11 TRENDS IN PHILANTHROPY FOR 2024

Dorothy A. Johnson Center
FOR PHILANTHROPY

Dorothy A. Johnson Center for Philanthropy

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Grand Valley State University

To connect with the Dorothy A. Johnson Center for Philanthropy, email jcp@gvsu.edu or call (616) 331-7585.

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When we think of "trends" in our everyday lives, we typically think of concrete things we can see, hear, or even eat. Popular songs, or brand names — the ubiquitous appetizer, the meme we can't escape.

Over eight years of producing *11 Trends in Philanthropy,* the Dorothy A. Johnson Center for Philanthropy has most often taken this approach to our annual review of the sector, as well. Our team has combed the landscape of nonprofits and foundations for the most visible signs of a trend — the increased grant dollars, the emerging networks, familiar voices speaking up.

This year's trends share a familiar wealth of examples, data, quotes, and research publications that can help us all anticipate the vectors of change. But at the core of *11 Trends in Philanthropy for 2024,* readers will find a set of questions rather than answers. Each trend poses a number of moral, economic, equity-related, tactical, and other questions that the sector will have to answer.

In some cases — such as in the use of artificial intelligence in the workplace, or the adoption of new federal protocols for race and ethnicity data — those answers will come due very soon. In others — such as how institutional philanthropy addresses the glass cliff crisis among leaders of color or shifts resources to account for the U.S. South's booming population — it may be years before we understand whether and how choices are made.

What we see most clearly for philanthropy in 2024 and beyond is that the field will wrestle with these questions. We look forward to the work ahead.

We are deeply grateful to the generous donors of the Lubbers Philanthropy Innovation Fund who made this work possible, as well as the entire Johnson Center team, each of whom contributed to the production of this report.

To learn more about this report, contact Karen Hoekstra, Marketing and Communications Manager, at (616) 331-6404 or email karen.hoekstra@gvsu.edu.

With Thousands of Incarcerated Students Enrolled in Higher Education, How do We Measure Success?

by Emily Doebler and Aaron Yore-VanOosterhout

As predicted in our 2022 Trends report, postsecondary educational programming in prison continues to grow (Hawver & Yore-VanOosterhout). With this growth comes a once-in-a-generation opportunity to reshape how we evaluate rehabilitative programming and, more importantly, its impacts on the people enrolled in the same.

According to the most recent data available, there are now more than 400 Higher Education in Prison (HEP) programs across the country, and every state offers at least one HEP program for people incarcerated in their system (National Directory of Higher Education in Prison Programs, 2023). Philanthropic involvement in HEP continues to grow apace as foundations give millions of dollars in support. For example:

- In June 2023, the Mellon Foundation announced more than $5 million in grant funding to seven higher education institutions to support the expansion of higher education in the carceral system. Mellon has contributed more than $60 million to HEP since 2015 — nearly half this amount in just the last two years.
- The Ascendium Education Group has more than 15 grants, totaling more than $17 million, allocated to current HEP initiatives.

The principal reason for this sudden expansion of HEP programs and grants is the restoration of federal student loan programs for incarcerated students.* Through the FAFSA Simplification Act, incarcerated students enrolled in approved prison education programs will once again be eligible for Federal Pell Grants (Federal Student Aid Knowledge Center, 2023) — an opportunity denied them for nearly 30 years since the enactment of the 1994 Violent Crime Control and

***Using person-centered language is important when discussing the carceral system**, as research shows that language can greatly impact a person's health and well-being (Tran et al., 2018). The authors of this trend draw from *The Underground Scholars Language Guide* (Cerda-Jara et al, 2019) to inform the language used. See also the pledge from the Formerly Incarcerated College Graduates Network.

Law Enforcement Act (Tewksbury et al., 2000). As a result, HEP is fertile ground for postsecondary programs to expand their enrollment and diversify their student body.

To guard against the exploitation of students and to ensure they are receiving a high-quality education for these limited funds, the U.S. Department of Education requires periodic evaluations of prison education programs (Gaskill & Castro, 2023). Historically, these evaluations have measured “recidivism.” In recent years, however, many HEP programs and advocacy organizations have begun calling for a change in how we measure success for formerly incarcerated people. Funders intending to evaluate their HEP investments in the coming years will face the same critiques.

Recidivism, Ill-Defined

Although there is no single definition, “recidivism” is widely understood as a person’s re-involvement in criminal activity after they have been released from the carceral system (Bureau of Justice Statistics, n.d.). This term was popularized after 1967 when the President’s Commission on Law Enforcement and Administration of Justice released a report declaring that reduced recidivism should be a key goal for this system (as cited in National Academies of Sciences, Engineering, and Medicine, 2022). Today, the metric is everywhere in public conversations about prison — a ubiquitous proxy for “rehabilitation” itself.

However, scholars examining the carceral system and its societal impacts have long critiqued the measure. Many point to inconsistent measurement, for example (Maltz, 1984). With no set standard on how to calculate how often people return to criminality, institutions decide for themselves what methods they use; unsurprisingly, this can result in problems ranging from broad public misunderstanding to cherry-picking the method that best makes one’s case.

For example, some studies measure recidivism by tallying rearrests — that is, the number of people released from prison who are arrested again within a certain period of time (Bureau of Justice Statistics, 2002). But “arrest rates are as much a function of police activities as they are of criminal activities,” and there are perhaps no communities so highly surveilled as those with high numbers of people returning from prison — often communities of color (quote from Gottschalk, 2015, p. 104; for surveillance, see Clear, 2007). In addition, some state departments of corrections monitor returnees’ criminal records only for their first year after release, while others may monitor records for three years or more, inevitably increasing the recidivism rate (Klingele, 2019).

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Pointing fingers at the people committing crimes, a high recidivism rate can justify curtailing parole and expanding the prison system to “lock them up.” Looking instead at the carceral system, a high recidivism rate can signal the failure of prisons to rehabilitate, and prompt demands for decarceration. Whichever way the political winds blow, criminal justice scholars Ian Loader and Richard Sparks argue, “there is always more at stake in crime reduction than reducing crime, and hence more to evaluation than finding out ‘what works’” (as quoted in Gottschalk, 2015, p. 101).

Indeed, interventions in human behavior don’t always “work” once and for all. Recidivism asks a “yes” or “no” question at a single moment in time: did someone commit another crime or didn't they? It does not tell us, for instance, whether subsequent crime(s) were of lesser severity than the first, or motivated by addiction or unaddressed mental illness, or the result of heightened scrutiny on behaviors that other non-incarcerated people don't think twice about: behaviors such as legal drug or alcohol use, or staying out past a certain hour of the night.

Recidivism and the Success of HEP

The FAFSA Simplification Act requires every HEP program be evaluated by corrections agencies that can provide oversight and assess whether programs are operating in students' best interests (Gaskill & Castro, 2023). For programs that do not pass this "best interest" determination, students will no longer receive Pell Grants. While measuring recidivism and rates of completion are optional, oversight entities can adopt them. Without intentional action, a focus on recidivism may still dominate and skew the conversation.

Some higher education institutions have expressed that recidivism should not be used to evaluate their programs (Gaskill & Castro, 2023). Advocates call for other measurements to determine a program's success, guided by a commitment to equity, excellence, and access (Erzen et al., 2019).

Intentionality in Program Evaluation

But how else could we evaluate programming that must be — by the very nature of the system in which it resides — rehabilitative? There are several alternatives.

- First, watching for "markers of desistance" is only a small step away from traditional measurements of recidivism but asks a much different question. Instead of answering "yes" or "no" to the potential presence of crime, evaluators look for signs that a person's criminal behavior is becoming less severe or more infrequent over time. While any criminality would be seen as a failure in the recidivism paradigm, lessening the severity or frequency of offending may show success for rehabilitative programming (Klingele, 2019).
- Taking a step further from recidivism and criminal behavior, evaluators can instead monitor positive signs of success for people leaving prison, including engagement with "health care, housing, education, employment, and social and community integration" (National Academies of Sciences, Engineering, and Medicine, 2022, p. 150).

Philanthropy will continue to play a large role in providing higher education to incarcerated students for at least the next several years. Foundations can be a leader in this by funding evaluation methods that prioritize metrics beyond recidivism (Erzen et al., 2019). While recidivism rates may be useful in gaining support for HEP from taxpayers, as Patrick Filipe Conway, director of the Boston College Prison Education Program, emphasizes, "a purely instrumental approach does not fully capture — and, in fact, might obscure — more foundational civic principles to the recognition of human dignity and the provision of education access and opportunity" (2023, p. 477).

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AAPI Communities are Leading an Upswell in Philanthropy

by Trish Abalo and Mandy Sharp Eizinger

Asian American and Pacific Islander (AAPI*) communities are leading a shift in the philanthropic landscape. As demonstrated in the "Stop Asian Hate" movement or in response to the Maui wildfire's devastating effects on local Lahaina communities, AAPI-led movements are mobilizing major resources.

Background

Asian Americans "were the fastest-growing racial or ethnic group in the U.S. from 2000 to 2019" (Budiman & Ruiz, 2021, para. 1). In 2021, the estimated number of Asian American residents in the country was 24 million (U.S. Census Bureau, 2023). The 2020 election voter turnout rate for the non-Hispanic Asian population saw the largest jump (from 49% to 59%) of any identity group from 2016 to 2020 (Fabina, 2021).

Alongside this growth, however, stark patterns of inequality exist in parallel. In 2018, the Pew Research Center found that income inequality was the greatest among Asian Americans. Over an almost fifty-year period, the distribution of income "transformed from being one of the most equal to being the most unequal among America's major racial and ethnic groups" (Kochhar & Cilluffo, para. 2).

