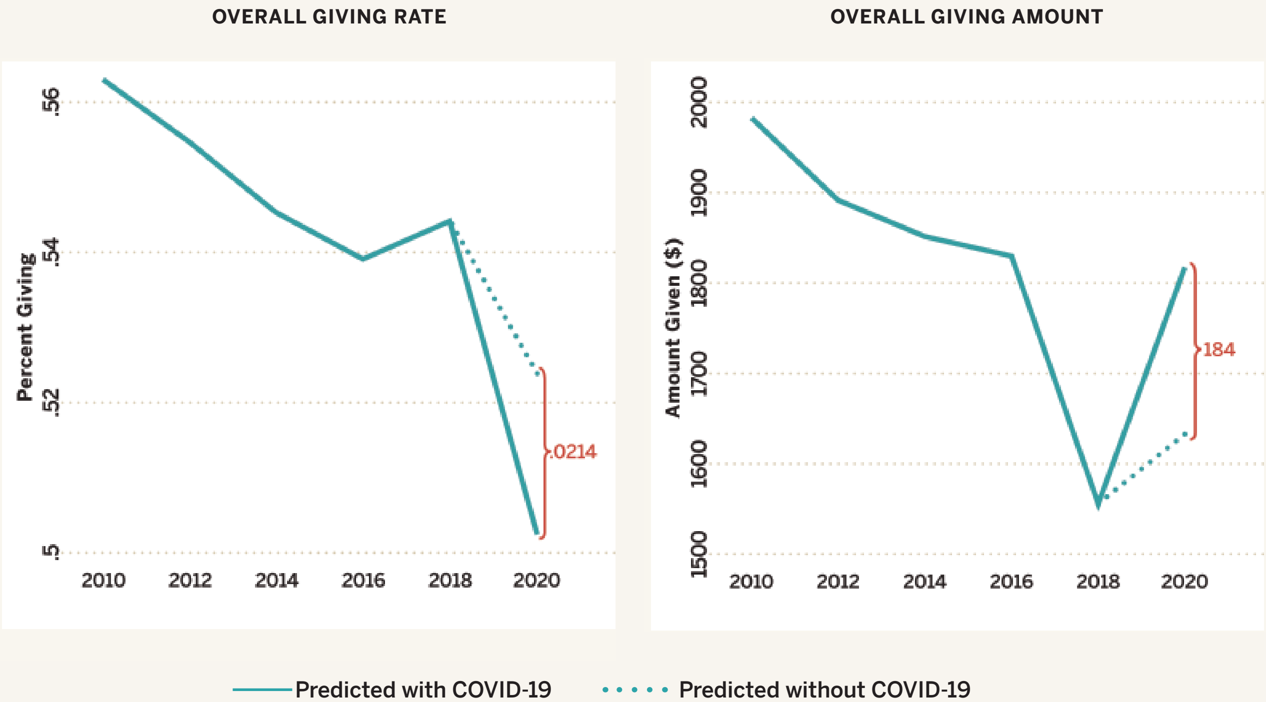
To better understand the pandemic's influence on charitable giving, we conducted a linear regression analysis that adjusted for PPS respondent characteristics, state indicators, and a linear time trend. Using the model, we compared actual giving rates and amounts with estimates of what giving in 2020 might have looked like in the absence of the pandemic.

1. Predicted Overall Giving

The solid line in Figure 7 shows the estimates of realized national giving rates from 2010 to 2020. We find that in 2020 the giving rate decreased from 54% to 50%, a drop of 4 percentage points. The dotted line in the graph shows estimates of the giving rate in the absence of the "pandemic effect." Had the pandemic not occurred, giving rates would have only dropped from 54% to 52% between 2018 to 2020, consistent with the pre-pandemic declining trend. This implies that the pandemic explains about half of the realized 4 percentage point decline in giving rates from 2018 to 2020. The remaining half of the drop in giving rates is simply due to a negative trend in giving rates that existed prior to the pandemic.

