

Charitable giving up slightly but still ailing

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(RNS) Charitable giving is trickling back up as the economy heals, but it could take years to return to pre-recession levels, nonprofit leaders say.

Giving totaled \$291 billion in 2010, according to the 2011 annual report by the Center on Philanthropy at Indiana University. That's up 3.8 percent from 2009 and follows two consecutive years of declines.

This year shows little change. Charity Navigator, a Glen Rock, N.J., organization that evaluates nonprofits, anticipates donations will be flat during the holiday season.

About 35 percent of nonprofit contributions come from state, federal and local government grants and contracts, and those gifts are declining, CEO Ken Berger said. Only 15 percent is from individuals.

"Staying the same is generally not a great place to be when you've got increases in demand and operational costs because of inflation and so on," said Patrick Rooney, executive director of the Center on Philanthropy.

If the recuperation continues at its current rate, it will take U.S. charities six years to return to where they were financially in 2007, Rooney warns. "We are not out of the recession, and we are not recovered from the recession," he said.

Some leaders in the nonprofit world see the glass as half-full. An American Red Cross survey of 1,020 adults this fall found that although 80 percent of respondents said their finances were the same or worse than the same time last year, 57 percent plan to give to a charity during the holidays. Almost seven in 10 say that because of the economy, it is important to give to charity.

"Despite the difficult economy, Americans want to give to help others in need," said Gail McGovern, Red Cross president and CEO.

The Center on Philanthropy report said Americans contribute 2 percent of their disposable income, a figure that has remained constant for decades.

Nonprofit leaders agree that charitable organizations must think innovatively to keep the cash coming in.

Berger of Charity Navigator said organizations should avoid duplicating services. He said nonprofits should adjust to meeting the public's need for openness about finances and organization.

Some organizations try to grow by making sure potential donors feel engaged, while others have been reaching out to young people to stay viable.

The Jewish Communal Fund, a New York group that allows people to donate to various causes through investment funds, began its outreach to adults 35 and under just as the economy began to slide.

The group has actively recruited younger adults onto its board and lowered minimum contributions from \$5,000 to \$1,800.

"We didn't want to be struggling like some organizations are with an aging membership," said Ellen Israelson, vice president of marketing and donor relations.

There are other innovations for charities to consider, such as making sure they use social media for outreach and technology for accepting donations, Rooney said.