Donors and foundations have historically neglected funding to address these challenges and more within AAPI communities. Asian Americans/Pacific Islanders in Philanthropy

***This piece uses the term "AAPI" but there are several versions of this acronym** (Asian American Organizing Project, 2021). The U.S. Census Bureau is the leading source for the historical and contemporary definitions of race and ethnic groups (Pratt et al., 2015; U.S. Census Bureau, 2022; Pew Research Center, 2020). They utilize the term "Asian American Native Hawaiian Pacific Islander" (AANHPI), but common uses in the media include "Asian American," "Asian Pacific Islander American" (APIA), and "Asian Pacific Islander Desi American" (APIDA).

The term "Asian American" has its roots in building people power during the 1960s and 1970s. While it continues to be used in this way, the term has also been critiqued for elevating some groups while obscuring others (Kaur, 2023, 2022). These different terms collectively refer to diverse groups of people with origins from more than 26 different nations, 50 ethnicities, and 100 languages (Findling et al., 2022; Banerjee, 2021; Kim, 2021).

The Pew Research Center notes the importance of self-description in how the U.S. Asian population talks about their identities (Ruiz et al., 2023; Ruiz et al., 2022), while ChangeLab (n.d.) describes how Asian American identity often comes with assumptions about this group as a monolith, and insists it must instead be understood within the broader contexts and systems of power that organize our society, including the social construction of race and our capitalist economic system. These themes and more affect how these terms have changed and will continue to shift over time.

(AAPIP)'s 2021 report *Seeking to Soar* concludes that while the share of the U.S. population identifying as AAPI has more than doubled from 3% to 7% in 30 years, foundation funding for AAPI communities only accounted for 0.2% of domestic grantmaking, a "shocking disappointment" (p. 5). A survey by the Center for Effective Philanthropy further found that almost three-fourths (71%) of AAPI-serving nonprofits reported that they did not receive new foundation funding in 2020 (Buteau et al., 2021) even as xenophobic violence against AAPI communities increased 77% from 2019 to 2020 (Findling et al., 2022).

Collaboration and Momentum Across the Field

While there has long been advocacy by AAPI leaders and allies, recent calls to action in the face of violence have garnered increased momentum.

- In 2019, Asian Americans Advancing Justice, made up of five of the country's largest Asian American advocacy, policy, and legal service organizations, joined Communities Against Hate, a diverse coalition of 19 national organizations to fight rising violence. The Leadership Conference Education Fund, in partnership with Communities Against Hate (2019), released *Hate Magnified: Communities in Crisis,* a 2019 report analyzing almost 4,000 stories collected from the Communities Against Hate online database and a nationally representative Hate Incidence Poll. Many stories in the database involved anti-Asian and anti-immigrant rhetoric.
- In March 2020, Stop AAPI Hate launched a website for individuals to safely share their experiences amidst a rise in COVID-related anti-Asian racism. In the following months, calls to "Stop Asian Hate" went viral in response to high-profile attacks, including the 2021 killing of 84-year-old Vicha Ratanapakdee in San Francisco and the series of 2021 Atlanta area spa shootings (Kai-Hwa Wong, 2022). Mutual aid groups — which have "long been a means for survival for many Asian American immigrants (Fernando, 2021, para. 16)" and whose networks swelled during the onset of the pandemic — responded broadly (Wang, 2021).
- In 2021, AAPIP issued a call for "expanding philanthropic support for Asian American communities and organizations and all historically underserved communities of color" (para. 8). *The Chronicle of Philanthropy* pushed out this call from over 500 foundation leaders and ally organizations (Daniels, 2021).

Control of the Narrative

Key giving efforts to answer these calls have gained visibility and align with an array of existing philanthropic priorities, from donor-advised funds and giving circles to civic engagement and disaster response.

- AAPI Data (2020) conducted surveys and interviews of AAPIP members and found "a steady increase of family foundations as well as AAPIs opening donor-advised funds with a focus on AAPI communities" (Ramakrishnan et al., p. 6). They also noted that a 2016 National Asian American Survey found that giving to charitable causes among Native Hawaiians and Pacific Islanders was among the highest.
- According to AAPIP (n.d.), giving circles are a long-standing practice amongst AAPI communities. However, recent developments, such as $3.65 million in grants from the MacArthur Foundation (2023) (part of which helped fund The Chicago Community Trust's Asian Giving Circle, 2023), The Denver Foundation's (2023) establishment of a new affinity giving circle, and North Star Fund's (2022) collaboration with Asian Women's Giving Circle in New York City (reported as one of their top ten highlights from 2021), show the importance of this giving approach.
- The AAPI Civic Engagement Fund, one of the largest funders of AAPI movement building, awarded $9 million in general operating grants over the past two years for civic participation (Jin Lee, 2023; Mesfin, 2022). In response to the Maui wildfires, NDN Collective

(2023) encouraged Kanaka (Native Hawaiian)-led efforts, such as donations to the Hawai'i People's Funds, the Nā `Aikāne o Maui Cultural Center, and the Maui Mutual Aid Fund.

- In 2021, more than 9,000 Asian business leaders and allies, including Zoom CEO Eric Yuan, YouTube cofounder Steve Chen, and OpenTable CEO Debby Soo, generated significant media attention when they pledged $10 million to partner with Asian Pacific Community Fund (Stand with Asian Americans). Meanwhile, The Asian American Foundation (TAAF) reported commitments over five years totaling $1.1 billion in donations and in-kind support from more than 130 partners, leveraging significant support from AAPI business leaders (2023).
- In July 2023, TAAF and the Walmart Foundation launched The AAPI Nonprofit Database, an interactive resource connecting donors to AAPI nonprofit organizations. This type of tool as a bridge for organizations and community supporters was echoed in recommendations from a 2021 Urban Institute report, "Efforts to convene, connect, coordinate, and break down silos across AAPI organizations can help foster greater investment in the ecosystem and support movement building and the development of policy agendas that unify and advance AAPI communities" (Ford et al., p. 19).

Beyond giving and grantmaking, significant cross-sector actions in service of AAPI communities are underway, such as President Biden's creation of the President's Advisory Commission on Asian Americans, Native Hawaiians, and Pacific Islanders (The White House, 2021); the debut of ASIAN AMERICANS, a major history documentary led by Asian American filmmakers lauded as "the most ambitious television chronicle of the Asian American story in the United States" (PBS, 2019, para. 1). NBC News compiled "100 of the ways legislators, teens, artists, schools, athletes and many others nationwide have stepped up to fight hate and increased attacks" (Yang et al., 2022, para. 1).

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Additional historic public sector commitments in the past few years, such as $247 million in California and $30 million in New York state, have helped support nonprofits serving AAPI communities ranging in media outreach and social networking to a multilingual hate crime reporting hotline (Sohrabji, 2023; Coalition for Asian American Children and Families, 2023).

Going forward, AAPI Data and AAPIP's latest report (2023), Stepping up for Community, suggest funders must:

> Do the homework on understanding AA and NHPI nonprofits and the communities they serve. Support visibility of the experiences and concerns of AA and NHPI communities ... especially under-invested and underserved populations ... Invest in ... smaller organizations ... [and] Invest in the long-term capacity. (p. 3)

Maintaining progress hinges on listening — and amplifying the work and voice of AAPI communities leading by example.

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With Crisis Comes Change: Black Women and the Glass Cliff

by Aimée Laramore, with research contributions from Crisol Beliz

Even under the best circumstances, leadership transitions can be unsettling for both the organization and the leader. As the National Council of Nonprofits noted, "Whether a transition occurs due to an unexpected vacancy on the staff or board, or the anticipated transition of a long-tenured leader, being deliberative and thoughtful, and having a plan in place, can help a nonprofit weather the inevitable challenges of leadership transition" (n.d., para. 2).

For some leaders, these transitions can be particularly challenging — and risky. The concept of the "glass cliff" — first coined by authors Ryan and Haslam (2005, para. 9) — refers to the tendency for women and racial/ethnic minorities to be appointed to leadership positions during times of crisis. The theory based in this research explains that these individuals are essentially set up to take the blame if the company fails or continues to struggle, even while the organization itself is able to boost its reputation as modern and enlightened (Kagan, 2022).

With more and more people of color, and especially Black women, appointed to leadership positions following the crises of 2020, we're seeing the glass cliff attracting greater attention and concern in research, commentary, and conversation. Faced with struggling organizations, reduced time to perform, and insufficient support, leaders are finding themselves in untenable situations.

A Brewing Crisis Gains Attention

Even before 2020, data from the *Race to Lead* series of reports from the Building Movement Project (BMP) (2021) — which call upon datasets gathered in 2016 and 2019 — demonstrated the particular challenges faced by leaders of color and, especially, Black women. For, as Tiffany Tate pointed out in a 2021 interview with Forbes, "As a result of the intersection of race and gender, Black women are uniquely positioned to face 'double bias,' or 'double jeopardy' in the workplace" (Seale, 2021, para. 4).

According to BMP's 2019 report, *Race to Lead: Women of Color in the Nonprofit Sector,* their 2016 Nonprofits, Leadership, and Race Survey found that Black women were the most likely (43%) of all demographics to say their race had negatively impacted their career advancement (Biu). As summarized by Sydney Trent for *The Washington Post* (2021), in this study "Black women cited lower pay, being overlooked for jobs and promotions, lack of mentorship, dealing with assumptions that they are underqualified, and being stereotyped as 'angry Black women'" (para. 13).

Further, BMP's 2022 report, *Trading Glass Ceilings for Glass Cliffs: A Race to Lead Report on*

Nonprofit Executives of Color, noted that "nearly half (49%) of people of color indicated in the 2019 survey that their race had negatively impacted their advancement, up from roughly one-third (35%) in the 2016 survey" (Thomas-Breitfeld & Kunreuther, p. 5).