From the right panel, we note that the giving amount among donors was also trending downwards prior to the pandemic. However, when comparing the regression-adjusted amount given to the estimated amount given in the absence of the pandemic, we find that among those who gave during the pandemic, the donation amounts increased in 2020. If the pandemic had not occurred, the average amount given was predicted to have increased, but only modestly (from an average of $1,555 to $1,632). The average amount given during the pandemic increased by $184 (relative to the counterfactual in 2020), amounting to a much higher than predicted average giving amount of $1,816 dollars during the pandemic.

FIGURE 7: Predicted Giving Rates with and without the Influence of COVID-19



Data Source: Philanthropy Panel Study, Indiana University Lilly Family School of Philanthropy

2. Predicted Role of Stimulus Checks

Starting in March 2020, to safeguard individuals and families against the COVID-19 pandemic-induced economic losses, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided Economic Impact Payments (“stimulus checks”) of up to $1,200 per adult and $500 per child under 17, with reductions for individuals earning over $75,000 ($150,000 for couples). A family of four could receive up to $3,400. In December 2020, the COVID-related Tax Relief Act authorized additional payments of $600 per adult and $600 per child, with the same income thresholds. The American Rescue Plan of March 2021 provided $1,400 per person, including adult dependents, with an additional “plus-up” payment based on updated IRS information (US Department of Treasury, 2022). Our analysis compared changes in charitable giving rates among those who reported receiving income support (stimulus checks) during the pandemic as compared to those who did not. We observed that the decline in giving rates due to the pandemic was much steeper than predicted for both recipients and non-recipients of stimulus checks (see Appendix 1), but those who received stimulus checks experienced a decline in giving rates that was around 2.7 percentage points higher than expected without the pandemic, while those without stimulus checks saw a decline that was about 2.1 percentage points greater than anticipated.

However, when examining the predicted amounts of giving with and without the pandemic's influence, a significant difference emerged between the two groups. For individuals who did not receive stimulus checks, the actual amount given was close to the predicted amount in the absence of the pandemic (only $62 lower). In contrast, stimulus check recipients gave an average of $257 more than the predicted amount. These findings suggest that recipients of federal income transfers during the pandemic may have been more inclined to share their benefits through charitable giving.

3. Predicted Geographic Giving Rates

Comparable to findings on overall giving rates, the majority of states exhibited a more pronounced decline in charitable giving than would be anticipated in a counterfactual scenario without COVID-19. Out of 46 states with large enough sample sizes, 31 states would have shown higher giving rates in the absence of COVID-19 (see Appendix 2 for more details).

4. Predicted Giving for Frequent and Less Frequent Donors

To further examine the persistence in giving behaviors, we compared giving before and after the pandemic's onset in respondents classified as "frequent donors" (those who report giving 2 or more years out of the 3 pre-pandemic years) vs. "less frequent donors" (those who report giving 1 or fewer years out of the 3 pre-pandemic years). Less frequent donors demonstrated higher giving rates and giving amounts during the pandemic than predicted without COVID-19's influence. Conversely, frequent donors gave at much lower rates compared to the predictions in a non-pandemic scenario. However, when frequent donors did contribute, their average donation amounts were higher than projected in the absence of COVID-19 (see Appendix 3 for more details).

5. COVID-19 Experiences at the Individual and Community Levels

Although individual-level pandemic hardships do not seem to be significant drivers of pandemic giving rate reductions, we do find evidence of a more pronounced overall decline in giving (both in participation rates and donation amounts) in communities that experienced severe pandemic impacts. This is particularly true for giving to religious congregations.

Specifically, proxying the respondent's community by their state of residence, we consider three alternative state-level measures of community pandemic experiences, merged in from external data sources (see the Methods section on Other Data Sources): (1) above median state COVID-19 mortality, (2) above median state pandemic unemployment, and (3) length of pandemic induced shutdowns. Our analysis finds evidence of significant declines in overall giving rates, particularly religious giving, associated with state-level above median COVID-19 mortality and unemployment, and a significant increase in overall giving rates, particularly religious giving, associated with longer pandemic shutdowns. These results reiterate a potentially greater incremental responsiveness of religious but not secular giving to state/community-level pandemic (economic) adversity, even among traditionally frequent donors.