"The overwhelming consensus," wrote Jen Douglas and Deepa Iyer in BMP's 2020 report, On the Frontlines: Nonprofits Led by People of Color Confront COVID-19 and Structural Racism, "is that the current climate is taking an immeasurable psychological, physical, and emotional toll, especially on women of color leaders" (p. 4). Recurring pain points of note:

- ***Following a white leader.*** The 2021 report, Making (Or Taking) Space: Initial Themes on Nonprofit Transitions from White to BIPOC Leaders, from BMP and the Robert Sterling Clark Foundation noted that most exiting white leaders or boards were recruiting leaders of color not only to lead the organization but to address internal issues of equity or racism. BMP's 2022 report, *Trading Glass Ceilings for Glass Cliffs,* also found that "the data on the staff challenges of EDs/CEOs of color who followed white predecessors—combined with the data on the lack of DEI efforts being taken on by white EDs/CEOs—appears to bolster personal accounts by leaders of color who felt they inherited a staff team, board, and funder relationships that resist and resent being led by an ED/CEO of color" (Thomas-Breitfeld & Kunreuther, p. 18).
- ***Boards of directors.*** ED/CEO relationships with boards of directors are often already fraught with power dynamics, evolving roles and responsibilities, and the strong personalities of individuals attempting to fulfill the needs of the organization. Research from BoardSource (2021) demonstrated that boards impact the job satisfaction of nonprofit EDs/CEOs in various ways, ranging from the extent to which the board adds value to strategic conversations to the amount of money board members contribute to the organization.

> ***[O]ver 50% of Black women felt they were treated discourteously at work, did not feel part of the team, did not have a shared sense of purpose, and did not receive care and support from others.***

Many Black women leaders especially report increased scrutiny from their boards and unrealistic expectations. As noted by a Black female executive leader in the 2023 report, *Brilliant Transformation: Toward Full Flourishing in BIPOC Leadership Transitions,* "...we're trying to shift it so that we have shared power and, at the same time, people are expecting me to come up with all the answers ...Well the previous CEO didn't solve all the problems all right now, why are you expecting me, all of a sudden, in my first three months to solve all the problems?" (Flores & Conte, p. 21).

- ***Isolation and devaluation.*** According to BMP's 2017 report, *Race to Lead: Confronting the Nonprofit Racial Leadership Gap,* leaders of color reported their pay was inadequate (51%), that they were frustrated with the stress of being called on to represent people who shared their race or ethnic identity (36%), and that their workloads were too demanding (70%) (Thomas-Breitfeld & Kunreuther). *Results of the Black Women Thriving, BWT Report: 2022* bear out this sense of frustration and even loneliness: over 50% of Black women felt they were treated discourteously at work, did not feel part of the team, did not have a shared sense of purpose, and did not receive care and support from others (Hines & Fitts Ward).

The task of righting an organizational ship, experts say, can be so daunting that it quickly leads to burnout or even failure. As a woman of color participant in BMP's 2021 study, *Making (or Taking) Space,* noted,

> It's just absurd. I feel like funders are so excited to have that moment [of hiring a leader of color] and be like, "Yay, look what's happening." And everybody's like, "Yay," and then they just walk away. And . . . in almost every case that I know of, a staff that has deep-seated issues of race and gender and gender identity that nobody has dealt with or unpacked. (p. 20)

An Inclusive Sector Will Mean Investing in Success for Leaders of Color

Many Black women and other leaders of color have found themselves on the "glass cliff" since 2020. Yet the reality and dangers of the glass cliff have existed for far longer than that. Utah State University professors Alison Cook and Christy Glass set out to study the glass cliff a decade ago, only to identify a further phenomenon — that of the "organizational savior," or the hiring of a white male to follow the ousted woman or person of color leader (Munson, 2013).

Grantmakers, nonprofit leaders, board members, and others should ensure that this next wave of executive transitions doesn't just push more leaders of color over the proverbial glass cliff. As Scott Konrad pointed out for the Center for Association Leadership, "Nonprofits will need to contend with many challenges [in the years ahead] including labor shortages, inflation, donor hesitancy, rising costs, cyber threats, and falling endowments" (2023, para. 1). Nonprofit leadership work is demanding enough, without adding unnecessary barriers created at the intersection of gender and race.

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A Wake-Up Call for Investing in the South

by Trish Abalo and Tory Martin, with research contributions from Brian Herron and Jeff Williams

The U.S. South* is experiencing a boom.

Nine of the 15 fastest-growing large cities in the country (populations of 50,000 or more) are located in Texas and Florida (U.S. Census Bureau, 2023). More than half of Black Americans (56%) live in the South (Tamir, 2021). As a region, it is home to the fastest-growing Latino (Zong, 2022) and Asian American (Devarajan, 2023) populations in the country.

Following the 2020 Census, the region picked up three electoral votes — bringing its total to 191, well more than half of what a presidential candidate would need to secure the election (U.S. Census Bureau, 2021). And while most states are still recovering from the COVID-19 pandemic (Plyer et al., 2023), Southern states are seeing indications of growing economies (Sasso & Tanzi, 2023; Frey, 2022; Highlander Research and Education Center, 2019).

While institutional philanthropy has typically overlooked the South (Grantmakers for Southern Progress, n.d.; Daniels, 2021), recent figures indicate positive progress in grantmaking. Data from Candid (2023) indicate a 51% increase in overall giving to the Southeast region from 2014 to 2019 — more than all other regions combined (13%). For example, giving has more than doubled in several priority areas, such as human rights ($136 million to $333 million) and community and economic development ($480 million to $1.1 billion).

These gains represent strong philanthropic investments in the region, but they will require sustainable commitments over time to keep up with growing need and the compounding effects of historical underinvestment. That said, dollars are not the only force that moves the philanthropic sector: people do, too. The Ford Foundation (2021a) observed,

> From Texas to Mississippi to Virginia, the South has long been an incubator for social change. … And its legacy of abolition, reconstruction and desegregation is alive today … Advocates and organizations across the South are at the forefront of many of America's fights for civil rights, from reproductive justice and voting rights to transgender equality and workers' rights (para. 2).

Many of the debates at the center of our nation's "culture wars" are playing out in Southern communities, increasing the spotlight on

***There is no consensus on how to define the region known as the "South."** The U.S. Census Bureau includes 16 states in its "South Region" — AL, AR, DE, District of Colombia, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV (U.S. Census Bureau) — while Grantmakers for Southern Progress excludes Delaware, D.C., and Maryland from this list. Philanthropy Southeast serves "11 Southeastern states and the U.S. Virgin Islands." And historically, the Confederate States of America only included 11 states; Kentucky, West Virginia, Maryland, Delaware, and D.C. did not secede from the Union.

In this article, we use the term "South" to refer generally to the region, however, it is defined by the organizations from which we take our data and evidence.

intersectional issues and efforts, and drawing both people and funding to regional initiatives. Much of this work is fundamentally grassroots, conducted by nonprofits, collaboratives, and groups of committed individuals without a formal status. Tracking its growth is difficult, but its achievements are obvious to those impacted by their work.

Groups like the Southern Movement Assembly, Black Voters Matter Capacity Building Initiative, New Disabled South, and others fall into this category of vibrant regional projects that are drawing attention — building coalitions, advocating for policy and systems change, and helping to drive significant new support to the South.

Grantmaking and Impact Investments in the South

In 2017, the National Committee for Responsive Philanthropy and Grantmakers for Southern Progress published *As the South Grows,* a four-part series detailing the activities of Southern nonprofit and community leaders and calling on philanthropy to step up their support. Institutional philanthropy is increasingly recognizing this activity — its leaders, networks, and undeniable impact. Support for increasing both grantmaking and impact investing in the South is on the rise (Schlegel & Peng).

Authors for *NPQ* (Warren, 2018) and *Inside Philanthropy* (Ramirez, 2023) have pointed out the importance of place-based and rural funders in the region, and many of the most recent commitments have their antecedents in 2020.

- The Southern Power Fund has moved $18.4 million to 375 entities across the South and Puerto Rico since November 2020 (n.d.).
- The Ford Foundation announced $75 million (including $36 million raised via its historic social bond initiative) in new grantmaking for the South in June 2021. The commitment nearly doubles Ford's regional investment since 2016 (2021b).

Groups like the Southern Movement Assembly, Black Voters Matter Capacity Building Initiative, New Disabled South, and others … [are] building coalitions, advocating for policy and systems change, and helping to drive significant new support to the South.

- Since its founding in 2019, the Hive Fund for Climate and Gender Justice (a philanthropic intermediary) has moved more than $50 million to organizations working to transition the region to clean, renewable energy sources (n.d.).
- Fay Twersky, appointed president of Georgia's Arthur M. Blank Family Foundation in 2021, announced the foundation's intention to rapidly increase their Southern grantmaking to "produce a ripple effect as Twersky, a prominent grant maker with a national network of contacts, works to attract other grant makers to the South …" (Daniels, 2021, para. 1).

Impact investing has also gained momentum in the South in the past five years.

- In 2018 and 2019, Prudential Financial teamed up with the Kresge and Annie E. Casey Foundations to create Invest4All, a $130 million impact investing fund focused on communities and entrepreneurs of color in Atlanta, Memphis, and New Orleans (Mission Investors Exchange, 2018)
- In 2022, the W.K. Kellogg Foundation (WKKF) gathered a group of "influential investors" to explore and shape an impact investing initiative: Reimagining Opportunities for

Investment (ROI) in the South (Muller & Williams-Bishop). WKKF specifically called out the global pandemic as a catalyst for their work (para. 2).

- North Carolina-based funder, the Kate B. Reynolds Charitable Trust, has recently worked to divest its portfolio from tobacco companies and products and is shifting $100 million of its public equity investments into companies that are significant economic drivers in their home state (Jagannathan, 2022).
- The Georgia Resilience and Opportunity Fund (GRO Fund) launched as a new impact investment fund in fall 2023, with its first guaranteed income initiative focused on Black women, In Her Hands, set to mobilize $13 million over two years (Simpkins, 2022).

Sustaining Movement and Momentum

This is a long game — something organizers in the South have always known. As Amplify Fund observed in their 2023 *4-Year Reflection* report, "Some national funders are coming around to the understanding that funding in the South cannot just happen during election cycles, but must be a constant, multi-year investment" (p.24).

Community organizing, advocacy, redevelopment, and reimagination are happening all across the South. We can expect success to breed success so long as the necessary resources — the people, the ingenuity, the enabling political environment, and, inevitably, the money — materialize.

We did some digging into the data...

The Johnson Center holds a database of 30+ years of information on the nonprofit sector, including data from the IRS Form 990 series. By mining this data for trend lines in the South, we found the following:

Growth in Number of Nonprofits, 1989–2022

230% U.S. SOUTH

149% NATIONALLY

Share of U.S. Nonprofits Based in the South

26% 1989

31% 2022

By sheer numbers, the nonprofit sector's growth in the South has outpaced the rest of the country. However, by asset size, these organizations are, on the whole, smaller at each of the breaks (average, 25th percentile, median, 75th percentile, and 90th percentile) than the national average. What impact could this reality have on the success and sustainability of community change efforts in the region?

Want to learn more?

Contact us to find out how your community, state, or region has evolved over time. Call the Johnson Center at (616) 331-7585 or visit johnsoncenter.org to get started.

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Expected Changes to Federal Race and Ethnicity Standards Present Opportunities — and Caveats

by Aaron Yore-VanOosterhout and Emily Doebler

In the summer of 2022, the City Council for Anaheim, California, recognized the efforts of the Arab American Civic Council and the broader Arab American community to formalize that community's contributions, designating a portion of the downtown "Little Arabia" (San Román). This designation acknowledges a generation's efforts to build community in the neighborhood and the many years of work from advocates to build a common cause across national identities in order to gain public visibility.

Much like the development of the "Hispanic" identity decades earlier, people from countries including Syria, Libya, Iraq, and Saudi Arabia — alongside those descendant from these countries, born in the United States — have today adopted the MENA* (Middle Eastern or North African) identity (for the construction of the "Hispanic" identity, see Mora, 2014; for the working classification of the MENA category, see Buchanan et al., 2016). The Anaheim City Council member who advanced the proposal to designate Little Arabia said the intent was to recognize "the substantive value of history, culture and place that Little Arabia has for Anaheim. For our city to say, 'We see you, we're going to name you and we're going to be proud to do this' is critical" (San Román, 2022, para. 20).

MENA advocates in Anaheim and beyond are part of a movement to change the way the U.S. government collects data on race and ethnicity — rethinking the "limits of whiteness," to borrow the title of a work by scholar Neda Maghbouleh (2017), a study of how Iranian Americans have moved back and forth across the color line. This

***It is important to note that many advocates prefer the term Southwest Asian or North African, or SWANA.** For them, the designation "Middle East" is rooted at least partly in U.S. and European colonialism of the region, while SWANA is a strictly geographical term and encompasses a larger area (Mustafa et al., 2021).

See also, for example, the distinction made between the terms "Hispanic" and "Latino." For an examination of the development of the Hispanic identity, see Mora, 2014.

movement gained momentum in 2023 when the Office of Management and Budget (OMB) proposed new race and ethnicity data collection standards.

"White by Law"

MENA advocacy and the OMB's proposed changes spring from a common problem: millions of Americans do not see themselves in the racial and ethnic categories officially recognized by the U.S. government.

According to the U.S. Census Bureau, people who identify as MENA are counted as white, without ethnic qualification (OMB, 2023). For many, however, this does not reflect their lived experience. As one Iranian American student explained,

> [w]hite teachers and counselors have tried to correct me when I claim an 'other' racial identity. They say, 'If you're Iranian, then you're white.' And it's like, [...] 'Tell me what other 'white' countries are sanctioned, exploited, and vilified the way Iran is right now? And am I 'white' like you when I'm at the airport? (Maghbouleh, 2017, p. 1).

Like this student, roughly 15% of the U.S. population identified as "some other race" on the 2020 Census. (About 90% of those respondents who selected "some other race," whether alone or in combination with another race, identified as "Hispanic or Latino" [Jones et al., 2021]). In other words, for about one out of every seven people living in the United States, the provided list of racial categories that respondents could choose from either did not at all or did not fully encompass their identity. This proportion surpassed all but the "white" racial category in 2020 (Jones et al., 2021).

A New Race and Ethnicity Paradigm for the Public Sector

For the first time in a quarter century, the federal government recently proposed new data collection standards. On January 27, 2023, the OMB published and requested comments on its "Initial Proposals for Updating OMB's Race and Ethnicity Statistical Standards" in the Federal Register. These standards were first established in 1977, in the wake of the civil rights movement.

The Office of Management and Budget's proposed updates include combining the ethnicity and race questions into a single question and adding a category for people who identify as MENA.

They have not been significantly amended since 1997 when the OMB divided the "Asian or Pacific Islander" category into two distinct groups and began permitting respondents to select more than one race category overall.

The 2020 Census asked residents first to identify their ethnicity (i.e., "Is this person of Hispanic, Latino, or Spanish origin?") and then to identify their race (Marks & Rios-Vargas, 2021). The OMB's proposed updates include combining the ethnicity and race questions into a single question and adding a category for people who identify as MENA.

This proposal has generated advocacy at both the national and state levels. Organizations nationwide are largely urging the OMB to adopt its proposed changes. Groups such as the Arab American Institute (through its outreach initiative, *Yalla, Count MENA In!)* and the National Network for Arab American Communities, for example, support the addition of a MENA category.

Last year also saw a growth in parallel advocacy to bring state agencies up to the proposed federal standards. In this work, the Robert Wood Johnson Foundation (RWJF) — through their fiduciary, the Leadership Conference Education Fund — has established a national network of grantees conducting campaigns in states as varied as California and Michigan.[1]

[1] The Johnson Center is leading the Michigan-focused campaign, alongside other partners such as ACCESS, with funding from LCEF.

What does this mean for nonprofits and other community advocates?

The OMB is slated to announce its decision on the proposed changes in summer 2024. Assuming the agency adopts the proposed changes — which seems likely — there are many protocols that nonprofits and foundations may spend the next several years ironing out (in accordance with whatever implementation timeline OMB provides).

First, entire communities will be visible in federal — and, eventually, state — data on everything from public health to policing and incarceration. Those organizations with data-reporting requirements for federal grants will need to adjust their data collection and reporting. Eventually, most nonprofits will need to adjust their data collection as other funders adopt the new guidelines. For instance, RWJF has called for those organizations collecting or reporting on data to "ensure adequate sample sizes of small, disadvantaged groups to permit meaningful analysis, even if it means more financial resources are needed," as well as to "commit to using disaggregated data to inform policies, practices, and programs" (Braveman et al., 2022, pp. 32–34).

Beyond this, adding categories to federal data creates a new "protected class" of people for civil rights law enforcement. We should expect to see advocacy on behalf of MENA communities, for example, to redraw electoral districts and secure additional rights. Nonprofit organizations and funders should prepare for the implications of these efforts as they consider their roles in correcting longstanding injustices.

Perhaps most importantly, the philanthropic sector will need to help steer the national conversation away from the inevitable backlash to changing race and ethnicity standards. While claims about the disappearance of white people are not new, we should expect these false assertions to resurface in the wake of the OMB's anticipated decision. (See, for example, Jones, 2022, for the "great replacement" theory and its role in hate crimes.) By refining race and ethnicity data standards, the OMB is simply recognizing the social reality that uncounted numbers of people face every day.

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Affordable Housing is a National Crisis with a Distinct Local Impact

By Julie Couturier, Emily Jex, and Lesley Slavitt, with research contributions from Jana Einfeld

The widespread lack of affordable housing in the U.S. is neither a new nor an easy problem to solve. The need is great, and the solutions are complex. Despite decades of work from the public, private, and philanthropic sectors to improve the availability of and access to affordable housing, the challenge persists.

Nearly three-quarters of Americans (74%) cited the availability of affordable housing as a major problem in their community (NeighborWorks America, 2023). This brings large-scale trends to the community level. High interest rates, inflation, climate instability, and job market and population shifts — some the result of lingering effects of the COVID-19 pandemic — have had a dramatic impact on the affordability of housing as it is experienced at the local level. Combined with preexisting biases such as the generational impacts of redlining and use-based zoning codes, the long-term effects of policies like restrictive zoning, and a multitude of other challenges, a perfect storm of placed-based pressures has resulted in a crisis of significant magnitude.

In some of this country's fastest-growing metro areas, local grantmakers are rallying to the cause of affordable housing, highlighting challenges in homeownership, rental markets, and racial disparities. Three case studies illustrate these efforts.

Homeownership in Denver

Homeownership can be an important asset-building tool, particularly as a forced savings mechanism. However, the racial wealth gap, combined with the availability of affordable inventory, has made it practically unattainable — contributing to intergenerational disparities (Brookings, 2020). COVID-19 made things worse by compounding existing exorbitant housing prices, particularly in cities that had experienced pre-pandemic population growth. One such city is Denver, Colorado.

Since 2005, the population of Denver has increased by 29%, putting significant pressure on housing demand (Byers, 2023). The insufficient number of new housing units resulted in a tight housing market and reduced affordability. During this period of population growth, the average home price in Denver increased 138% while the average hourly wage rate grew by only 37% (Byers, 2023).

To address the city's housing emergency, The Denver Foundation deepened its participation in policy work in 2021. The foundation has subsequently continued to grow its presence in this space, including supporting Denver's Expanding Housing Affordability Ordinance, which requires that, as new housing units are built, a specific number of units must be designated as affordable (2023). This not only recognizes the contribution zoning has made to the affordability crisis but the lever it can be to help drive local solutions.

The Cost of Rent in Austin

As of 2019 In the U.S., about 36% of households rented, rather than owned their homes (DeSilver, 2021). The number of households that spent more than 30% of their income on rent — designating them as "cost burdened" — increased from 2008–2011 before leveling off for almost a decade. Unfortunately, in the aftermath of the pandemic, that number reached a record high in 2021, as rent prices outpaced the growth in wages (Whitney, 2023).