6. Racial & Ethnic Differences in Giving

Finally, we consider racial/ethnic differences in pandemic giving rate and giving amount changes by comparing trends in giving behaviors of frequent donors before and after the pandemic's onset, in samples stratified by non-white and white respondents.[5] Analogous to our overall results, when comparing pandemic giving changes in baseline frequent donors to less frequent donors, we find very similar pandemic declines in giving rates and amounts given, among both non-white and white frequent donors. Moreover, in both groups, the across-the-board pandemic declines in giving rates are much greater for secular giving than giving to religious congregations, with albeit greater incremental reductions in religious giving in response to community pandemic adversity.

DISCUSSION AND LIMITATIONS

The COVID-19 pandemic brought unprecedented challenges, yet Americans demonstrated remarkable adaptability and fortitude. The resilience of charitable giving is evident in our data. While overall charitable giving rates experienced a decline, generosity endured, transcending time, race, ethnic background, and geographic boundaries. Despite fewer households giving, the average giving amount increased among donor households, reflecting an enduring philanthropic landscape.

Our analysis reinforces several well-established aspects of giving in the U.S. Donors are more likely to be female, married, and socio-economically advantaged (higher incomes and educational attainment). Moreover, giving rates initially increase with age, peaking between 40-60 years of age, and then decline again post-retirement.

While some of the data validate well-researched aspects of giving, the data also shed new light on unexplored dimensions, revealing intriguing new insights. Our analysis confirms that the pandemic exacerbated a pre-existing decline in giving rates. While the data suggest that giving rates would have continued to decline without the COVID-19 pandemic, the pandemic accelerated the trend. On the contrary, among those who gave, the average giving amount increased during the COVID-19 time period compared to the projected counterfactual scenario for 2020, particularly among those who may have been somewhat protected against pandemic-induced economic losses, such as beneficiaries of stimulus checks.

Moreover, pandemic declines in secular giving rates were greater than the pandemic declines in giving to religious congregations. Religious traditions often encompass deeply rooted philanthropic traditions, which appear to have endured during the pandemic. Although the overall pandemic decline in the giving rate is greater for secular giving, the incremental negative effects of adverse pandemic experiences appear to be greater for religious giving.

[5] Small sample sizes disallowed further disaggregation of the non-white sample into finer race/ethnicity groups.

Our evidence on the impact of specific individual-/community-level adverse pandemic experiences on giving rates is somewhat mixed. Specifically, we find no significant impact of self-reported pandemic job loss and COVID-19 morbidity on giving rates. We do find some evidence of significant giving rate declines associated with state of residence/community aggregate measures of COVID-19 adversity, particularly for those who resided in states with greater than median COVID-19 mortality rate and pandemic unemployment. There was no impact on giving rates with longer lengths of state mandated pandemic shutdowns. The exception was that giving to religious congregations, in both rates and amounts, increased with the duration of the shutdowns. One reason for this mixed evidence may be that pandemic giving changes could be correlated with the intensity of pandemic experiences. For instance, those who experience the worst COVID-19 morbidity/mortality or pandemic induced economic loss, may be most likely to change if they give and how much they give.[6] Overall, it seems that the pandemic may have led to an across-the-board "chilling effect" on giving rates. This decline is perhaps due to fears of long-term pandemic-induced economic loss, hardship, and general uncertainty.

This report represents an initial effort to analyze and deepen our understanding of the long- and short-range effects of the pandemic on giving. While our focus was on the first year of the pandemic, subsequent research will aim to extend to the ensuing years, analyzing the effects of major events, such as vaccine rollouts and return-to-work mandates. Furthermore, future research studies should also explore differences in motivations for and modalities of giving to religious congregations and secular organizations during the COVID-19 pandemic-induced public health crisis, which may underlie these trends.