In cities with a steady stream of business and worker relocations, the demand for rental units has dramatically driven up the cost of rent. Austin, Texas is one example. With warm weather and a thriving tech economy, companies like Tesla and Apple have moved or expanded their businesses there. It's therefore no surprise that in the decade from 2010-2020, metro Austin experienced a 33% increase in population, (Austin Chamber of Commerce, 2022), compared to national population growth of 7.4% (Makun et al., 2021). A growth rate of 23% is projected for metro Austin 2020–2030 (City Demographer, 2023).

It's also no surprise that Austin has experienced corresponding increases in housing costs and low housing inventory, especially in the rental market. There are only 23 affordable and available homes in metro Austin for every 100 renter households in a city where half of all residents are renters (Benjamin, 2022).

With the steady stream of business and worker relocations continuing, the Austin Community Foundation and other local funders are leading the call for more affordable housing. According to the *Housing Affordability in Central Texas — Philanthropic Opportunities 2022* report commissioned by the community foundation, "the effectiveness of Austin's response to its housing affordability crisis will determine its future" (Benjamin, p. 3).

Nationwide, local foundations have been newly drawn to housing affordability, providing grants for rental assistance while also publicly advocating for eviction moratoria and supporting housing developers to bring more housing online more quickly.

This same report notes that Austin's reality is mirrored everywhere. Nationwide, local foundations have been newly drawn to housing affordability, providing grants for rental assistance while also publicly advocating for eviction moratoria and supporting housing developers to bring more housing online more quickly (Benjamin, p. 5).

Racial Disparities in Grand Rapids

In addition to building intergenerational wealth, homeownership has many benefits, including the freedom to customize, control over expenses, household stability, and the ability to build a strong credit history. These benefits are not equally realized across the U.S. According to the Joint Center for Housing Studies, in every state, "Black, Hispanic, and Native American households have lower homeownership rates than white households" (Hermann, 2023), with the same true for Asian American households in every state except Hawaii. In Grand Rapids, Michigan, the community aims to collaboratively address these disparities.

Grand Rapids, in Kent County, experienced a population growth of 9.2% from 2010–2020 (U.S. Census, 2022), outpacing the state's population growth of 2% during the same period (Butler, 2023). Like Austin and Denver, as the population grew, the increased housing demand resulted in homeownership and rental costs that outpaced wage growth, with Kent County ranked near the bottom nationally when comparing homeownership rates among different races. The gap is 23 points for Hispanic compared to white households, and a staggering 40 points for Black households compared to white households — 25% worse than the national average. Kent County has the fifth-worst housing disparity gap in the U.S. (American Community Survey, 2020), with over 50% of renters being cost-burdened.

Foundations, nonprofits, and community members came together to identify ways to address housing instability and racial disparities in homeownership, with local funders like the Frey Foundation having newly moved to fund housing issues. A new nonprofit, Housing Kent, grew out of this collaborative as a network organization of nearly 130 partners supported by nearly 20 funders — from corporate givers to family foundations, the local United Way, and the city's community foundation (Housing Kent, 2023).

Conclusion

A lack of local safe and affordable housing is of particular interest to place-based funders because the issue has a widespread — and direct — impact on the quality of life in communities, including economic, educational, and overall well-being. For Denver, Austin, and Grand Rapids — as for countless communities nationwide — finding pathways for impact can be daunting. Yet despite the enormity of the issue — or perhaps because of it — localities don't just reflect economic and societal shifts; they are exemplars for how to springboard solutions that may yet provide lessons that transcend place.

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The Fiscal Sponsorship Model: A Growing Trend in the Nonprofit Sector

by Jeff Williams and Alexandra Akaakar

"I want to start a nonprofit" is an unsurprisingly common phrase heard in the nonprofit space — whether from practitioners or legal and philanthropic advisors. Often, the answer is, "Do not" (Bradrick, 2015; Spicer, 2021; Takagi & Chan, 2009). After all, the process of establishing and managing a nonprofit involves a multitude of challenges, including:

- handling back-office operations such as human resources, insurance, and financial management;
- obtaining legal certifications like certificates of incorporation, tax exemptions, and charitable solicitation licenses;
- forming and managing a volunteer board of directors; and
- cultivating and activating donors.

Moreover, the nonprofit sector already houses nearly 1.85 million organizations (IRS, 2023), potentially leading to service and mission duplication.

In response to these challenges — and as our colleagues Mandy Sharp Eizinger and Tory Martin noted in last year's *Trends* report — fiscal sponsorship continues to emerge as an alternative model that allows individuals or groups to engage in charitable activities without establishing a separate nonprofit entity. As the National Council on Nonprofits (n.d.) notes, "In essence the fiscal sponsor serves as the administrative 'home' of the cause" (para. 1).

What is Fiscal Sponsorship, and Why Adopt this Model?

Fiscal sponsorship is a relationship in which an unincorporated group or project seeking to carry out charitable activities affiliates with an existing 501(c)(3) nonprofit organization that shares a compatible mission. Multiple models of fiscal sponsorship exist, each offering a slightly different approach (Colvin & Petit, 2019). However, the most common model, known as Model C or the "preapproved grant relationship," involves the fiscal sponsor receiving and managing funds on behalf of the project (FiscalSponsorDirectory.org, 2023, para. 18).

As noted by Spack (2005), "fiscal sponsorship is by definition a behind-the-scenes service, ... often under the public and philanthropic radar" (p. 24). That last point is important to note: fiscal sponsorship — either as the host or recipient organization — is not currently disclosed on any of the IRS Form 990 annual returns, nor is fiscal sponsorship required to be disclosed on websites or annual reports (Andersson & Neely, 2019). Even so, there are key situations when fiscal sponsorship is the preferred way of implementing a nonprofit's services (National Council of Nonprofits, n.d.):

- when newly formed nonprofits are fundraising before they seek independent status with the IRS;
- when a new or existing nonprofit wants to test drive an idea or service that could be a spin-off entity; and
- when a collective, organization, or program:
  - decides that it prefers to focus its efforts on fulfilling its mission instead of on supporting or ancillary activities; or
  - decides that an existing nonprofit has office staff, supporting vendor relationships, fundraising operations, or other resources that it can leverage or purchase cheaper than if it did so on its own.

Additionally, there are many reasons why this model is becoming more attractive:

1. ***Efficiency and Shared Administration:*** By leveraging the infrastructure and experience of existing nonprofits — including financial and risk management, human resources administration, and even capacity building support — projects can focus on their vision and mission while keeping costs low (Andersson & Neely, 2017; Trust for Conservation Innovation, 2014; Sattely, 2017; Takagi, 2020).
2. ***Lower Barrier to Entry:*** Individuals and groups seeking to engage in charitable activities can immediately access tax-exempt contributions and grant support without the need to navigate the complex process of establishing a separate nonprofit (Sattely, 2009).
3. ***Regulatory Compliance and Trust:*** "Simply stated, fiscal sponsors place responsibility for implementing programs in the hands of project leaders while ensuring appropriate [legal and] fiduciary oversight" (National Network of Fiscal Sponsors, n.d., para. 1).

Fiscal sponsorship provides a built-in network for physical, intellectual, and emotional support as well as leveraging an existing board of directors[.]

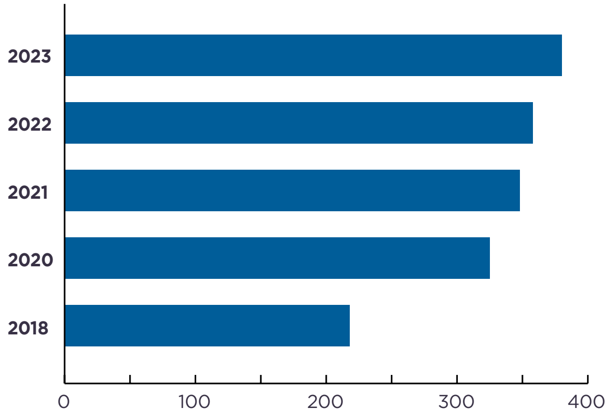
4. ***Support Network:*** Fiscal sponsorship provides a built-in network for physical, intellectual, and emotional support (Sattely, 2009) as well as leveraging an existing board of directors — because finding volunteer board members is often one of the largest challenges of a nonprofit startup (FiscalSponsorDirectory.org, 2023).

Increasing Interest in Fiscal Sponsorship

Fiscal sponsorship traces back to a community-based public health initiative in Massachusetts in 1959 (Sattely, 2009). However, interest in fiscal sponsorship has been steadily growing over the past two decades.

- The Fiscal Sponsor Directory, managed by the San Francisco Study Center, has seen an increase in the number of sponsors registering with the directory from 2009 to 2019 (Andersson & Neely, 2019). More than two-thirds of the fiscal sponsors listed in the directory were established in 2000 or later — and the listed 380 sponsors are home to nearly 19,000 separate projects (Fiscalsponsordirectory.org, 2023). See Figure 1 for calculations from the authors based on archived directories.
- While the Fiscal Sponsor Directory maintains the largest — and longest available —

Figure 1: Total Number of Fiscal Sponsor Organizations Listed in the Fiscal Sponsor Directory



directory, not every fiscal sponsor is listed. According to one of the directory staffers,

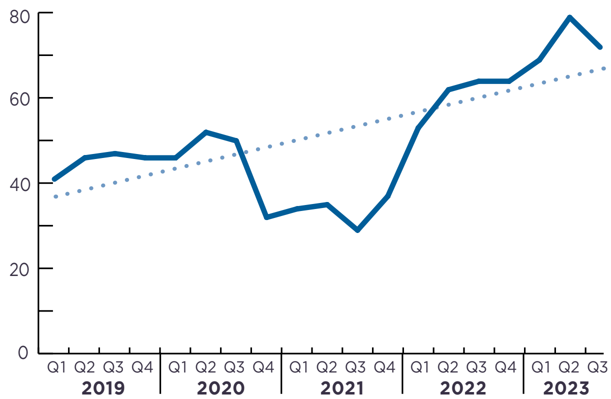
> [W]e know their numbers also are going up. Using Google Alerts, we've maintained a list of them for years: The list rose from about 400 in 2021 to 535 last year, and today it's 600. Combining that list with the Directory's sponsors puts the known number of fiscal sponsors nationwide at almost 1,000, nine times those surveyed in the first field scan in 2006. (Beggs, 2023, para. 11)

- In November 2023, Social Impact Commons and the National Network of Fiscal Sponsors released the first major comprehensive scan of fiscal sponsorship in seventeen years. Their report, *Fiscal Sponsor Field Scan 2023,* found that "three times as many sponsorship programs were created in the last 20 years than were created in the 40 years prior to 2000" (p. 4), further documenting the increasing growth in the last two decades. The field scan provides detailed information on more than 100 fiscal sponsors who collectively administer over 12,000 charitable projects with 18,000 employees or contractors.

Anecdotal support for increasing interest in fiscal sponsorship is also relatively easy to find.

- Organizations like NOPI, a nonprofit incubator in Massachusetts, received applications for fiscal sponsorship and startup support from more than 70 entities nationwide in its last round of funding (2022).

Figure 2: Total Google searches for "fiscal sponsorship" as a topic, January 2019–August 2023



- Google searches for "fiscal sponsorship" as a topic have nearly doubled from January 2019 through September 2023. See Figure 2.[1]

Issues and Challenges

The major issues surrounding fiscal sponsorship include:

1. ***Lack of Awareness:*** Smaller entities in the nonprofit sector often lack awareness of the option to obtain a fiscal sponsor, which could provide them with much-needed capacity support and administrative efficiency (Andersson & Neely, 2019).

2. ***Enhanced Disclosures and Transparency:*** Limited public disclosure of fiscal sponsorship activities can conceal the allocation of resources between the sponsor and the recipient organization, making it challenging for external stakeholders — including funders — to understand how nonprofit resources are used to support recipient organizations (Andersson & Neely, 2019). As noted above, nothing about fiscal sponsorship is currently

[1] Calculations by the authors from raw data are available at bit.ly/fiscal-sponsorship-trends-data.

required in any public disclosure or IRS Form 990 annual return.

3. ***Risks and Challenges for the Host Organization:*** As Spack (2005) notes, "fiscal sponsors are legally responsible for all of the activities of the groups they house. They must therefore screen those organizations carefully before agreeing to partner and must engage in diligent oversight. Sponsoring a nonprofit that has shaky finances or disarrayed leadership and governance is asking for trouble. On the other side, the group that gets sponsored is dependent on the competence of its sponsor's staff and the reliability of its systems." (p. 23). Proper due diligence is essential for both sponsors and sponsored projects to avoid potential issues (Takagi, 2020; Bradrick, 2015; Spack, 2005).

Conclusion

The fiscal sponsorship model provides a practical alternative for individuals and groups looking to engage in charitable activities without separately incorporating or standing up their own supporting activities — but with some risks to both the program and the host organization. When implemented properly, fiscal sponsorship offers the potential for efficiency, collaboration, and resource optimization. The increasing presence of this model in the nonprofit landscape and the number of fiscal sponsor organizations at both the regional and national levels demonstrate the model's utility in the charitable sector.

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The Artificial Intelligence Revolution Arrives in Philanthropy

by Kallie Bauer, with research contributions from Brian Herron and Emily Jex

In the past twelve months, *The Chronicle of Philanthropy, Alliance Magazine, Inside Philanthropy,* and many more have all published content that both explores and predicts the future of artificial intelligence (AI) and its impact on the philanthropic sector. While AI is not a new field, it has received an enormous amount of attention and interest in the past year. According to Google Trends, the popularity of the search term “artificial intelligence” dramatically increased in 2023, reaching an all-time high in April following the release of Chat GPT, Bing Chat, and Bard by Google (Open AI, 2022, & Mehdi, 2023).

This is also not the first time the Johnson Center has included AI in our annual *11 Trends in Philanthropy* report. The topic first appeared in 2020, when Adriana Paz observed, “New sources of data, new technologies, and new analytical approaches [including artificial intelligence and machine learning], if applied responsibly, can enable more agile, efficient, and evidence-based decision-making” (para. 12). Again in 2022, Kallie Bauer (author here) explored the application of artificial intelligence and machine learning by nonprofit organizations in “Nonprofits are Finding New Ways to Get the Data They Need.”

Both of these previous references focused on the role of AI in expanding access to and the usefulness of data in the sector. Since these trends were written, the number of artificial intelligence tools that are both low- to no-cost and available for supporting other aspects of the work — such as writing and fundraising — has increased. In addition, the type of AI leveraged in these free tools is evolving and increasingly easy to use.

This is the aspect of the artificial intelligence revolution that has the largest implications for philanthropy. With cost no longer the primary barrier to entry, nonprofits and foundations who invest the necessary time and capacity into exploring these new tools and commit to using them responsibly will benefit the most from this emerging technology.

Philanthropic Investment in the Development of AI

Artificial intelligence has been in use in select settings since the 1950s (Anyoha, 2017). Its wider use among organizations of all sizes and purposes, however, has been a more recent development. As *Inside Philanthropy (IP)* pointed out in July 2023, philanthropy has been playing its own role in this evolution, with major philanthropists, many of whom made their money in tech to begin with, leading the way (Karon). According to *IP’s* reporting, Eric and Wendy Schmidt committed $400+ million to AI, the late Paul Allen increased support by $125+ million for the Allen Institute for AI, Fred Luddy donated $60+ million to establish an AI research initiative, other donors, plus foundations like Ford, Rockefeller, and MacArthur, have committed close to $1 billion in the past decade to studying, advancing, and setting up safeguards for AI.

As AI increased in sophistication, the technology began to branch in two different directions, now known as “traditional AI” and “generative AI.” Emily Heaslip (2023) describes the difference: traditional AI, also known as Narrow AI or Weak AI, is a “subset of artificial intelligence that focuses on performing preset tasks using predefined algorithms and rules” (para. 3). Examples of traditional AI include voice assistants like Siri or Alexa, language translation tools, and spam email filters.

Generative AI, on the other hand, is the next generation of artificial intelligence — with a comparatively recent entry into the public space. Also known as Strong AI or Creative AI, generative AI uses algorithms to create new content, including text, audio, code, and images (Heaslip, 2023). Newly familiar tools like ChatGPT, released November 2022, (OpenAI), and Bard by Google, released in early 2023, fall into the generative AI category. It is this form of AI that is rapidly creating opportunities for foundations and nonprofits of every size to benefit from this technology — and the sector is quickly coming on board.

Recent Applications and Products

Daniel Hadley (2023), in an article for *The Chronicle of Philanthropy,* explored the potential ways generative AI tools can create efficiencies and simplify work previously done by experts in the nonprofit sector. Hadley suggested generative AI would reduce the cost of fundraising, developing marketing campaigns, bookkeeping, research, hiring, and evaluation.

Meredith Gray (2023), in an article for Nonprofit Tech for Good, also suggested 12 ways AI generative tools could assist nonprofits with fundraising, including stewarding and engaging donors, engaging volunteers and board members, and sharing impact.

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Historically, AI tools were limited to academia and businesses (Karon, 2023). Today, more businesses offer both traditional and generative AI tools for the philanthropic sector. Examples include:

- Founded in 2017, Dataro raised $2.5 million in funding in 2021 to provide its artificial intelligence support services to nonprofits (Ogg, 2021). Dataro may represent a third frontier where traditional and generative AI systems work in tandem (Marr, 2023). Dataro uses generative AI tools that assist with grant proposal writing and fundraising, it also uses traditional AI and machine learning to analyze fundraising data and identify individuals with the highest probability of giving.
- The generative AI platform Grant Assistant is a 2023 start-up aimed especially at supporting grantwriters going after complex institutional grants from groups like the U.S. Agency for International Development, the European Union, and the National Institutes of Health (Wiggers, 2023).
- Other purchasable programs like Fundwriter.ai, Grantable, Granted AI, and Grantboost have all emerged in the last few years and claim to help fundraisers save time, increase fundraising success, and — importantly — serve as key additions to a nonprofit’s toolbelt, not replacements for human staff.

Since tools like these are relatively new entrants to the public sphere, there is not a substantial amount of case studies available that discuss how nonprofits are leveraging this technology in their day-to-day work. On Reddit, users discuss anecdotal applications of ChatGPT in their nonprofit work. User netherlane (2023) posted,

> I've been using it to answer some proposal questions that call for a specific variations [sic] on something I've got previously answered on the boilerplate or other proposals. For example, if the rfp asks for an answer in 300 words and I've previously answered that question in 1000, then I feed the 1000-word answer to GPT and ask it to summarize that answer in 300 words.

Similarly, user allhailthehale (2023) posted,

> The most useful application I've found is drafting letters of support. When I ask a partner for a letter of support for a grant I draft something for them to make it easier. Chat GPT allows me to rephrase each one and make it a little more specific to them without spending a ton of time on each.

In both examples, generative AI tools allowed nonprofit staff to accomplish their work more efficiently.

Responsible Use

On October 30, 2023, the Biden Administration issued the Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence. Later that week, representatives of 28 countries, the United Nations secretary-general, and tech industry leaders like Elon Musk, met at Bletchley Park, England, for the first international AI Safety Summit (Chan & Lawless, 2023).

Although both traditional and generative AI can improve the efficiency of work and simplify tasks, they must be used ethically and responsibly. Beth Kanter and Allison Fine (2023) discussed the risks associated with generative AI, including those that arise when replacing tasks normally done by humans. In late spring 2023, for instance, the National Eating Disorders Association replaced its advice hotline volunteers with an AI-driven chatbot, Tessa. The chatbot was unable to provide the necessary level of empathy to callers or observe and understand human behaviors. It also reportedly provided resources that were unrelated to users' questions (Wells).

Kanter and Fine (2023) believe the benefits of artificial intelligence can only be safely realized when organizations increase their AI literacy, prioritize testing of the technology and risk-mitigation strategies, and do not use artificial intelligence as an inexpensive replacement for staff or volunteers.