CONCLUDING IMPLICATIONS

As the U.S. reckons with lessons from the pandemic, it is essential to acknowledge how global economies have shifted and lives have been forever changed. Widespread unemployment, prolonged shutdown periods and COVID-19 morbidity undoubtedly led to numerous personal crises during the pandemic. A bright spot in our data shows that donors were persistent in giving through possibly some of the worst personal experiences of their lifetimes. Nearly 22 million workers lost their jobs in the first few months of the pandemic (US Bureau of Labor Statistics, 2020). By April 2020, unemployment jumped to 15% after a low of 3.5% in February 2020 (Congressional Research Service, 2021). Many chose to retire earlier than planned.

Despite adversities, racial and ethnic composition of the giving landscape remained largely unchanged. The pandemic exposed and exacerbated many social and economic inequities. Racial/ethnic minorities experienced disproportionately higher rates of COVID-19 morbidity and mortality in the U.S. (Price-Haywood et al., 2020; Glance, Thirukumaran, & Dick, 2021; Gross et al., 2020). The fact that the pandemic-related decline in charitable giving among non-white individuals did not exceed the average highlights the resilience and generosity of racial and ethnic minority communities, even as they faced disproportionate challenges due to COVID-19 in the U.S.

[6] PPS respondents with the most intense pandemic experiences (i.e., those who died from COVID-19 infections) may no longer be captured in our data, biasing our estimates of the association between individual-level COVID-19 pandemic experiences and giving downwards.

The uneven impact of the pandemic on U.S. households further highlights a need for nonprofits to understand how lives have been shaped and will continue to be changed by these adversities. This includes tailoring appeals that are more personalized, flexible, and based on a donor's current situation and preferred method of giving, such as online giving. It can also mean expanding volunteer opportunities for those who are not in a financial situation to give monetarily.

Another key finding in our analysis was that the gap between pre-pandemic frequent donors and less frequent donors lessened, presenting a pivotal moment for new and occasional donors. This new group of donors may be more responsive to rapid community support, non-conventional forms of philanthropy, and digital fundraising efforts. Nonprofits should be aware of the changing dynamics of donors, tailoring strategies to these new donors who may have different motivations and preferred vehicles for giving. Furthermore, nonprofits should be attuned to addressing society-wide issues that impact the regions in which they work. These issues often have an impact on their work and their donors.

This study offers a new understanding of how U.S. households responded to the multifaceted crisis of the COVID-19 pandemic. The pandemic reshaped many aspects of society, from advancements in healthcare to remote working and learning environments. Philanthropy, far from immune to these shifts, manifested through both conventional and innovative forms. Notably, communities that were disproportionately impacted by the pandemic displayed remarkable resilience, overcoming significant obstacles with fortitude and reimagining long-standing traditions of philanthropy.

These findings contribute to an emerging body of research that is exploring how donors responded during times of crisis. As we navigate the long-term implications of the global pandemic, the data provide a compelling narrative that generosity endured, even in some of our darkest hours.