With advancements in AI happening faster than ever, and more easily accessible tools becoming available to the nonprofit sector, it is no wonder the amount of speculation about how organizations can best use the technology is dominating the media. With great opportunity, however, also comes great risk. The sector should keep in mind that artificial intelligence must be used ethically and responsibly. Those who invest the necessary time, have a willingness to explore new artificial intelligence tools, and remain committed to artificial intelligence's responsible use will come out on top in the coming years.

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Donor Anonymity Is Under the Microscope

by Tory Martin and Michael Layton

There are many reasons why a donor to a charitable organization may wish to remain anonymous — personal humility, religious conviction, or a desire to avoid public or family scrutiny, for example.

Yet what may seem a personal decision to a donor has become a battleground in philanthropy, politics, and the public square. While many of the issues tied up with anonymous charitable giving remain unresolved, debates over the merits, dangers, and even existence of anonymous giving will generate intense debate.

The Political Debate

Nonprofits annually submit a list of their major donors to the federal government through the Schedule B supplement of the IRS Form 990. For Form 990-PF and Section 527 political organization filers, those lists are already required to be publicly accessible (IRS, 2022, p. 5). For all other filers, however, that list has traditionally been considered highly sensitive and confidential.

The U.S. Supreme Court's 1958 ruling in *NAACP v. Alabama* (Justia, n.d.) set this precedent. Citing the very real physical, economic, and social dangers NAACP donors and members faced at the time, the case affirmed donors' constitutional right to privacy through "free association."

In 2010, the Supreme Court's ruling on *Citizens United v. FEC* changed the game (Federal Election Commission). That ruling ushered in an era of mounting concerns about the influence of private individuals, corporations, and labor unions on U.S. elections. State and federal legislators began introducing legislation to make these donations public, arguing for transparency in the interest of fighting fraud, addressing mismanagement in governance (Totenberg, 2021), and rooting out "dark money" and foreign funding (Kennedy, 2023) from politics.

The issue has garnered so much public interest that Balletopedia launched a dedicated email newsletter on the topic, The Disclosure Digest, in February 2019. Five years later, the platform is still active — as is the debate. While aiming to bring transparency to campaign finance, opponents argue these regulations could infringe on donors' established rights to free speech and association. "When considering disclosure rules," wrote Elizabeth McGuigan of Philanthropy Roundtable (2021), "clear distinctions must be made between charitable association and political activity" (para. 1).

Advocates of donor privacy believe the question was settled in 2021 with the Supreme Court's 6-3 ruling in the case of *Americans for Prosperity Foundation v. [California Attorney General Rob] Bonta.* That ruling determined that California could not force nonprofits to submit lists of their major donors to the state. Despite what might have seemed to be the final word on the subject, Ballotpedia counted 70+ proposed bills in state legislatures calling for greater disclosure in 2022, and more than 50 in 2023 as of October.

> ***At MIT and Harvard, public outcry in response to the revelation that these universities accepted large anonymous donations from Jeffrey Epstein led both schools to reconsider their anonymous donation policies.***

An unresolved quandary here is the question of effective regulation of the sector and the enforcement of existing (let alone new) statutes. Without public disclosure and a fulsome understanding of current practices, especially actual versus real malfeasance, regulators and watchdogs will struggle to do their jobs fully. On the other hand, as critics point out, the California regulations struck down in 2015 had failed to uncover any meaningful fraud in more than 10 years of donor list review — calling into question the true necessity of such disclosure (Parnell, 2017).

The Sector Debate

Within the philanthropic sector, donor anonymity continues to be hotly debated. After all, peer-to-peer influence is a well-known factor in motivating others to give, while enforced public disclosure might prevent some from giving altogether (Murphy, 2023).

What is uniquely interesting about this issue is that opinions do not fall neatly along the ideological spectrum. Philanthropy Roundtable, generally considered right-leaning in the sector, is joined by the American Civil Liberties Union (2021), the NAACP Legal Defense and Education Fund, and the Human Rights Campaign (all typically seen as left-leaning organizations) in advocating staunchly for donors' rights to free speech and free association through privacy (McGuigan, 2021).

As the fastest-growing giving vehicle in the U.S., donor-advised funds (DAFs) have become a part of the debate, as well. By their very nature, DAFs can obscure the source of a grant. Countless anecdotes from the field recount occasions when the check arrived and nonprofits had little more to go on than the name of the account sponsor. This scenario can create or advance donor anonymity and obstruct usual protocols of stewardship, due diligence, and reporting.

By far, most DAF disbursements come with a donor-advisor's name attached or are intended to do so. Research from the American Enterprise Institute (2022) reported that only 4.3% of all grants disbursed in 2020 from DAFs at the five largest DAF sponsors — Fidelity Charitable Trust, National Philanthropic Trust, Schwab Charitable, Silicon Valley Community Foundation, and Vanguard Charitable — were made anonymously (Husock).

However, unless a nonprofit chooses to publicize the names of those donor-advisors, gifts essentially remain anonymous. This reality drew sharp criticism when reporting from *The Chronicle of Philanthropy* (building on research from the Council for American-Islamic Relations [Council on Foundations, 2020] and Sludge [Kotch, 2019]) revealed more than $50 million in DAF disbursements to organizations designated by the Southern Poverty Law Center as hate groups (Theis, 2021). In response, the Amalgamated Foundation (2021) launched the Hate is Not Charitable Campaign to rally donors and DAF sponsors around a shared commitment to filter out these organizations, specifically calling out "donors, acting anonymously" (para. 1).

The Public Debate

Public opinion on anonymous donations to charitable organizations is mixed and often driven by perceived conflicts of interest (or scandal) if and when donors' identities are revealed. The WHO Foundation came under fire in July 2023 when it was revealed that 40% of the organization's donations were anonymous, raising questions about transparency and influence on global health policy (Beaty, 2023). At MIT and Harvard, public outcry in response to the revelation that these universities accepted large anonymous donations from Jeffrey Epstein led both schools to reconsider their anonymous donation policies (Carapezza, 2019). These examples highlight very real questions about the influence of donors on research priorities, policy questions, institutional reputations, and much more — and whether students and other constituents have the right to know who is behind these resources.

Even still, anonymous donations may be on the rise — especially within higher education — demonstrating donors' (and, therefore, at least a portion of the public's) appetite for maintaining anonymity. In 2023 alone, anonymous gifts to McPherson College ($500 million, on top of an initial $500 million pledge in 2022 [Nietzel, 2023a]), Montefiore Einstein's College of Medicine ($100 million [Landoli, 2023]), and the University of Kansas ($50 million [Nietzel, 2023b]) are just the tip of the iceberg.

Conclusion

In the 12th century, Jewish scholar Maimonides defined an eight-step ladder of charitable action that named the second highest form of giving as a scenario in which the donor and recipient both remain anonymous (Chabad.org). In the New Testament, the admonition from Jesus that "when you give to the poor, do not let your left hand know what your right hand is doing" has also echoed through the centuries. Today, the spirit of this philosophy continues to influence donors, fundraisers, and the general public — even as its practical application comes under the microscope.

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Financial Stress and Philanthropic Influence: The Precarious Promise of Generation Z

by Aimée Laramore, with research contributions from Crisol Beliz

Generation Z, the generation following millennials, was born between the mid-1990s and the early 2010s (Dimock, 2019). Its oldest members are now entering the adult and professional worlds, raising important questions about how Gen Zers understand and experience personal finance and engage in philanthropy — and what implications this has for the nonprofit sector.

Gen Z has come of age affected by various forces, including terrorism, climate change, wage stagnation, and the double pandemic of COVID-19 and heightened attention to systemic racism. While older generations passed on the message of the American Dream — *follow your passions, follow your heart, and do whatever you are led to do* — that message has not naturally aligned with their lived experiences.

Fortunately, as Sneha Kashyap Thakur noted in an interview with VoyageAustin (2022), "The good news is that the next gen is anything but apathetic about making changes, whether through philanthropy or some other means" (para. 20). As they increasingly build assets and engage in philanthropy, Gen Z's habits will reflect their experience.

Gen Z's Financial Reality is an Everyday Struggle

Young Americans face many financial challenges, but chief among them is the cost of living weighed against today's rate of pay. While wages have increased since 1970, they have not come close to keeping pace with the significant increase in the cost of goods over the last 50 years. According to research from ConsumerAffairs Research Team (2023):

- Workers in their twenties today have 86% less purchasing power than baby boomers did at the same age.
- "The cost of public and private school tuition has increased by 310% and 245%, respectively, since the 1970s" (para. 1).
- "Gen Zers and millennials are paying 57% more per gallon of gas than baby boomers did in their 20s" (para. 1).

Gen Z operates with high levels of anxiety and worry caused by money-related challenges. In pursuit of economic security, this generation has pursued higher education with student loan debt — they are more likely to have loans (36% of older Gen Zers versus 31% of millennials) and to hold higher balances (Gen Zer's median debt value is 14% higher than that of millennials) (Hernández Kent & Ricketts, 2022). According to a 2023 survey from Bankrate, 52% of Gen Zers report that money worries negatively impact their mental health and that their most significant financial concern is being able to pay for everyday expenses (Bennett).

The Deloitte Global 2022 Gen Z and Millennial Survey also shows that about one-third of Gen Z respondents worry about the cost of living above all other concerns, 46% live paycheck to paycheck, and over a quarter doubt they'll retire comfortably. A further Experian survey (2023) found that 61% of Gen Zers say they are "somewhat or very financially dependent" on their parents (Roman, para. 4). Taken together, this data underscores how Gen Z's philanthropic preferences are likely to be shaped by an economic reality that is starkly different than the messaging of "you can do anything" and "follow your dreams."

Gen Z's Philanthropic Potential

Gen Z's limited disposable income is a significant challenge to their philanthropic engagement, particularly among those who are still in school or early in their careers. Barna (2023), for instance, documents that in financial terms, Gen Z giving does lag behind other generations at this point. The good news, however, is that this limitation doesn't deter them from contributing to causes they care about however they can.