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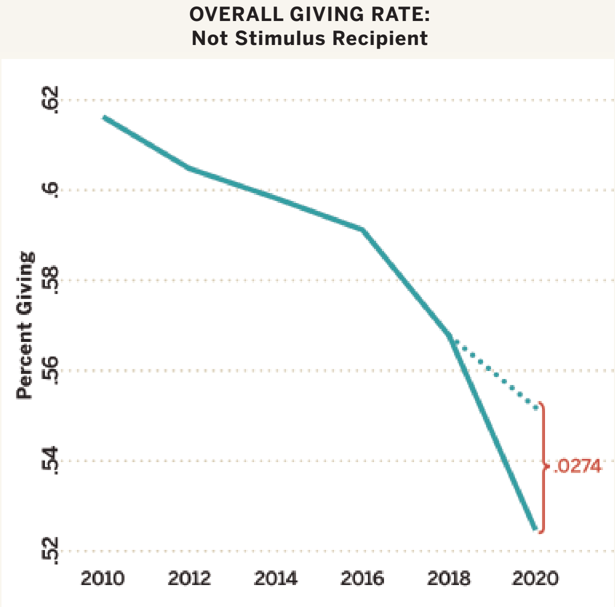
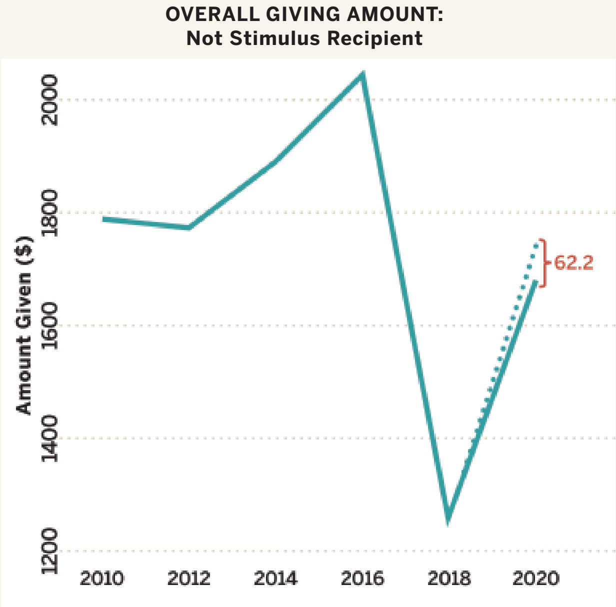
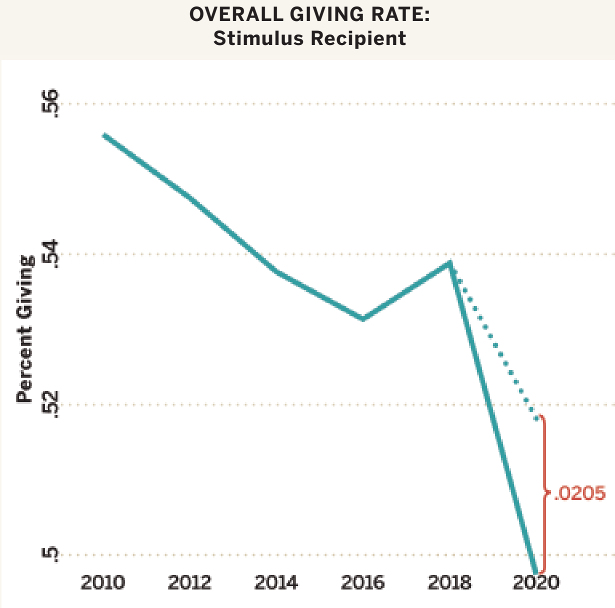
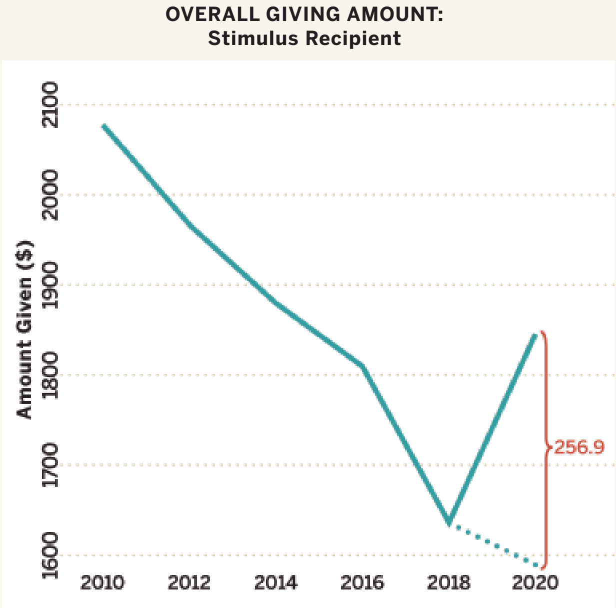
APPENDICES

APPENDIX 1: Predicted Giving with and without the Influence of COVID-19 for Stimulus and Non-Stimulus Recipients







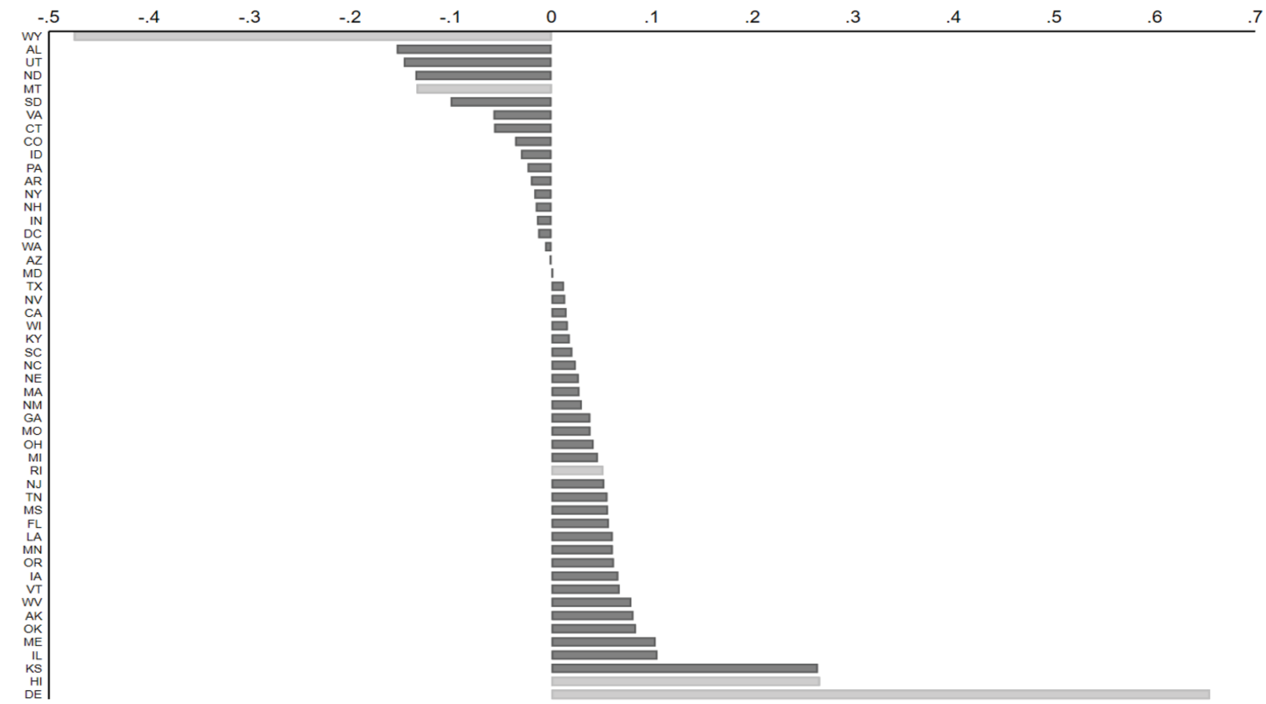


Predicted with COVID-19 Predicted without COVID-19

APPENDIX 2: Predicted State-Level Giving Rate with and without the Impact of COVID-19