Research from Abacus Cooperative revealed that in 2022, Gen Z adults made an average of 5.3 donations — notably more than the 4.8 made by millennials and 4.7 made by Generation X (Mansfield, 2023). Classy's *Why America Gives* also reported that next-gen donors — defined in their study as millennials and Gen Z — "show a willingness to cut back in other areas to continue their charitable giving behavior and, in many cases, increase it. Next-gen donors are also more likely than [baby boomers and Gen X] to account for charitable donations in their financial planning" (2022, para. 55).

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Further statistics support an optimistic outlook for Gen Z's philanthropy across the "5 Ts" of time, talent, treasure, testimony, and ties: next-gen donors are three-times more likely than older donors to engage in advocacy for an organization or cause (Classy, 2022), and 20.3% of Gen Zers report volunteering in a formal capacity (AmeriCorps, 2022).

Communities of identity within Gen Z bring even more nuance to consider. Since 2010, Black families have proven to donate the largest proportion of their wealth to nonprofits (Ashley & James, 2018), while Latino families demonstrated the strongest tradition of multigenerational giving (The NonProfit Times, 2023). Given that 25% of Gen Z identified as Hispanic and 14% identified as Black (versus 18% and 15% respectively among millennials and 12% and 15% among Gen X) (Fry & Parker, 2018), these cultural norms are likely to play a major role in their philanthropy as they age.

Assessments vary as to the role Gen Z will play in activating the "Great Wealth Transfer" for philanthropy. On the one hand, some share of the estimated $84.4 trillion in family wealth traversing generations in the next two decades (Cerulli Associates) will certainly land with Gen Z. However, Prudential's *Gen X: Retirement Revisited* (2023) demonstrated that only 12% of Gen X — the parents of most Gen Zers — expect to benefit from inherited wealth themselves, and 84% anticipate having nothing to pass on to their children.

Conclusion

While Gen Z may be deeply linked to charitable causes and interested in giving, ability is undeniably connected to financial capacity.

As Bankrate (2023) notes, "The high rate of dependence on parents and the stress of paying for everyday living expenses reveal a generation grappling with economic challenges that undermine their financial security. Gen Z's journey to financial independence will require more opportunities for well-paid work, affordable housing options and accessible financial education" (Bennett, para. 25). It is hard to be generous when financial stress is ever present.

Despite the perilous promise of Gen Z, this generation is eager to take advantage of new opportunities to do good. University of Pittsburgh defensive lineman Deslin Alexandre, for instance, is capitalizing on his success on the football field to help youth in his home country of Haiti. Alexandre's philanthropy is possible because of the NCAA's Name Image Likeness (NIL) policies — adopted in 2021 — which allow college athletes to earn money from endorsement deals, social media content, and other ventures (Rios, 2022). For his efforts, Alexandre and 21 other college football players recognized for their leadership across fundraising and volunteering for a variety of causes, were named to the 2022 Allstate AFCA Good Works Team (AFCA).

Gen Zers are also making remarkable impacts on the field through organizations like Resource Generation (assembling 18-to-35-year-olds committed to ending wealth inequality), March for Our Lives (established following the school shooting at Marjory Stoneman Douglas High School in 2018), and Gen-Z for Change (young adults leveraging social media for civil discourse and activism).

This generation is not interested in sitting on the sidelines. Organizations seeking to engage the next generation should be mindful that the narrative of Gen Z is not limited to one set of factors or circumstances, whether economic insecurity, leveraged NIL brands, or beyond. But the reality of their lives demands that the philanthropic sector engages their giving with an understanding of how their economic realities shape their expectations and their philanthropic behavior. By engaging them effectively and astutely, philanthropy can help usher this generation into the fullness of their charitable promise, learning from their insights, demonstrated care, and activism along the way.

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Influencer Philanthropy Is On the Rise, but the Platform Matters

by Emily Brenner and Tory Martin, with research contributions from Karen Hoekstra

The word "influencer" first began to register on Google Trends in mid-2015. Today, influencers are everywhere. *The State of Influencer Marketing 2023: Benchmark Report* from Influencer Marketing Hub predicted the total value of influencer marketing worldwide would hit $21.1 billion in 2023 — up from $1.7 billion in 2016 (Geyser). For younger generations, who either grew up with social media or were very young when these platforms first appeared in the early 2000s, being influenced by social media has become the norm. As Jamie Drummond and Roxane Philson (2015) stated, "Teens recognize YouTube stars more than Oscar winners" (para. 14) — and those parasocial bonds only continue to grow.

Philanthropy is at a critical moment for examining the bonds and traditions that influence (even teach) younger generations to give. According to an analysis of 2022 Giving USA data by Axios, "Americans gave 1.7% of their personal disposable income to charity in 2022, the lowest level they had given since 1995" (Saric, 2023, para. 4). Additionally, 30% of Americans now qualify in the "none" category of religious affiliation — meaning they self-identify as atheist, agnostic, or of no particular religion (Smith, 2023). The prevalence of traditional venues for sharing and modeling philanthropic values is shrinking, leaving us to ask what might take their place — and whether one answer might be social media.

Influencer Philanthropy and "Charity Streams"

Classy's *Why America Gives* (2022) report demonstrates that next-gen donors (defined as millennials and Gen Z) are four times as likely as traditional donors (baby boomers and Gen X) to learn about a cause through influencers or celebrities, and that "69% of next-gen donors prefer to hear from organizations on social media, particularly on YouTube, Facebook, and Instagram" (p. 20).

The presence, efficacy, and scale of influencer philanthropy have been growing over the past decade or so. Brandon Stanton started Humans of New York on Facebook in 2010. His intimate images and interviews with everyday New Yorkers quickly earned him millions of followers. In 2013, Stanton became one of the earliest internet influencers to leverage social media for philanthropy in a trend-shifting way, raising over $100,000 from his community of followers for the Bedford-Stuyvesant YMCA (Quinn, 2015). In 2015, his campaign, Let's Send Kids to Harvard, galvanized more than 50,000 donors from 108 countries, raising nearly $1.4 million and setting a record on IndieGoGo for total contributors (2015).

With the advent of newer social media platforms like TikTok and Twitch, the opportunities for influencers to leverage their followers for causes they believe in, or publicize their own philanthropy, have only expanded. Those familiar with the telethon fundraising events of the 1990s and earlier may recognize a similar, updated approach in the concept of the "charity stream" — live, multi-hour fundraising events that reach viewers and donors not on TV but over social media.

TikTok's Mercury Stardust, a.k.a. the Trans Handy Ma'am, hosted the second annual TikTok-A-Thon for Trans Healthcare in March 2023, initiating a 24-hour livestream event that raised $2.2 million. The inaugural event in 2022 raised $120,000 in the same 24-hour period (DiBenedetto, 2023), demonstrating how quickly charity streams are growing in appeal and familiarity.

Yet the very nature of influencer philanthropy can be morally ambiguous. MrBeast, the most popular YouTuber in the world, has garnered hundreds of millions of views and followers through his extremely public acts of philanthropy — all captured on video, meticulously edited, and widely marketed. As Matthew Wade of La Trobe University points out,

> Under this model of philanthropy, secrecy and discretion are simply not an option. Instead, to be maximally effective, MrBeast-style philanthropy must be a noisy spectacle — one that attracts massive audiences, brand deals, and merchandise sales, all of which can then be funneled into the next grand philanthropic gesture. … [I]t is obliged to be magnificent to sustain this perpetual engine of attention-driven philanthropy (2023, para 24).

Nonprofits are Directly Engaging Influencers — and Are Influencers Themselves

Many nonprofits are taking the initiative to engage or even hire influencers to stream for their cause. According to *M+R's Benchmarks 2023* report,

> Nearly half (47%) of nonprofits who answered our questions about social media influencers reported working with them in 2022 — but just 13% paid those influencers to post. …The most common use for influencer partnerships was content creation around narrative, persuasion, and/or culture change — 82% of nonprofits who partnered with paid influencers reported this type of effort. (paras. 57–58)

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St. Jude's Children's Hospital stands out as an example of a nonprofit reaping huge benefits from influencer philanthropy and charity streams. St. Jude PLAY LIVE launched in 2012 (Asarch, 2019). Partnerships with Twitch, individual streamers, GuardianCon (now the Gaming Community Expo, a gaming convention committed to fundraising for St. Jude's [GCX, 2019]), and anytime charity streams have helped St. Jude PLAY LIVE raise over $50 million (St. Jude PLAY LIVE).

Influencer-driven philanthropy is also leading to the creation of entirely new organizations. Aidan Kohn-Murphy started Gen Z for Change by activating other social media influencers around the 2020 election. The group now leverages around 500 content creators with a collective following of nearly half a billion people to respond to real-time calls to action (Mercado, 2023).

The Platform Matters

While influencer philanthropy is, by nature, driven by the appeal of its creator, the platform's own functionality and popularity matter as well. Facebook's Birthday Fundraisers raised more than $300 million in the 12 months following their 2017 launch (Banis, 2018). Today, Facebook's role as a fundraising behemoth appears to be trending downward; M+R reported (2023) that overall revenue from Facebook (via any donation function) declined among survey respondents by 34% from 2021 to 2022. The average fundraising event in this sample garnered just four donations.

While Twitch and TikTok engage millions of users and donors, newer platforms like Mastodon may also benefit in the future by matching open-source structures with Gen Z's preference for decentralized causes and flatter organizations and movements (Mercado, 2023), though it's difficult to say precisely how user creativity may leverage this feature for philanthropy.

Fundraisers looking to establish long-term strategies for online giving may be best advised to focus on more predictable vehicles. Dedicated crowdfunding platforms like JustGiving (established in 2000) and GoFundMe (established in 2010) seem to have greater staying power when it comes to popularity among online givers: GoFundMe has helped individuals and organizations raise more than $25 billion in donations from more than 100 million people (2023).

Social media and its influencers will continue to play an increasingly visible and influential role in engaging and shaping young donors. Charitable organizations and communities will need to play a similarly important role in shaping how those lessons are sustained.

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