CHANGE IN GIVING RATE BY STATE

Difference between predicted and counterfactual assuming no COVID-19

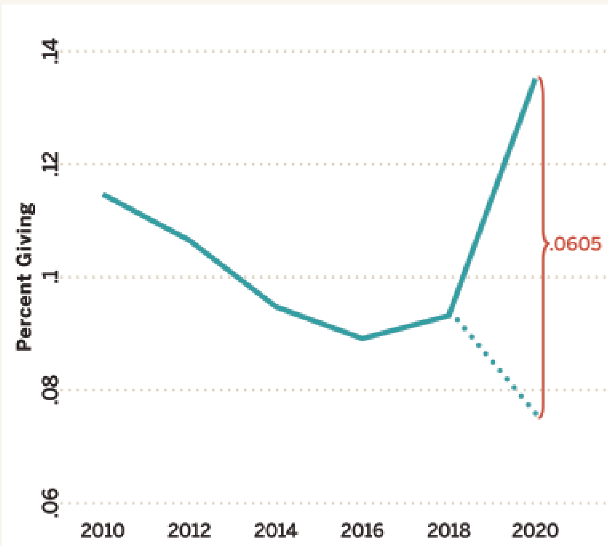


State with small sample size in light grey

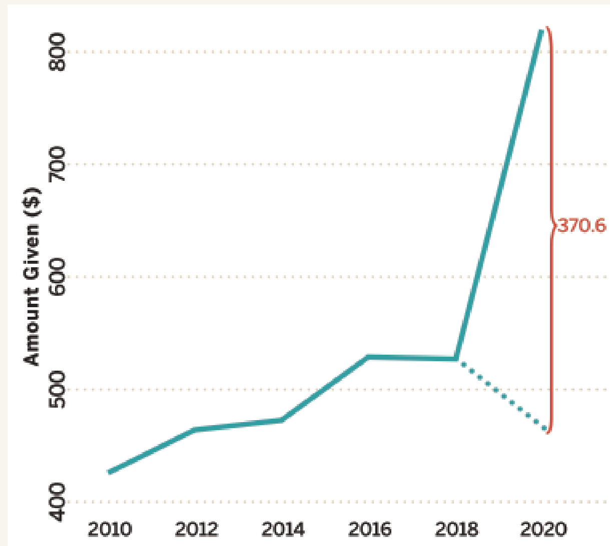
Negative value indicates that giving rates would have been LOWER without COVID-19

APPENDIX 3: Predicted Giving for Frequent and Less Frequent Donors (with and without the Impact of COVID-19)

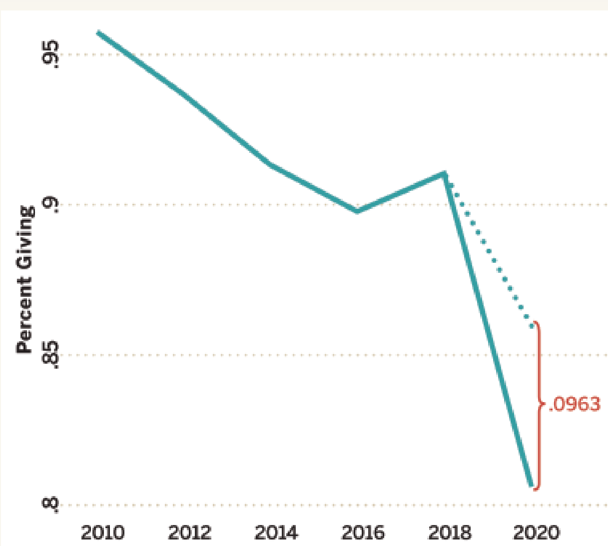
OVERALL GIVING RATE:
Non-frequent Giver



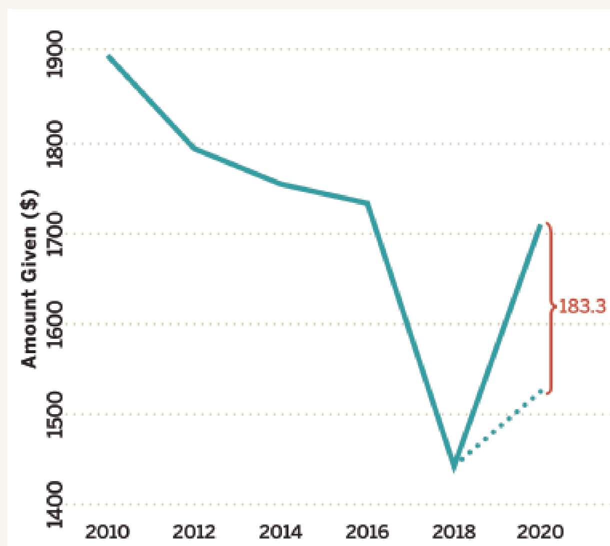
OVERALL GIVING AMOUNT:
Non-frequent Giver



OVERALL GIVING RATE:
Frequent Giver



OVERALL GIVING AMOUNT:
Frequent Giver



Predicted with COVID-19 · · · · · Predicted without COVID-19

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